KOUGA LOCAL MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 28 JULY 2023 **ITEM NO:**

MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2022 TO JUNE 2023 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2023 (2022/23 FINANCIAL YEAR)

1. Purpose

This report is submitted in compliance with Section 71(1) and 52(d) 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 Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

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 June 2023, 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 R1,026,237 million, whilst operating expenditure amounted to R 1,014,696 million, resulting in an operating surplus of R 11, 658 million
- Capital expenditure constituted 80.10 % of the 2022/23 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 77,141 million (29.79%) since June 2022.
- An amount of R 50,969 million is owing to creditors, 88.53% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R77,084,995 (276.78%) since June 2022, from R 27,850,138 to R 104,934,824.

Below is an analysis of the Investment Portfolio as at 30 June 2023.

	Balance as at 30 June 2022	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 June 2023
Standard Bank	1,246,965	19,732,664	403,219	3,807,459		17,575,390
ABSA	1,223,022	43,170,151	337,729	27,135,183	1,424	17,594,295
Nedbank	1,225,308	19,750,418	426,099	3,821,080		17,580,745
RMB	4,883,568	220,091,137	2,528,834	214,499,530		13,004,010
INVESTEC	1,223,964	19,850,478	219,210	3,713,599		17,580,053
Total	**9,802,827.63**	**322,594,847.56**	**3,915,091.77**	**252,976,851.02**	**1,423.72**	**83,334,492.22**
INVESTMENT	**Balance as at 30 June 2021**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 June 2023**
General Account	9,753,276	196,351,020	2,638,810	162,285,680	1,424	46,456,003
Conditional Grants	49,551	100,554,541	1,160,511	69,404,271	-	32,360,332
Housing Funds	0	25,689,286	115,770	21,286,900	-	4,518,157
Total	**9,802,827.63**	**322,594,847.53**	**3,915,091.77**	**252,976,851.02**	**1,423.72**	**83,334,492.19**
Cheque Accounts FNB 52540020791	4,850,118	10,563,626				15,413,743
Cheque Accounts FNB 52540033304	13,197,193			9,322,722		3,874,471
Cheque Accounts FNB 62682103591	-					780
Cheque Accounts FNB 63022194441						2,311,338
	18,047,311	**10,563,626**	**-**	**9,322,722**	**-**	**21,600,332**
Total	**27,850,138**	**333,158,473**	**3,915,092**	**262,299,573**	**1,424**	**104,934,824.01**

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

Cash backed Reserves.

Bank Balances and Cash	R 21,600,332
Short-term Investment Deposits	R 83,334,492
	R104,934,824

Application of Cash

Unspent Conditional Grants	R 48,056,587
Outstanding Creditors Liability	R 50,969,206
	R 99,025,793

Commitments exceed of Cash Backed Reserves : R 5,909,031

The cash backed reserves exceed commitments at this stage by an amount of R 5,909,031.

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 30 June 2022	Approved Adjusted Budget 2022/23	Actuals as at 30 June 2023
Current Ratio	2.61:1	1.12:1	1.5:1 to 2:1	1.12:1	0.95:1	1.17:1
Liquidity Ratio	0.45:1	0.24:1		0.24:1	0.06:1	0.65:1
Cost Coverage (Excluding unspent conditional grants)	0.62 Months	0:37 Months	1 Month to 3 Months	0.37Months	0.10 Months	0.70 Months
Debtors Collection Rate	94.41%	94.32%	95%	94.32%	95%	86.71%
Capital Expenditure	76.92%	87.00%		87.00%	95%	80.10%

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 June 2023:

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. 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 _DAWIE DE JAGER

Acting Municipal Manager of Kouga Local Municipal

Signature……  ……

Date……13 July 2023……

6. Comments by Directorates

6.1. Director: Finance

6.2. Director: Planning, Development and Tourism

6.3. Director: Community Services

6.4. Director: Corporate Services

6.5. Director: Infrastructure and Engineering

6.6. Municipal Manager

7. Financial Implication

As per the report.

8. Legal Implications

Compliance with the Municipal Finance Management Act, Nr. 56 of 2003 and the Municipal Budget and Reporting Regulations.

9. Recommendation

9.1 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.

9.2 The Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

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

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO JUNE 2023.

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	1,056,623	3,241	1,026,237	1,056,623	(30,386)
Total Expenditure	1,163,909	1,178,339	42,359	1,014,696	1,178,339	(163,642)
Surplus/(Deficit)	(110,948)	(121,716)	(39,118)	11,541	(121,716)	133,256

The statement of financial performance reflects an operating surplus of R11,541 million.

Revenue

Main revenue sources for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	
R thousands			**%**
Revenue By Source			
Property rates	236,747	259,374	109.56%
Service charges - electricity revenue	350,201	298,371	85.20%
Service charges - water revenue	88,580	101,345	114.41%
Service charges - sanitation revenue	59,450	61,478	103.41%
Service charges - refuse revenue	62,269	61,940	99.47%
Rental of facilities and equipment	2,865	2,657	92.74%
Interest earned - external investments	3,057	6,817	222.97%
Interest earned - outstanding debtors	20,106	25,165	125.17%
Fines, penalties and forfeits	6,484	11,285	174.05%
Licences and permits	8,397	9,808	117%
Agency services	5,352	2,678	50%
Transfers and subsidies	178,236	176,166	98.84%
Other revenue	34,880	9,152	26.24%
Total Revenue (excluding capital transfers and contributions)	**1,056,623**	**1,026,237**	**97.12%**

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

- **Property Rates**
  As at 30 June 2023, the municipality has recognised 109.59% of property rates revenue, compared to the budget. This is influenced by supplementary valuations implemented in the last quarter.

- **Service charges – electricity revenue**
  As at 30 June 2023, the municipality has recognised 85.20% of electricity revenue, compared to the budget. This is influenced by the low consumption of electricity as result of load-shedding.

- **Service charges – water revenue**
  As at 30 June 2023, the municipality has recognised 114.41% of water revenue, compared to the budget. This is influenced by high unanticipated water consumption.

- **Interest earned – external investments.**
  the interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R104,935 million.

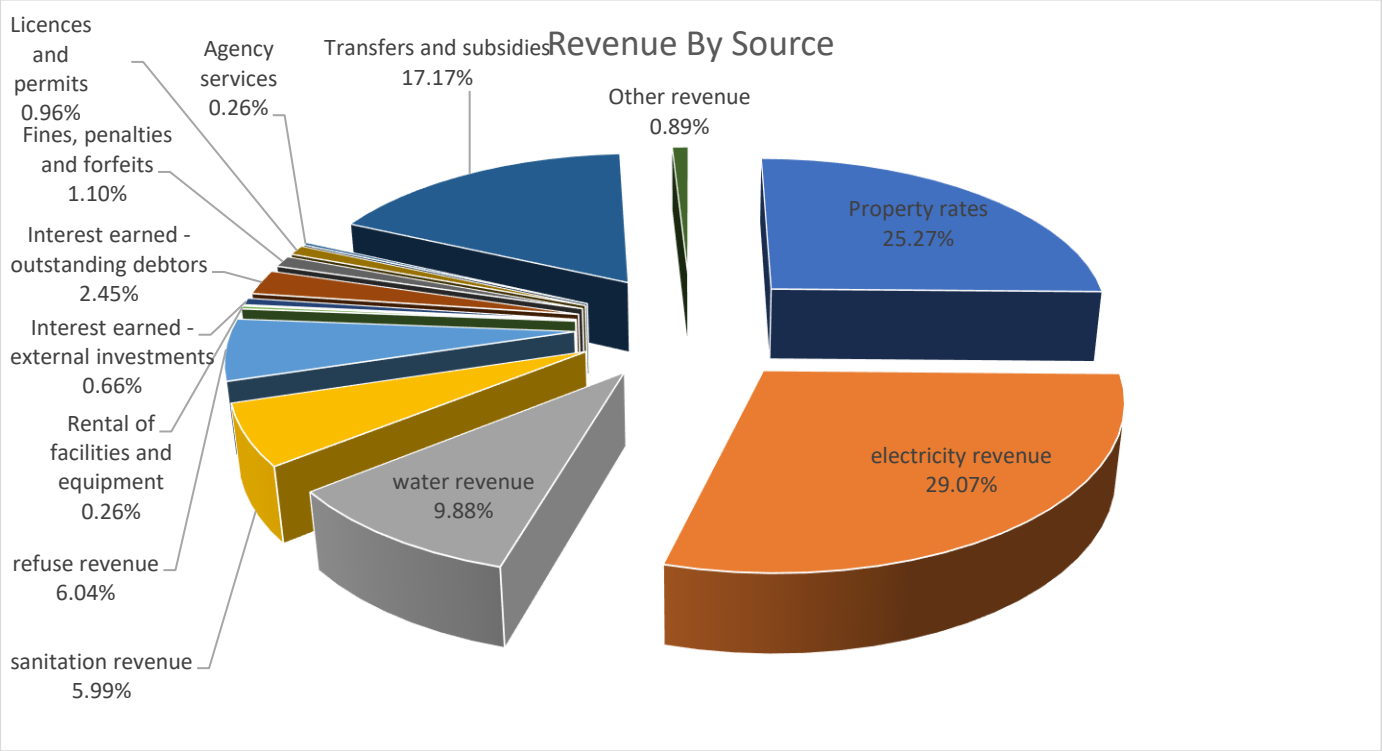
- **Interest earned – outstanding debtors.**
  The interest earned on outstanding debtors is largely influenced by the municipality's overdue debtors, currently amounts to R 378,699 million.

- **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.

- **Other revenue**
  Other revenue is largely influenced by the R 23,085 million housing refund not yet received.



Expenditure

Main expenditure types for 2022/23

Description	Budget Year 2022/23		
	Adjusted Budget	YearTD actual	
R thousands			%
Expenditure By Type			
Employee related costs	409,182,850.00	346,216,762.16	84.61%
Remuneration of councillors	14,364,405.24	13,875,354.20	96.60%
Debt impairment	40,867,641.00	11,291,628.95	27.63%
Depreciation & asset impairment	103,850,144.00	103,850,138.99	100.00%
Finance charges	2,875,189.00	2,292,904.42	79.75%
Bulk purchases - electricity	325,900,000.00	291,888,014.34	89.56%
Inventory consumed	90,680,278.00	88,484,689.62	97.58%
Contracted services	101,288,195.00	82,542,793.76	81.49%
Transfers and subsidies	725,000.00	708,750.00	97.76%
Other expenditure	88,604,919.00	73,753,821.29	83.24%
Total Expenditure	**1,178,338,621.24**	**1,014,904,857.73**	**86.13%**

Reasons for major over-/under expenditure per type

- **Employee related costs**
  As at 30 June 2023, the municipality has recognised 84,61% of employee related costs, compared to the budget. This is largely influenced by the post-benefits provisions recognised at year-end.

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

- **Finance charges**
  finance charges relate to the new finance lease for vehicles and is based on the finance lease amortisation schedule.

- **Bulk purchases (Electricity)**

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	325,900,000	291,888,014	89.56%
	325,900,000	**291,888,014**	**89.56%**

- **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.

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

  the bulk water purchases is as follows:

Description	Budget Year 2022/23		
	Approved Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Water	42,556,000	40,359,864	94.84%
	42,556,000	**40,359,864**	**94.84%**

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

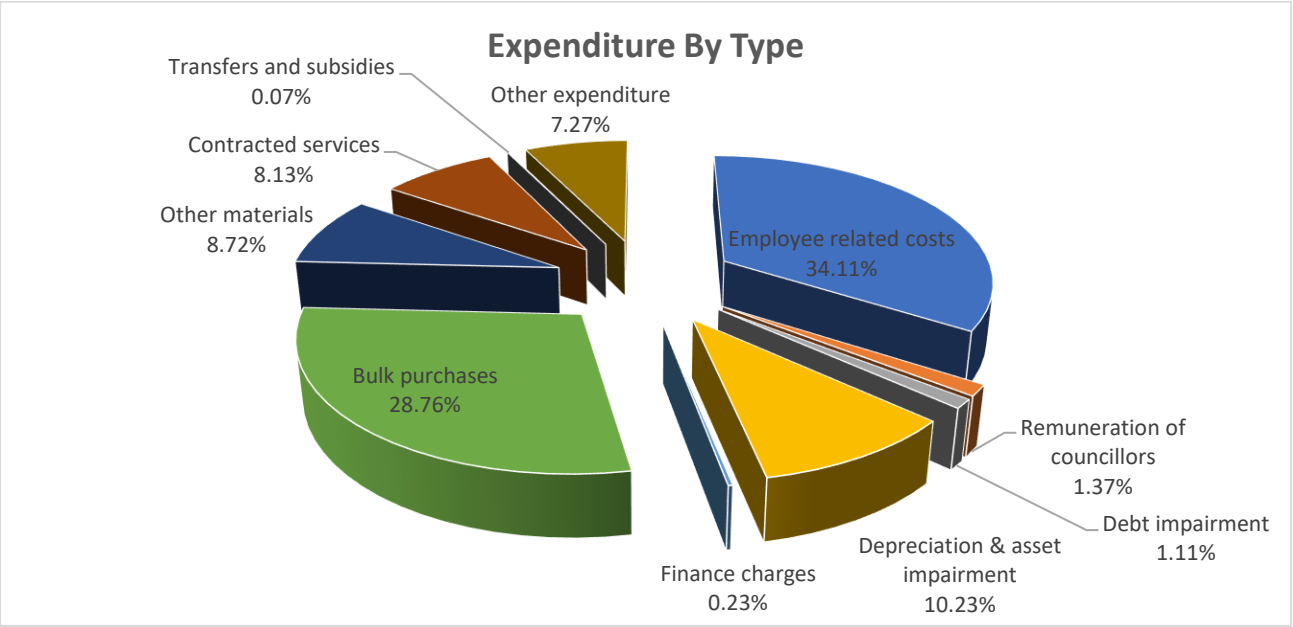
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 30 June 2023	%
Amanzi Challenge National Tournament	300,000	300,000	100.00%
Animal Care	485,000	456,972	94.22%
Audit of Municipal Land & Properties	300,000	-	0.00%
Boreholes Investigation - Thornhill	50,420	-	0.00%
Burial Services	30,000	11,950	39.83%
Calamari Festival	200,000	200,000	100.00%
Catering Services	882,323	730,071	82.74%
Clearing and Grass Cutting Services	1,830,000	1,754,468	95.87%
Concours Sur Mesure	250,000	250,000	100.00%
Consultants and Professional Services	6,178,594	3,623,453	58.65%
Destination Marketing and Promotion	291,000	169,862	58.37%
Drivers Licence Cards	500,000	561,340	112.27%
Dune Stabilisation	1,000,000	967,584	96.76%
Electricity Generation Project	819,800	596,350	72.74%
Employee Wellness	321,000	291,973	90.96%
ERF554 SUB DIVISION AND REZONING	200,000	15,101	7.55%
Event Promoters	100,000	97,945	97.94%
FMG-Data cleasing	771,634	771,726	100.01%
Hankey Precinct Plan Development	985,000	592,570	60.16%
Housing Panel of Professional Team	330,000	313,586	95.03%
Internal Auditors	255,000	29,095	11.41%
Ironman Tournament	165,000	-	0.00%
KLTO	300,000	300,000	100.00%
Kouga Tourism Indaba	364,280	101,909	27.98%
Laboratory Services:Water	2,683,500	1,598,300	59.56%
Land Availability and Readiness for Strategic Proj	200,000	-	0.00%
Land Valuations, Surveyor & Planning Services	150,000	35,808	23.87%
Legal Advice and Litigation	5,400,000	3,316,429	61.42%
Legal Cost:Collection	1,299,059	868,373	66.85%
Litter Picking and Street Cleaning	408,000	400,670	98.20%
Maintenance of Buildings and Facilities	5,922,000	5,535,057	93.47%
Maintenance of Electrical Infrastructure	3,140,517	3,062,822	97.53%
Maintenance of Equipment	658,780	529,568	80.39%
Maintenance of Sanitation Infrastructure	3,909,073	2,828,984	72.37%
Maintenance of Vehicles	7,654,189	7,071,025	92.38%
Maintenance of Water Infrastructure	2,045,790	1,309,867	64.03%
Occupational Health and Safety	1,192,850	946,943	79.38%
Other Contracted Services	1,591,550	2,401,810	150.91%
Payroll data cleansing	1,000,000	919,165	91.92%
Personnel and Labour	13,644,869	10,038,035	73.57%
PM: Special Projects	50,000	-	0.00%
Qualification Verification	1,120,000	881,760	78.73%
Roads Maintenance	11,440,673	10,830,999	94.67%
Security Services	4,658,920	4,270,184	91.66%
Special Rating Area	9,270,034	7,843,570	84.61%
Summer Festival	630,000	630,000	100.00%
Township Events	150,000	150,000	100.00%
Transport Services	459,340	202,742	44.14%
Valuer	3,600,000	2,634,728	73.19%
Winterfest	1,600,000	1,600,000	100.00%
Yellow Wood Annual Jazz Festival	500,000	500,000	100.00%
	101,288,195	**82,542,794**	**81.49%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2022/23	Actuals as at 30 June 2023	%
Achievements and Awards	3,994,775	3,493,012	87.44%
Advertising, Publicity and Marketing	3,412,224	3,068,720	89.93%
Bank Charges	900,000	1,080,601	120.07%
Bargaining Council	3,913,185	3,553,325	90.80%
Cellular Contract (Subscription and Calls)	2,896,864	2,481,378	85.66%
Claims paid to Third Parties	300,000	108,873	36.29%
External Audit Fees	4,500,000	3,927,617	87.28%
External Computer Service:Internet Charge	6,942,977	4,716,254	67.93%
Hire Charges	10,865,558	6,947,189	63.94%
Insurance Claims	1,200,000	789,868	65.82%
Insurance Underwriting:Premiums	3,945,026	3,640,149	92.27%
Leases:Furniture and Office Equipment	2,971,216	3,033,058	102.08%
Leases:Other Assets	3,963,740	3,780,782	95.38%
Motor Vehicle Licence and Registrations	1,605,030	1,029,438	64.14%
Other	897,837	337,069	37.54%
Postage/Stamps/Franking Machines	2,311,500	2,064,659	89.32%
Registration Fees:Professional and Regulatory Bodies	347,725	208,198	59.87%
Registration Fees:Seminars, Conferences, Workshops	2,072,511	1,532,830	73.96%
Remuneration to Ward Committees	2,241,923	2,962,848	132.16%
Riparian Levies	6,280,241	6,197,458	98.68%
Signage	525,518	434,139	82.61%
Skills Development Fund Levy	3,398,919	3,473,067	102.18%
Software Licences	3,170,800	2,433,951	76.76%
Storage of Files (Archiving)	100,000	43,530	43.53%
Supplier Development Programme	24,301	24,300	100.00%
Third Party Vendors	5,500,000	3,380,035	61.46%
Travel and Subsistence	2,663,697	1,947,253	73.10%
Vehicle Tracking	754,565	893,730	118.44%
Workmen''s Compensation Fund	1,774,003	1,977,511	111.47%
Total	**88,604,919**	**73,753,821**	**83.24%**



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 2022/23	Actuals as at 30 June 2023	%
Maintenance of Equipment	1,098,780	915,546	83.32%
Maintenance of Vehicles	9,305,963	8,667,938	93.14%
Maintenance of Buildings and Facilities	4,820,960	4,463,511	92.59%
Maintenance of Water Infrastructure	5,906,006	4,758,960	80.58%
Roads Maintenance	14,175,360	12,915,221	91.11%
Sport and Recreation Facilities	1,490,000	1,476,045	99.06%
Maintenance of Electrical Infrastructure	8,080,200	7,967,938	98.61%
Maintenance of Sanitation Infrastructure	5,074,073	3,992,011	78.67%
Hire Charges	3,675,275	960,150	26.12%
Total	**53,626,617**	**46,117,320**	**86.00%**

It is to be noted that actual repairs and maintenance expenditure constituted 86.00% of the 2022/23 Approved Adjusted Budget.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 30 June 2023, constituted 80.10% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 82.31% of approved adjusted grant funding budget.
- Internally generated funds are 64.24% 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	1,223	492	781	63.85%
Vote 2 - FINANCIAL SERVICES	1,730	1,200	272	523	43.59%
Vote 3 - CORPORATE SERVICES	–	1,520	–	1,580	103.94%
Vote 4 - COMMUNITY SERVICES	1,638	12,444	176	9,426	75.75%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	35,567	96,223	6,814	79,409	82.53%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	–	2,417	(2)	412	17.05%
Total Capital Multi-year expenditure	**39,685**	**115,027**	**7,752**	**92,131**	**80.10%**

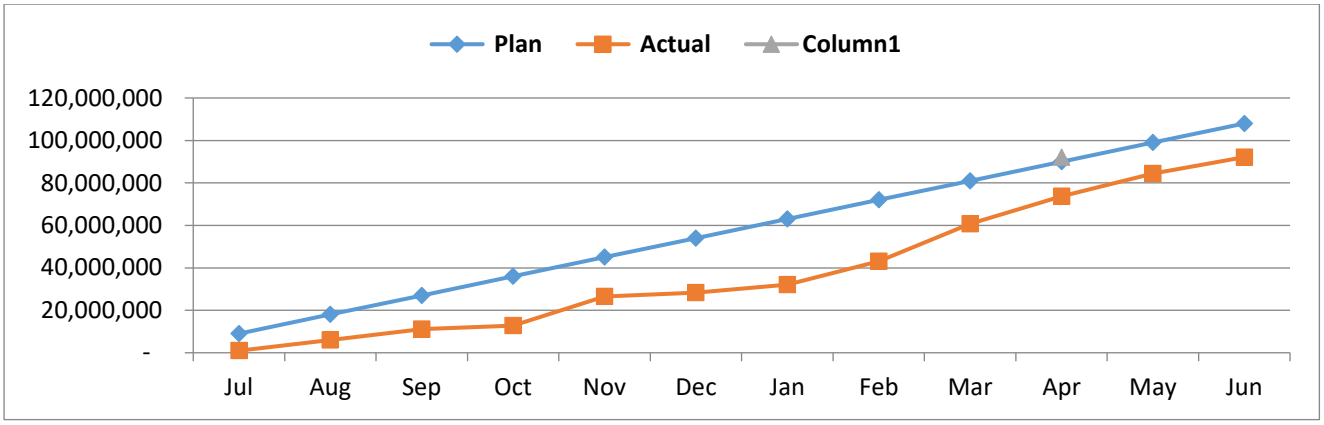
The capital expenditure as at 30 June 2023, constituted 80.10% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 63.85% of R 1,223 million budget.
- Financial Services is 43.59% of R 1,200 million budget.
- Corporate Services is 103.94% of R 1,520 million budget.
- Community Services is 75.75% of R 12,444 million budget.
- Infrastructure & Engineering is 82.53% of R 96,223 million budget.
- Planning Development and Tourism is 17.05% of R2,417 million budget.

Monthly capital expenditure

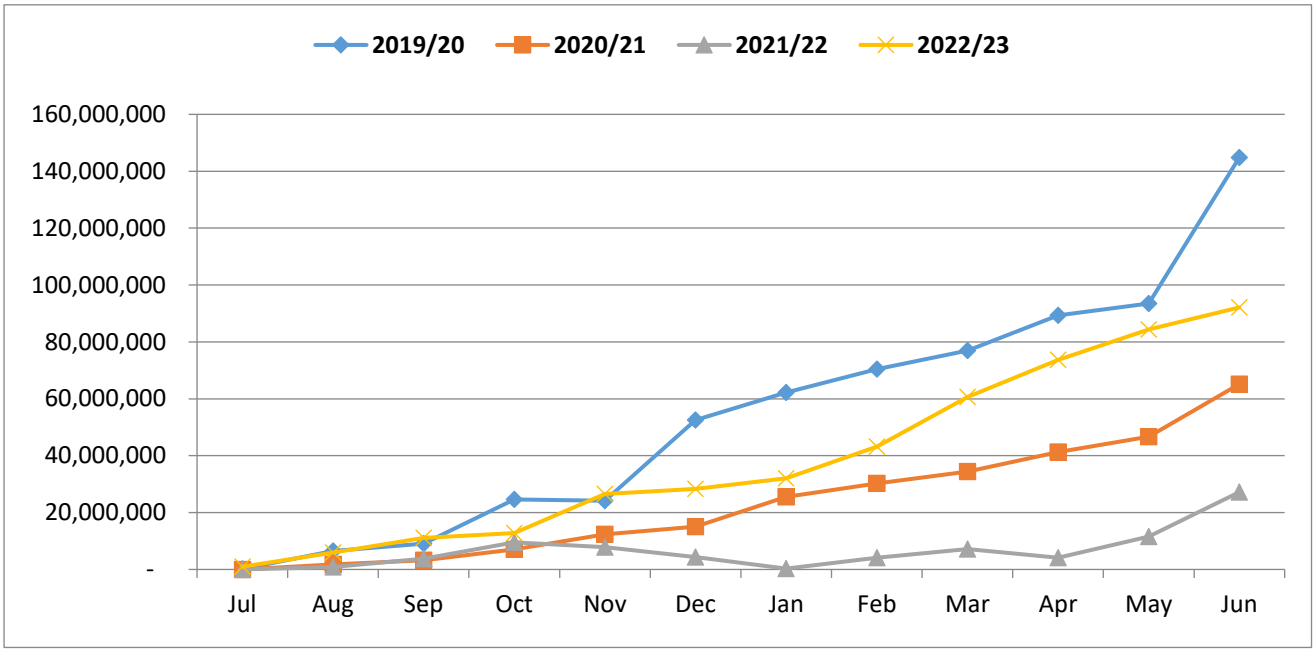
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2022/23 current budget.



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 June 2023.

DIRECTORATES	DEPARTMENT	FUNDING	V202_ITEMDE	PROJECT	Adjusted Budget 2022/23	Actuals as at 30 June 2023	%
COMMUNITY SERVICES	CARAVAN PARKS & CAMPING SITES	Internal	Cost:Acquisitions	Furniture and Equipment	160,000	159,961	99.98%
COMMUNITY SERVICES	FIRE SERVICES	DISTRICT	Cost:Acquisitions	Fire Services - Vehicle (DISTRICT)	1,638,000	-	0.00%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Cost:Acquisitions	Machinery and Equipment (Radio communication) -	58,270	45,511	78.10%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Cost:Acquisitions	Quadbike	95,598	82,698	86.51%
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Cost:Acquisitions	Computer Equipment	387,811	351,583	90.66%
COMMUNITY SERVICES	Sport & Recreation	Internal	Cost:Acquisitions	Furniture and Equipment	-	-	
COMMUNITY SERVICES	WASTE SERVICES	Finance lease	Cost:Acquisitions	Vehicle	6,110,930	5,313,852	86.96%
COMMUNITY SERVICES	WASTE SERVICES	Finance lease	Cost:Acquisitions	Vehicle	3,993,476	3,472,588	86.96%
					12,444,085	**9,426,192**	**75.75%**
CORPORATE SERVICES	Corporate Services	Internal	Cost:Acquisitions	Furniture and Equipment	-	10,000	0.00%
CORPORATE SERVICES	Finance: IT	Internal	Cost:Acquisitions	Computer Equipment	1,520,000	1,569,843	103.28%
CORPORATE SERVICES	INFORMATION COMMUNICATION TECHNOLOGY (ICT)	Internal	Computer Software:Acquisitions	LOCAL SERVER STORAGE SPACE	20,000	14,079	70.40%
CORPORATE SERVICES	INFORMATION COMMUNICATION TECHNOLOGY (ICT)	Internal	Cost:Acquisitions	IT INVERTERS	200,000	40,852	20.43%
					1,740,000	**1,634,775**	**93.95%**
EXECUTIVE&COUNCIL	MAYOR	Internal	Cost:Acquisitions	Furniture and Equipment - Municipal Court	250,000	30,668	12.27%
EXECUTIVE&COUNCIL	MAYORAL COMMITTEE	Internal	Cost:Acquisitions	Furniture and Equipment - Ward Councillors Offices	-	(1,892)	0.00%
EXECUTIVE&COUNCIL	MUNICIPAL MANAGER	Internal	Cost:Acquisitions	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	50,000	12,368	0.00%
EXECUTIVE&COUNCIL	Risk and Internal Audit Unit	Internal	Cost:Acquisitions	Furniture and equipment	22,819	21,430	93.91%
EXECUTIVE&COUNCIL	WARD COUNCILLORS	Internal	Cost:Acquisitions	Ward councilors Capital project	750,000	580,229	77.36%
EXECUTIVE&COUNCIL	WARD COUNCILLORS	Internal	Cost:Acquisitions	FURNITURE&EQUIPMENT-WARD COUNCILLORS	150,000	137,923	91.95%
					1,222,819	**780,726**	**63.85%**
FINANCE	ASSET MANAGEMENT	Internal	Cost:Acquisitions	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	500,000	217,994	43.60%
FINANCE	ASSET MANAGEMENT	Internal	Cost:Acquisitions	Furniture and equipment	30,000	13,790	45.97%
FINANCE	BUDGET AND FINANCIAL REPORTING	Internal	Cost:Acquisitions	Furniture and Equipment	-	-	0.00%
FINANCE	EXPENDITURE	Internal	Cost:Acquisitions	Furniture and equipment	30,000	29,372	97.91%
FINANCE	EXPENDITURE	Internal	Cost:Acquisitions	Computer Equipment	150,000	-	0.00%
FINANCE	REVENUE	Internal	Cost:Acquisitions	FURNITURE &EQUIPMENT REV STAFF	20,000	6,075	30.38%
FINANCE	SCM STORES: LOGISTICS AND DISPOSAL MANAGEMENT	Internal	Cost:Acquisitions	REFURBISHMENT OF STORES	250,000	200,935	80.37%
					980,000	**468,166**	**47.77%**

DIRECTORATES	DEPARTMENT	FUNDING	V202_ITEMDE	PROJECT	Adjusted Budget 2022/23	Actuals as at 30 June 2023	%
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Cost:Acquisitions	Saffery Substation	1,573,347	1,410,021	89.62%
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Cost:Acquisitions	Machinery & Equipment	125,000	102,927	82.34%
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Cost:Acquisitions	Bulk 66kv Overhead lines	165,068	170,091	103.04%
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	INEP	Cost:Acquisitions	Ocean View Electrification	3,217,391	1,282,982	39.88%
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	INEP	Cost:Acquisitions	Bulk 66kv Overhead lines	3,826,087	1,649,629	43.12%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Cost:Acquisitions	Upgrading/Improvement of Sport Facilities within K	1,080,555	213,544	19.76%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Cost:Acquisitions	Upgrading of Sports Facilities	4,081,739	3,533,069	86.56%
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Cost:Acquisitions	Mini Fresh Food and Craft Markets in Jbay & Hankey	400,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Cost:Acquisitions	Upgrading of Gravel Roads in Humansdorp	11,552,470	11,460,122	99.20%
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	Internal	Cost:Acquisitions	Machinery and Equipment	-	-	#DIV/0!
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Cost:Acquisitions	New bypass Sewer Rising Main and Pump Stations Jba	450,000	126,514	28.11%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Cost:Acquisitions	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	32,000	32,000	100.00%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Cost:Acquisitions	Piped Reticulation - St Francis Bay	110,000	37,500	34.09%
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Cost:Acquisitions	Machinery & Equipment	8,340	8,339	99.99%
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Cost:Acquisitions	Upgrade Sanitation System Old Hankey	14,014,877	13,542,442	96.63%
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Cost:Acquisitions	Construct emergency overflow pond Koraal Sewer pu	300,000	-	0.00%
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Cost:Acquisitions	Upgrade Loerie sewer pump station	80,000	23,438	29.30%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Cost:Acquisitions	Replace 250mm Water Main Canal Road St Francis Ba	65,000	54,283	83.51%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Cost:Acquisitions	Repair Leaking Concrete Water Tower Paradise Beach	17,395	17,394	100.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Cost:Acquisitions	Replace Main Waterline Sout Rivier Bridge Crossing	110,000	27,500	25.00%
INFRASTRUCTURE & ENGINEERING	Water	Internal	Cost:Acquisitions	Replace 250mm Water Main Mimosa Street Jbay	60,000	49,500	82.50%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Cost:Acquisitions	Connect 4 x drilled boreholes to treatment works	819,941	819,941	100.00%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Cost:Acquisitions	WATER TANKS JEFFREYS BAY - DROUGHT PROJECT	388,060	385,834	99.43%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Cost:Acquisitions	Connecting Kruisfontein Boreholes to Humansdorp Wa	3,508,228	3,286,028	93.67%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	HUMANSDORP BOREHOLE 7	3,043,478	1,339,055	44.00%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	ST FRANCIS BAY: BOREHOLES	3,565,217	2,212,034	62.04%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	THORNHILL: GROUNDWATER DEVELOPMENT	2,869,565	1,242,293	43.29%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	HANKEY: BOREHOLES	3,304,348	651,672	19.72%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	LOERIE: GROUNDWATER DEVELOPMENT	2,956,522	1,513,606	51.20%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	HUMANSDORP: KRUISFONTEIN: BOREHOLES	12,260,870	11,719,709	95.59%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	ST FRANCIS BAY: WATER TREATMENT WORKS	5,130,435	5,092,177	99.25%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	HUMANSDORP :WATER TREATMENT WORKS	7,130,435	5,987,630	83.97%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	HANKEY: WATER TREATMENT WORKS	3,217,391	5,013,704	155.83%
INFRASTRUCTURE & ENGINEERING	WATER	WSIG	Cost:Acquisitions	JEFFREYS BAY: NEW OXIDATION WATER TREATMENT PLANT	6,434,783	6,389,767	99.30%
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Cost:Acquisitions	Machinery and Equipment	14,408	14,407	100.00%
INFRASTRUCTURE & ENGINEERING	FLEET AND WORKSHOP	Internal	Cost:Acquisitions	Generator	310,000	-	0.00%
					96,222,950	**79,409,153**	**82.53%**
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Cost:Acquisitions	Kouga Business Support Centre	364,985	364,985	100.00%
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software:Acquisitions	Computer Software and Applications	32,000	(1,103)	-3.45%
PLANNING, DEVELOPMENT & TOURISM	TOWN AND REGIONAL PLANNING	Internal	Cost:Acquisitions	Computer Equipment	20,000	19,065	95.33%
PLANNING, DEVELOPMENT & TOURISM	TOWN AND REGIONAL PLANNING	Internal	Cost:Acquisitions	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	2,000,000	29,260	1.46%
					2,416,985	**412,208**	**17.05%**
				Total	**115,026,839**	**92,131,219**	**80.10%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2022/23 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 June 2023

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 – M12 June 2023

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	227,440	16,217	245,135	227,440	17,695	8%	227,440
Service charges		238,396	652,478	628,917	39,461	494,636	628,917	(134,281)	-21%	628,917
Other revenue		22,231	57,445	101,036	11,306	148,296	101,036	47,259	47%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	757	178,025	177,920	105	0%	177,920
Transfers and Subsidies - Capital		–	35,734	93,134	3,270	102,230	93,134	9,095	10%	93,134
Interest		841,486	2,811	3,057	3,392	31,943	3,057	28,885	945%	3,057
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,140,765)	(95,001)	(1,010,927)	(1,140,765)	(129,837)	11%	(1,140,765)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**41,019**	**90,740**	**(20,598)**	**189,337**	**90,740**	**(98,597)**	**-109%**	**90,740**
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		(35,341)	(39,685)	(115,027)	(8,915)	(100,480)	(115,027)	(14,547)	13%	(115,027)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(35,341)**	**(39,685)**	**(115,027)**	**(8,915)**	**(100,480)**	**(115,027)**	**(14,547)**	**13%**	**(115,027)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		2,899	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		250	–	(12,169)	–	(11,772)	(12,169)	(397)	3%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**3,149**	**–**	**(12,169)**	**–**	**(11,772)**	**(12,169)**	**(397)**	**3%**	**(12,169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,854,526**	**1,334**	**(36,456)**	**(29,513)**	**77,084**	**(36,456)**			**(36,456)**
Cash/cash equivalents at beginning:		53,394	4,105	27,851		27,851	27,851			27,851
Cash/cash equivalents at month/year end:		1,907,921	5,439	(8,606)		104,935	(8,606)			(8,606)

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 June 2023 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M12 June 2023

Description	2021/22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	224,326	240,849	236,747	16,739	259,374	236,747	22,627	10%	236,747
Service charges	521,775	586,820	560,501	(21,687)	523,135	560,501	(37,366)	-7%	560,501
Investment revenue	3,225	2,811	3,057	848	6,817	3,057	3,760	123%	3,057
Transfers and subsidies	153,880	177,920	178,236	2,642	176,166	178,236	(2,070)	-1%	178,236
Other own revenue	57,634	44,562	78,082	4,699	60,745	78,082	(17,337)	-22%	78,082
Total Revenue (excluding capital transfers and contributions)	**960,840**	**1,052,961**	**1,056,623**	**3,241**	**1,026,237**	**1,056,623**	**(30,386)**	**-3%**	**1,056,623**
Employee costs	339,392	391,318	409,183	(37,303)	346,217	409,183	(62,966)	-15%	409,183
Remuneration of Councillors	13,395	14,364	14,364	867	13,875	14,364	(489)	-3%	14,364
Depreciation & asset impairment	100,082	103,850	103,850	8,654	103,850	103,850	(0)	-0%	103,850
Finance charges	4,662	–	2,875	86	2,293	2,875	(582)	-20%	2,875
Materials and bulk purchases	388,268	400,548	416,580	41,325	380,373	416,580	(36,208)	-9%	416,580
Transfers and subsidies	458	400	725	–	709	725	(16)	-2%	725
Other expenditure	239,115	253,428	230,761	28,729	167,588	230,761	(63,173)	-27%	230,761
Total Expenditure	**1,085,372**	**1,163,909**	**1,178,339**	**42,359**	**1,014,905**	**1,178,339**	**(163,434)**	**-14%**	**1,178,339**
Surplus/(Deficit)	**(124,532)**	**(110,948)**	**(121,716)**	**(39,118)**	**11,332**	**(121,716)**	**133,048**	**-109%**	**(121,716)**
Transfers and subsidies - capital (monetary allocations)	60,630	35,734	101,234	5,798	78,893	101,234	(22,342)	-22%	101,234
Contributions & Contributed assets	20	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,225**	**(20,481)**	**110,706**	**-541%**	**(20,481)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,225**	**(20,481)**	**110,706**	**-541%**	**(20,481)**
Capital expenditure & funds sources									
Capital expenditure	**113,963**	**39,685**	**115,027**	**7,752**	**92,131**	**115,027**	**(22,896)**	**-20%**	**115,027**
Capital transfers recognised	50,769	31,287	88,244	6,187	72,630	88,244	(15,614)	-18%	88,244
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	10,104	–	8,786	10,104	(1,318)	-13%	10,104
Internally generated funds	**63,123**	**8,398**	**16,679**	**1,564**	**10,715**	**16,679**	**(5,964)**	**-36%**	**16,679**
Total sources of capital funds	**113,892**	**39,685**	**115,027**	**7,752**	**92,131**	**115,027**	**(22,896)**	**-20%**	**115,027**
Financial position									
Total current assets	236,368	132,996	147,079		189,251				147,079
Total non current assets	2,329,223	2,253,988	2,332,762		2,317,272				2,332,762
Total current liabilities	250,795	154,904	154,913		161,562				154,913
Total non current liabilities	237,656	191,375	243,359		246,312				243,359
Community wealth/Equity	**1,914,840**	**2,040,704**	**2,081,569**		**2,153,434**				**2,081,569**
Cash flows									
Net cash from (used) operating	1,886,718	41,019	90,740	(20,598)	189,337	90,740	(98,597)	-109%	90,740
Net cash from (used) investing	(35,341)	(39,685)	(115,027)	(8,915)	(100,480)	(115,027)	(14,547)	13%	(115,027)
Net cash from (used) financing	3,149	–	(12,169)	–	(11,772)	(12,169)	(397)	3%	(12,169)
Cash/cash equivalents at the month/year end	**1,907,921**	**5,439**	**(8,606)**	–	**104,935**	**(8,606)**	**(113,540)**	**1319%**	**(8,606)**
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**	**Over1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	42,578	13,678	11,810	8,076	11,006	8,294	50,164	233,095	378,699
Creditors Age Analysis									
Total Creditors	44,877	1,972	591	3,013	297	19	115	2,884	53,768

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) – M12 June 2023

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**343,844**	**361,880**	**362,095**	**19,656**	**438,917**	**362,095**	76,822	21%	**362,095**
Executive and council		509	342	425	–	2,414	425	1,989	468%	425
Finance and administration		343,335	361,539	361,670	19,656	436,503	361,670	74,833	21%	361,670
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**15,171**	**16,365**	**39,035**	**2,336**	**16,055**	**39,035**	(22,981)	-59%	**39,035**
Community and social services		2,469	2,508	2,476	38	2,427	2,476	(49)	-2%	2,476
Sport and recreation		7,082	9,017	8,639	1,528	8,626	8,639	(13)	0%	8,639
Public safety		1,654	1,652	1,648	1	2,533	1,648	885	54%	1,648
Housing		987	–	23,085	–	–	23,085	(23,085)	-100%	23,085
Health		2,979	3,187	3,187	768	2,470	3,187	(718)	-23%	3,187
Economic and environmental services		**16,268**	**38,750**	**40,282**	**1,872**	**30,504**	**40,282**	(9,778)	-24%	**40,282**
Planning and development		7,525	6,754	8,367	1,033	6,538	8,367	(1,829)	-22%	8,367
Road transport		7,341	6,527	6,544	538	6,912	6,544	368	6%	6,544
Environmental protection		1,402	25,469	25,371	301	17,054	25,371	(8,317)	-33%	25,371
Trading services		**646,208**	**671,701**	**716,445**	**(14,824)**	**619,654**	**716,445**	(96,791)	-14%	**716,445**
Energy sources		342,583	379,734	366,664	25,500	303,494	366,664	(63,170)	-17%	366,664
Water management		119,239	114,284	173,181	11,320	165,356	173,181	(7,825)	-5%	173,181
Waste water management		106,057	109,397	107,155	(56,097)	98,252	107,155	(8,903)	-8%	107,155
Waste management		78,329	68,285	69,446	4,452	52,552	69,446	(16,894)	-24%	69,446
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,021,491**	**1,088,696**	**1,157,857**	**9,039**	**1,105,129**	**1,157,857**	**(52,728)**	**-5%**	**1,157,857**
Expenditure - Functional										
Governance and administration		**102,810**	**252,416**	**287,234**	**21,336**	**228,957**	**287,234**	(58,277)	-20%	**287,234**
Executive and council		49,469	54,099	59,509	7,742	54,197	59,509	(5,312)	-9%	59,509
Finance and administration		53,322	198,047	227,332	13,582	174,687	227,332	(52,645)	-23%	227,332
Internal audit		20	270	393	12	73	393	(320)	-82%	393
Community and public safety		**96,429**	**111,512**	**114,898**	**6,666**	**97,453**	**114,898**	(17,445)	-15%	**114,898**
Community and social services		9,661	12,180	12,012	653	8,240	12,012	(3,772)	-31%	12,012
Sport and recreation		50,545	56,704	60,244	2,776	50,145	60,244	(10,099)	-17%	60,244
Public safety		25,178	28,610	28,425	2,283	26,678	28,425	(1,747)	-6%	28,425
Housing		5,149	6,627	6,794	426	5,311	6,794	(1,484)	-22%	6,794
Health		5,896	7,391	7,422	528	7,079	7,422	(343)	-5%	7,422
Economic and environmental services		**121,395**	**163,774**	**152,627**	**16,912**	**128,172**	**152,627**	(24,455)	-16%	**152,627**
Planning and development		36,880	29,222	27,349	2,044	23,658	27,349	(3,691)	-13%	27,349
Road transport		81,947	111,957	110,674	11,998	93,141	110,674	(17,534)	-16%	110,674
Environmental protection		2,568	22,594	14,603	2,870	11,373	14,603	(3,230)	-22%	14,603
Trading services		**761,141**	**629,886**	**617,316**	**(4,732)**	**554,385**	**617,316**	(62,931)	-10%	**617,316**
Energy sources		351,548	408,286	382,969	34,178	329,884	382,969	(53,085)	-14%	382,969
Water management		182,571	99,688	105,544	12,352	94,242	105,544	(11,301)	-11%	105,544
Waste water management		103,908	71,306	73,260	(56,329)	73,365	73,260	105	0%	73,260
Waste management		123,115	50,606	55,544	5,067	56,894	55,544	1,351	2%	55,544
Other		**3,725**	**6,322**	**6,264**	**2,176**	**5,729**	**6,264**	**(535)**	**-9%**	**6,264**
Total Expenditure - Functional	3	**1,085,500**	**1,163,909**	**1,178,339**	**42,359**	**1,014,696**	**1,178,339**	**(163,642)**	**-14%**	**1,178,339**
Surplus/ (Deficit) for the year		**(64,009)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,433**	**(20,481)**	**110,915**	**-542%**	**(20,481)**

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 – M12 June 2023

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		354	–	316	–	2,318	316	2,002	633.1%	316
Vote 2 - FINANCIAL SERVICES		336,800	358,424	353,977	18,969	423,041	353,977	69,064	19.5%	353,977
Vote 3 - CORPORATE SERVICES		808	975	947	–	783	947	(164)	-17.4%	947
Vote 4 - COMMUNITY SERVICES		105,509	117,205	122,144	8,305	102,322	122,144	(19,822)	-16.2%	122,144
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,011	607,132	650,816	(18,810)	570,696	650,816	(80,119)	-12.3%	650,816
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		6,009	4,960	29,657	576	5,970	29,657	(23,687)	-79.9%	29,657
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	**1,021,491**	**1,088,696**	**1,157,857**	**9,039**	**1,105,129**	**1,157,857**	**(52,728)**	**-4.6%**	**1,157,857**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		53,373	58,894	65,197	7,774	59,142	65,197	(6,056)	-9.3%	65,197
Vote 2 - FINANCIAL SERVICES		(33,762)	98,012	106,750	6,954	81,434	106,750	(25,316)	-23.7%	106,750
Vote 3 - CORPORATE SERVICES		52,164	43,088	60,740	2,644	36,530	60,740	(24,211)	-39.9%	60,740
Vote 4 - COMMUNITY SERVICES		257,361	230,145	231,928	17,841	209,604	231,928	(22,325)	-9.6%	231,928
Vote 5 - INFRASTRUCTURE AND ENGINEERING		731,601	695,979	676,920	3,102	599,058	676,920	(77,862)	-11.5%	676,920
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		24,762	37,702	36,618	4,044	28,915	36,618	(7,702)	-21.0%	36,618
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	**1,085,500**	**1,163,819**	**1,178,153**	**42,359**	**1,014,682**	**1,178,153**	**(163,471)**	**-13.9%**	**1,178,153**
Surplus/ (Deficit) for the year	2	**(64,009)**	**(75,124)**	**(20,296)**	**(33,319)**	**90,447**	**(20,296)**	**110,743**	**-545.6%**	**(20,296)**

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) – M12 June 2023

Description R thousands	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
Revenue By Source										
Property rates		224,326	240,849	236,747	16,739	259,374	236,747	22,627	10%	236,747
Service charges - electricity revenue		327,359	371,804	350,201	22,911	298,371	350,201	(51,830)	-15%	350,201
Service charges - water revenue		83,125	89,362	88,580	8,564	101,345	88,580	12,765	14%	88,580
Service charges - sanitation revenue		56,405	62,796	59,450	(58,160)	61,478	59,450	2,028	3%	59,450
Service charges - refuse revenue		54,886	62,858	62,269	4,998	61,940	62,269	(329)	-1%	62,269
Rental of facilities and equipment		3,094	2,968	2,865	138	2,657	2,865	(208)	-7%	2,865
Interest earned - external investments		3,225	2,811	3,057	848	6,817	3,057	3,760	123%	3,057
Interest earned - outstanding debtors		13,878	13,706	20,106	2,543	25,165	20,106	5,060	25%	20,106
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		5,881	1,842	6,484	696	11,285	6,484	4,802	74%	6,484
Licences and permits		9,593	8,397	8,397	430	9,808	8,397	1,411	17%	8,397
Agency services		2,560	5,352	5,352	265	2,678	5,352	(2,674)	-50%	5,352
Transfers and subsidies		153,880	177,920	178,236	2,642	176,166	178,236	(2,070)	-1%	178,236
Other revenue		12,393	12,298	34,880	626	9,152	34,880	(25,727)	-74%	34,880
Gains		10,234	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**960,840**	**1,052,961**	**1,056,623**	**3,241**	**1,026,237**	**1,056,623**	**(30,386)**	**-3%**	**1,056,623**
Expenditure By Type										
Employee related costs		339,392	391,318	409,183	(37,303)	346,217	409,183	(62,966)	-15%	409,183
Remuneration of councillors		13,395	14,364	14,364	867	13,875	14,364	(489)	-3%	14,364
Debt impairment		64,124	42,069	40,868	4,176	11,292	40,868	(29,576)	-72%	40,868
Depreciation & asset impairment		100,082	103,850	103,850	8,654	103,850	103,850	(0)	0%	103,850
Finance charges		4,662	–	2,875	86	2,293	2,875	(582)	-20%	2,875
Bulk purchases - electricity		295,222	325,900	325,900	30,624	291,888	325,900	(34,012)	-10%	325,900
Inventory consumed		93,046	74,648	90,680	10,701	88,485	90,680	(2,196)	-2%	90,680
Contracted services		75,039	93,375	101,288	15,796	82,334	101,288	(18,954)	-19%	101,288
Transfers and subsidies		458	400	725	–	709	725	(16)	-2%	725
Other expenditure		89,311	117,984	88,605	8,757	73,754	88,605	(14,851)	-17%	88,605
Losses		10,641	–	–	–	–	–	–		–
Total Expenditure		**1,085,372**	**1,163,909**	**1,178,339**	**42,359**	**1,014,696**	**1,178,339**	**(163,642)**	**-14%**	**1,178,339**
Surplus/(Deficit)		**(124,532)**	**(110,948)**	**(121,716)**	**(39,118)**	**11,541**	**(121,716)**	**133,256**	**(0)**	**(121,716)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60,630	35,734	101,234	5,798	78,893	101,234	(22,342)	**(0)**	101,234
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		20	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,433**	**(20,481)**			**(20,481)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,433**	**(20,481)**			**(20,481)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,433**	**(20,481)**			**(20,481)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(63,881)**	**(75,214)**	**(20,481)**	**(33,319)**	**90,433**	**(20,481)**			**(20,481)**

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) – M12 June 2023

Vote Description	Ref	2020/21	Budget Year 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	–	450	162	179	450	(271)	-60%	450
Vote 2 - FINANCIAL SERVICES		2,393	1,670	2,660	272	2,050	2,660	(14,343)	-539%	2,660
Vote 3 - CORPORATE SERVICES		1,914	–	–	–	10	–	10	#DIV/0!	–
Vote 4 - COMMUNITY SERVICES		3,644	1,638	12,444	176	9,426	12,444	(3,018)	-24%	12,444
Vote 5 - INFRASTRUCTURE AND ENGINEERING		69,881	35,167	95,499	6,814	79,395	95,499	(16,104)	-17%	95,499
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		263	–	2,417	(2)	412	2,417	(2,005)	-83%	2,417
Total Capital Multi-year expenditure	4,7	**80,171**	**38,475**	**113,470**	**7,421**	**91,472**	**113,470**	**(35,731)**	**#DIV/0!**	**113,470**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		207	750	773	330	602	773	(171)	-22%	773
Vote 2 - FINANCIAL SERVICES		1,402	60	60	–	43	60	(17)	-28%	60
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		22,346	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		9,246	400	724	–	14	724	(710)	-98%	724
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		592	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	33,792	1,210	1,557	330	659	1,557	**(898)**	**-58%**	1,557
Total Capital Expenditure	**3**	**67,585**	**2,420**	**3,114**	**661**	**1,318**	**3,114**	**(1,796)**	**(0)**	**3,114**
Capital Expenditure - Functional Classification										
Governance and administration		**8,587**	**2,480**	**4,794**	**922**	**3,363**	**4,794**	(15,164)	-316%	**4,794**
Executive and council		2,284	750	1,200	492	759	1,200	(441)	-37%	1,200
Finance and administration		6,303	1,730	3,572	430	2,583	3,572	(14,722)	-412%	3,572
Internal audit		–	–	23	–	21	23	(1)	-6%	23
Community and public safety		**8,172**	**1,638**	**2,879**	**52**	**374**	**2,879**	(2,505)	-87%	**2,879**
Community and social services		71	–	–	–	–	–	–		–
Sport and recreation		5,936	–	1,241	52	374	1,241	(867)	-70%	1,241
Public safety		2,165	1,638	1,638	–	–	1,638	(1,638)	-100%	1,638
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**21,126**	**11,609**	**18,451**	**1,230**	**15,405**	**18,451**	(3,046)	-17%	**18,451**
Planning and development		2,055	4,922	6,899	1,230	3,945	6,899	(2,953)	-43%	6,899
Road transport		19,070	6,687	11,552	–	11,460	11,552	(92)	-1%	11,552
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**76,079**	**23,959**	**88,903**	**5,548**	**72,989**	**88,903**	(15,914)	-18%	**88,903**
Energy sources		9,709	1,738	8,907	2,560	4,616	8,907	(4,291)	-48%	8,907
Water management		28,835	907	54,896	2,625	45,817	54,896	(9,080)	-17%	54,896
Waste water management		17,527	21,313	14,995	363	13,770	14,995	(1,225)	-8%	14,995
Waste management		20,008	–	10,104	–	8,786	10,104	(1,318)	-13%	10,104
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**113,963**	**39,685**	**115,027**	**7,752**	**92,131**	**115,027**	**(36,629)**	**(0)**	**115,027**
Funded by:										
National Government		49,169	29,649	86,606	6,187	72,630	86,606	(13,976)	-16%	86,606
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		1,600	1,638	1,638	–	–	1,638	(1,638)	-100%	1,638
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**50,769**	**31,287**	**88,244**	**6,187**	**72,630**	**88,244**	**(15,614)**	**-18%**	**88,244**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	10,104	–	8,786	10,104	(1,318)	-13%	10,104
Internally generated funds		63,123	8,398	16,679	1,564	10,715	16,679	(19,697)	-118%	16,679
Total Capital Funding		**113,892**	**39,685**	**115,027**	**7,752**	**92,131**	**115,027**	**(36,629)**	**-32%**	**115,027**

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 – M12 June 2023

Description	Ref	2020/21	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	3,693	21,600	3,693
Call investment deposits		9,803	2,838	4,850	83,334	4,850
Consumer debtors		46,705	67,955	60,236	48,405	60,236
Other debtors		144,763	47,032	61,041	18,652	61,041
Current portion of long-term receivables		–	–	–	–	–
Inventory		17,050	12,570	17,259	17,259	17,259
Total current assets		**236,368**	**132,996**	**147,079**	**189,251**	**147,079**
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		262,608	262,645	262,608	262,608	262,608
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2,065,745	1,989,453	2,069,744	2,054,170	2,069,744
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		870	1,890	410	494	410
Other non-current assets		–	–	–	–	–
Total non current assets		**2,329,223**	**2,253,988**	**2,332,762**	**2,317,272**	**2,332,762**
TOTAL ASSETS		**2,565,591**	**2,386,984**	**2,479,841**	**2,506,523**	**2,479,841**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		7,464	–	12,169	397	12,169
Consumer deposits		23,673	20,774	23,673	27,373	23,673
Trade and other payables		184,892	95,855	77,560	99,026	77,560
Provisions		34,767	38,275	41,511	34,767	41,511
Total current liabilities		**250,795**	**154,904**	**154,913**	**161,562**	**154,913**
Non current liabilities						
Borrowing		22,813	–	16,043	24,699	16,043
Provisions		214,842	191,375	227,316	214,884	227,316
Total non current liabilities		**237,656**	**191,375**	**243,359**	**239,583**	**243,359**
TOTAL LIABILITIES		**488,450**	**346,280**	**398,272**	**401,146**	**398,272**
NET ASSETS	2	**2,077,141**	**2,040,704**	**2,081,569**	**2,105,377**	**2,081,569**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,914,840	2,040,704	2,081,569	2,153,434	2,081,569
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,914,840**	**2,040,704**	**2,081,569**	**2,153,434**	**2,081,569**

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 – M12 June 2023

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	227,440	16,217	245,135	227,440	17,695	8%	227,440
Service charges		238,396	652,478	628,917	39,461	494,636	628,917	(134,281)	-21%	628,917
Other revenue		22,231	57,445	101,036	11,306	148,296	101,036	47,259	47%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	757	178,025	177,920	105	0%	177,920
Transfers and Subsidies - Capital		–	35,734	93,134	3,270	102,230	93,134	9,095	10%	93,134
Interest		841,486	2,811	3,057	3,392	31,943	3,057	28,885	945%	3,057
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,115,817)	(1,140,765)	(95,001)	(1,010,927)	(1,140,765)	(129,837)	11%	(1,140,765)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**41,019**	**90,740**	**(20,598)**	**189,337**	**90,740**	**(98,597)**	**-109%**	**90,740**
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		(35,341)	(39,685)	(115,027)	(8,915)	(100,480)	(115,027)	(14,547)	13%	(115,027)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(35,341)**	**(39,685)**	**(115,027)**	**(8,915)**	**(100,480)**	**(115,027)**	**(14,547)**	**13%**	**(115,027)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		2,899	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		250	–	(12,169)	–	(11,772)	(12,169)	(397)	3%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**3,149**	**–**	**(12,169)**	**–**	**(11,772)**	**(12,169)**	**(397)**	**3%**	**(12,169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,854,526**	**1,334**	**(36,456)**	**(29,513)**	**77,084**	**(36,456)**			**(36,456)**
Cash/cash equivalents at beginning:		53,394	4,105	27,851		27,851	27,851			27,851
Cash/cash equivalents at month/year end:		1,907,921	5,439	(8,606)		104,935	(8,606)			(8,606)

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 June 2023, compared to the position as at 30 June 2022.

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

Description	Budget Year 2022/23								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	18,436	6,797	5,993	2,861	5,989	3,814	17,831	64,937	126,658
Trade and Other Receivables from Exchange Transactions - Electricity	20,185	1,392	1,112	796	654	601	3,540	11,384	39,663
Receivables from Non-exchange Transactions - Property Rates	16,864	1,698	1,222	1,085	872	803	10,086	24,391	57,020
Receivables from Exchange Transactions - Waste Water Management	8,358	1,734	1,535	1,260	1,457	1,172	6,312	29,758	51,588
Receivables from Exchange Transactions - Waste Management	5,989	1,385	1,289	1,240	1,203	1,191	6,620	40,112	59,029
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	803	258	293	267	448	393	3,367	46,301	52,130
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(28,057)	413	366	566	383	318	2,408	16,214	(7,389)
Total By Income Source	**42,578**	**13,678**	**11,810**	**8,076**	**11,006**	**8,294**	**50,164**	**233,095**	**378,699**
2020/21 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	931	439	383	195	196	178	2,115	6,858	11,296
Commercial	7,091	521	438	340	338	227	1,425	5,557	15,936
Households	34,556	12,718	10,988	7,541	10,472	7,889	46,624	220,680	351,468
Other	(1)	–	–	–	–	–	–	–	(1)
Total By Customer Group	**42,578**	**13,678**	**11,810**	**8,076**	**11,006**	**8,294**	**50,164**	**233,095**	**378,699**

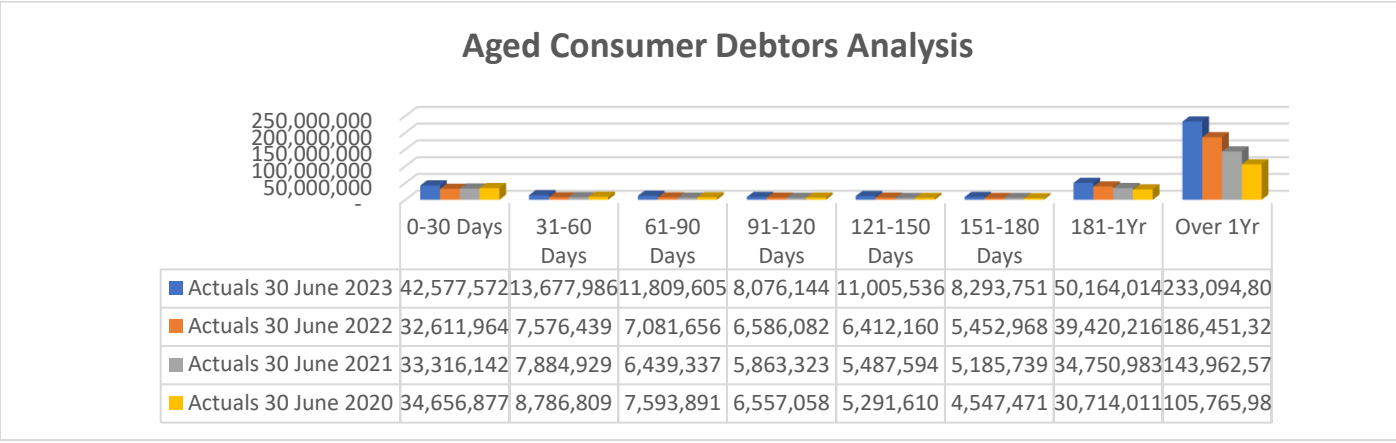
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

Description	Budget Year 2021/22								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	10,891	2,264	2,465	2,115	2,334	1,841	10,051	52,869	84,829
Trade and Other Receivables from Exchange Transactions - Electricity	19,651	1,380	1,057	1,059	708	622	3,335	9,910	37,721
Receivables from Non-exchange Transactions - Property Rates	11,960	1,015	825	805	692	520	8,224	22,205	46,245
Receivables from Exchange Transactions - Waste Water Management	6,010	1,195	1,085	1,019	1,045	908	5,155	23,856	40,273
Receivables from Exchange Transactions - Waste Management	5,083	1,248	1,165	1,124	1,106	1,093	6,084	32,208	49,111
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	189	90	126	161	186	189	2,133	31,885	34,957
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(21,171)	386	359	303	343	281	4,438	13,519	(1,542)
Total By Income Source	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**
2020/21 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1,090	511	399	436	253	269	2,704	4,396	10,058
Commercial	6,597	374	309	266	303	211	1,103	4,916	14,079
Households	24,925	6,691	6,374	5,885	5,857	4,974	35,612	177,139	267,456
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**

The aforementioned analysis indicates that from 30 June 2022 to 30 June 2023, the overdue debts have increased by R 77,141 million from R 258,981 million to R 336,122 million, as follows:

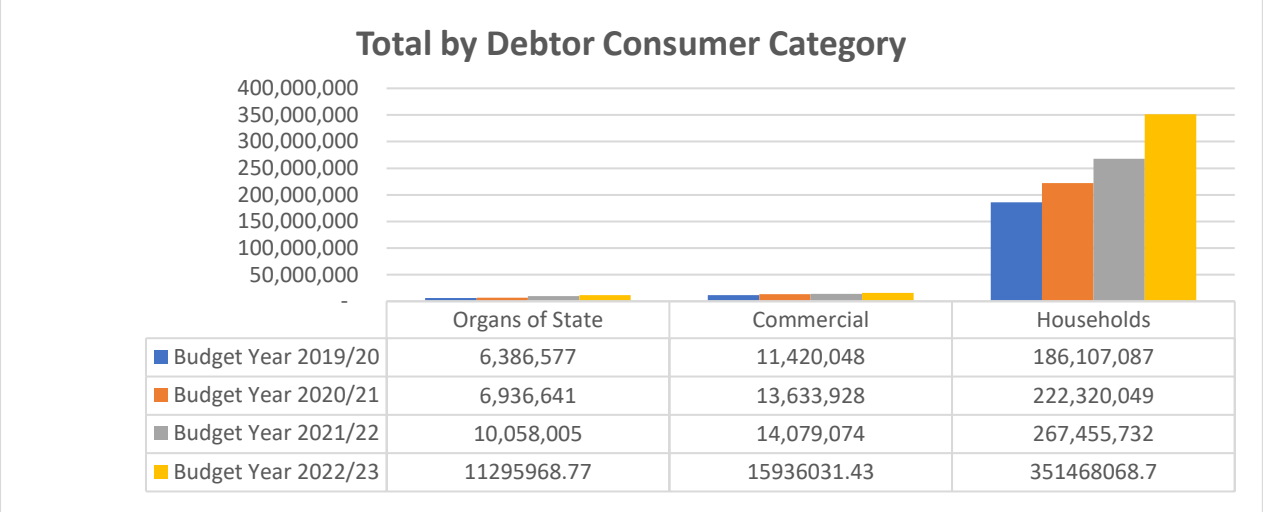
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-22**	**30-Jun-23**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	73,938	108,222	34,284
Trade and Other Receivables from Exchange Transactions - Electricity	18,070	19,479	1,409
Receivables from Non-exchange Transactions - Property Rates	34,285	40,157	5,871
Receivables from Exchange Transactions - Waste Water Management	34,263	43,229	8,967
Receivables from Exchange Transactions - Waste Management	44,028	53,040	9,012
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	34,768	51,327	16,558
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	19,629	20,669	1,040
Total By Income Source	**258,981**	**336,122**	**77,141**
Debtors Age Analysis By Customer Group			
Organs of State	8,968	10,365	1,397
Commercial	7,482	8,845	1,363
Households	242,531	316,912	74,381
Other	–	–	–
Total By Customer Group	**258,981**	**336,122**	**77,141**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 30 June 2023	42,577,572	13,677,986	11,809,605	8,076,144	11,005,536	8,293,751	50,164,014	233,094,80
Actuals 30 June 2022	32,611,964	7,576,439	7,081,656	6,586,082	6,412,160	5,452,968	39,420,216	186,451,32
Actuals 30 June 2021	33,316,142	7,884,929	6,439,337	5,863,323	5,487,594	5,185,739	34,750,983	143,962,57
Actuals 30 June 2020	34,656,877	8,786,809	7,593,891	6,557,058	5,291,610	4,547,471	30,714,011	105,765,98

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



	Organs of State	Commercial	Households
Budget Year 2019/20	6,386,577	11,420,048	186,107,087
Budget Year 2020/21	6,936,641	13,633,928	222,320,049
Budget Year 2021/22	10,058,005	14,079,074	267,455,732
Budget Year 2022/23	11295968.77	15936031.43	351468068.7

2. Overview of Creditors position

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

Description	Budget Year 2021/22								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	35,056	(12)	(12)	–	–	–	–	–	**35,032**
Bulk Water	3,780	344	14	(9)	19	16	6	(1,603)	**2,567**
PAYE deductions	–								**–**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	6,284	1,396	588	3,022	278	3	109	1,688	**13,369**
Auditor General									**–**
Other									**–**
Total By Customer Type	**45,121**	**1,729**	**591**	**3,013**	**297**	**19**	**115**	**85**	**50,969**

The above amounts represent invoices still to be paid. The major creditors as at 30 June 2023 are as follows:

Eskom	R 35,032 million
NMBM	R 2,567 million
Other Creditors	R 13,369 million
Total	**R 50,969 million**

It is to be noted that the Eskom amount of R 35,032 million, represents the current account for June 2023, which will be fully paid on 23 July 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M12 June 2023.

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:	172,982	172,982	–	172,982	172,982	-	172,982
Operational Revenue:General Revenue:Equitable Share	163,292	163,292	–	163,292	163,292	-	163,292
Department of Environmental Affairs	5,000	5,000	–	5,000	5,000	-	5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175		1,175	1,175	-	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	–	1,795	1,795	-	1,795
Provincial Government:	2,050	2,050	–	2,050	2,050	-	2,050
Library grant	2,050	2,050	–	2,050	2,050	-	2,050
District Municipality:	2,888	2,888	–	1,479	2,888	-	2,888
Environmental health subsidy	2,888	2,888	757	2,236	2,888	-	2,888
Total Operating Transfers and Grants	177,920	177,920	–	176,511	177,920	-	177,920
Capital Transfers and Grants							
National Government:	34,096	91,496	3,000	88,342	91,496	-	91,496
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	–	34,096	34,096	-	34,096
Municipal Disaster Recovery Grant [Schedule 4B]	–	3,000	3,000	3,000	3,000		
Water Services Infrastructure Grant		57,400		54,246	57,400	-	57,400
District Municipality:	1,638	1,638	270	1,750	1,638	-	1,638
Fire Services Subsidy	1,638	1,638	270	2,518	1,638	-	1,638
Total Capital Transfers and Grants	35,734	93,134	3,270	90,092	93,134	-	93,134
TOTAL RECEIPTS OF TRANSFERS & GRANTS	213,654	271,054	3,270	266,603	271,054	-	271,054

Below is an analysis of the spending associated with the grants as at 30 June 2023:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M12 June 2023.

Description	Budget Year 2022/23							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**172,982**	**172,982**	**750**	**167,488**	**172,982**	**(4,824)**	**-3%**	**172,982**
Operational Revenue:General Revenue:Equitable Share	163,292	163,292		163,292	163,292	–	0%	163,292
Department of Environmental Affairs	5,000	5,000	414	1,391	5,000	(3,606)	-79%	5,000
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,175	1,175	–	1,175	1,175	–	0%	1,175
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	1,065	1,720	1,720	(922)	-58%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,795	1,795	406	1,795	1,795	(257)	-16%	1,795
Provincial Government:	**2,050**	**2,050**	**–**	**2,050**	**2,050**	**–**	**0%**	**2,050**
Library grant	2,050	2,050	–	2,050	2,050	–	0%	2,050
District Municipality:	**2,888**	**2,888**	**–**	**1,479**	**2,888**	**–**	**0%**	**2,888**
Environmental health subsidy	2,888	2,888	–	2,272	2,888	–	0%	2,888
Total operating expenditure of Transfers and Grants:	**177,920**	**177,920**	**750**	**171,018**	**177,920**	**(4,824)**	**-3%**	**177,920**
Capital expenditure of Transfers and Grants								
National Government:	**34,096**	**91,496**	**9,977**	**69,646**	**91,496**	**(14,225)**	**-17%**	**91,496**
Water Services Infrastructure Grant		57,400	1,710	40,186	57,400	(14,140)	-27%	57,400
Municipal Infrastructure Grant [Schedule 5B]	34,096	34,096	1,646	32,816	34,096	(85)	0%	34,096
District Municipality:	**1,638**	**1,638**		**1,750**	**1,638**	**248**	**17%**	**1,638**
Fire Services Subsidy	1,638	1,638	–	–	1,638	248	17%	1,638
Total capital expenditure of Transfers and Grants	**35,734**	**93,134**	**9,977**	**71,396**	**93,134**	**(13,976)**	**-16%**	**93,134**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	213,654	271,054	10,727	242,414	271,054	(18,760)	-7%	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 1,720,000
Unspent as at 30 June 2023:	R 0.00

The spending of the grant received amounted to 100 % as at 30 June 2023, 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 1,175,000
Expenditure to date:	R 1,175,000
Unspent as at 30 June 2023:	R 0.00

The spending of the grant received amounted to 100 % as at 30 June 2023, 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 35,891,000
Expenditure to date:	R 34,610,529
Unspent as at 30 June 2023:	R 1,280,471

The spending of the grant amounted to 96.43% as at 30 June 2023, compared to the amount of the grant received. It is to be noted that retentions and accrual have not been allocated, once allocated then the grant will be fully spent.

Integrated National Electrification Programme (INEP)

The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

DORA Allocation:	R 8,100,000
Amount of Grant Received:	R 8,100,000
Expenditure to date:	R 3,372,502
Unspent as at 30 June 2023:	R 4,727,498

The spending of the grant amounted to 41.64 % as at 30 June 2023, 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 54,339,469
Expenditure to date:	R 40,186,375
Unspent as at 30 June 2023:	R 14,153,093

The spending of the grant amounted to 73.95% as at 30 June 2023, compared to the amount of the grant received.

Unspent conditional grants include the following:

Conditional Grant	Amount Received	Amount Spent	Unspent Amount
DEAT	5,000,000	1,391,375	3,608,625
Human Settlement	25,689,286	4,402,387	21,286,900
Total	**30,689,286**	**5,793,762**	**24,895,524**

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M12 June 2023.

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,004	9,584	9,584	589	9,305	9,584	(278)	-3%	9,584
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	10	175	–	175	#DIV/0!	–
Motor Vehicle Allowance		3,204	3,232	3,232	161	3,066	3,232	(166)	-5%	3,232
Cellphone Allowance		1,187	1,548	1,548	107	1,328	1,548	(220)	-14%	1,548
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,395**	**14,364**	**14,364**	**867**	**13,875**	**14,364**	**(489)**	**-3%**	**14,364**
% increase	4		**7.2%**	**7.2%**						**7.2%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6,126	7,282	6,742	558	5,096	6,742	(1,645)	-24%	6,742
Pension and UIF Contributions		70	111	111	5	61	111	(50)	-45%	111
Medical Aid Contributions		35	50	50	3	31	50	(19)	-38%	50
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		157	23	1,436	–	–	1,436	(1,436)	-100%	1,436
Motor Vehicle Allowance		796	1,965	1,842	35	490	1,842	(1,352)	-73%	1,842
Cellphone Allowance		10	10	10	1	10	10	–		10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	4	4	0	1	4	(4)	-87%	4
Payments in lieu of leave		4,529	4,500	4,500	194	4,195	4,500	(305)	-7%	4,500
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**11,723**	**13,945**	**14,695**	**796**	**9,883**	**14,695**	**(4,812)**	**-33%**	**14,695**
% increase	4		**19.0%**	**25.3%**						**25.3%**
Other Municipal Staff										
Basic Salaries and Wages		200,324	252,252	249,791	17,940	214,514	249,791	(35,276)	-14%	249,791
Pension and UIF Contributions		32,144	34,906	34,901	2,773	33,322	34,901	(1,579)	-5%	34,901
Medical Aid Contributions		16,653	17,471	17,471	1,554	17,603	17,471	132	1%	17,471
Overtime		24,991	28,219	27,706	340	25,730	27,706	(1,976)	-7%	27,706
Performance Bonus		21	23	23	–	23	23	(0)	-2%	23
Motor Vehicle Allowance		9,966	10,774	10,554	873	10,408	10,554	(147)	-1%	10,554
Cellphone Allowance		92	53	53	1	21	53	(32)	-61%	53
Housing Allowances		782	1,031	1,051	61	722	1,051	(329)	-31%	1,051
Other benefits and allowances		29,081	29,770	32,938	(61,736)	32,223	32,938	(714)	-2%	32,938
Payments in lieu of leave		975	1,600	1,600	3	516	1,600	(1,084)	-68%	1,600
Long service awards		953	1,275	1,276	94	1,251	1,276	(25)	-2%	1,276
Post-retirement benefit obligations	2	11,685	–	17,124	–	–	17,124	(17,124)	-100%	17,124
Sub Total - Other Municipal Staff		**327,668**	**377,374**	**394,488**	**(38,098)**	**336,334**	**394,488**	**(58,154)**	**-15%**	**394,488**
Total Parent Municipality		**352,786**	**405,683**	**423,547**	**(36,436)**	**360,092**	**423,547**	**(63,455)**	**-15%**	**423,547**
TOTAL SALARY, ALLOWANCES & BENEFITS		**352,914**	**405,683**	**423,547**	**(36,436)**	**360,092**	**423,547**	**(63,455)**	**-15%**	**423,547**
TOTAL MANAGERS AND STAFF		**339,392**	**391,318**	**409,183**	**(37,303)**	**346,217**	**409,183**	**(62,966)**	**-15%**	**409,183**

6. Key performance indicators

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

Borrowing Management		**Actuals as at 30 June 2019**	**Actuals as at 30 June 2020**	**Actuals as at 30 June 2021**	**Actuals as at 30 June 2022**	**Approved Adjusted Budget 2022/23**	**Actuals as at 30 June 2023**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.29%	1.22%	1.13%	0.67%	1.28%	1.39%
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	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.31	1.26	2.61	1.12	0.95:1	1.17:1
Liquidity Ratio	Monetary assets / current liabilities	0.84	0.61	0.45	0.24	0.06:1	0.65:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97,62%	95.42%	94.41%	94.32%	95%	86.71%

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 Adjusted Budget 2022/23	Actuals as at 30 June 2023
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	0.10 Months	0.70 Months
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	32.53%	34.26%	33.86%	34.75%	34.11%
Capital Expenditure	Capital Expenditure / Capital Budget	44.59%	75.33%	76.92%	87%	95%	80.10%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	5.63%	6.68%	7.00%	5.32%	4.38%	4.54%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.29%	2.90%	3.33%	2.48%	2.49%	2.25%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	75.36%	71.88%	77.11%	84.13%	83.16%	85.18%

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 1.39% as at 30 June 2023, compared to the approved adjusted budget ratio of 1.28%.

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.

4.1.2. 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 June 2023, the ratio indicates 0.01, compared to the approved adjusted budget of 0.01.

4.1.3. 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:

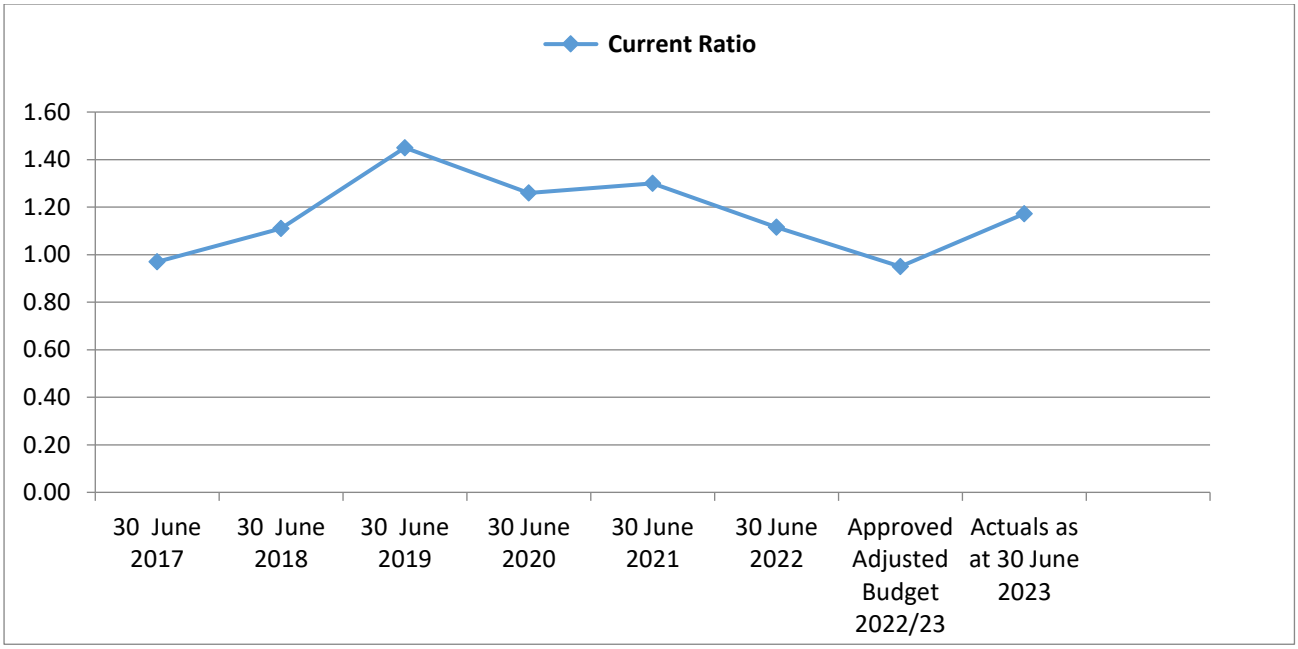
Current assets/Current liabilities

The ratio as at 30 June 2023 was 1.17:1, compared to the approved adjusted budget ratio of 0.95:1

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.



4.1.4. Liquidity Ratio

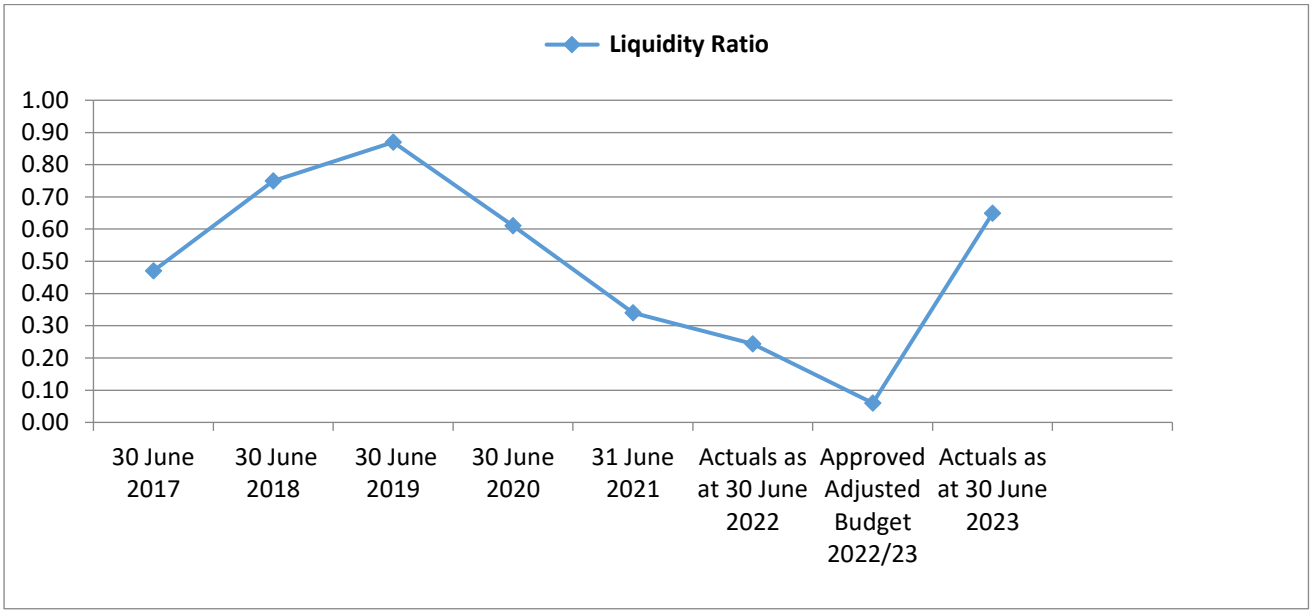
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 June 2023 was 0.65:1, compared to the approved adjusted budget ratio of 0.06:1.

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



4.2. Revenue Management

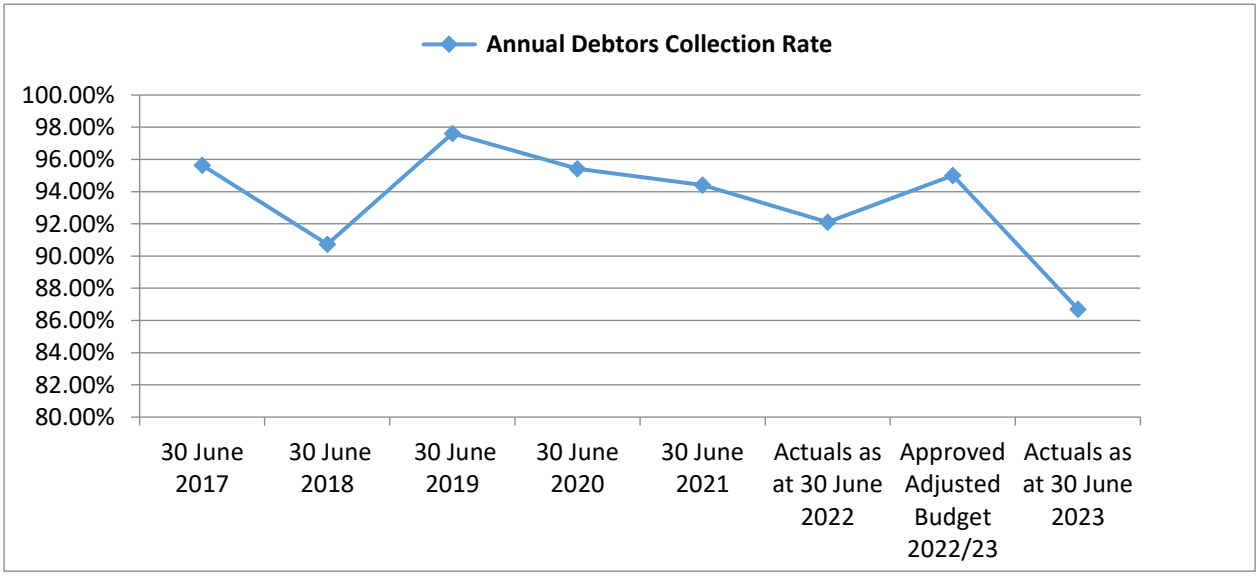
4.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 30 June 2023 was 86.71%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for June is 85.45%.



4.3. Other indicators

4.3.1. 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.

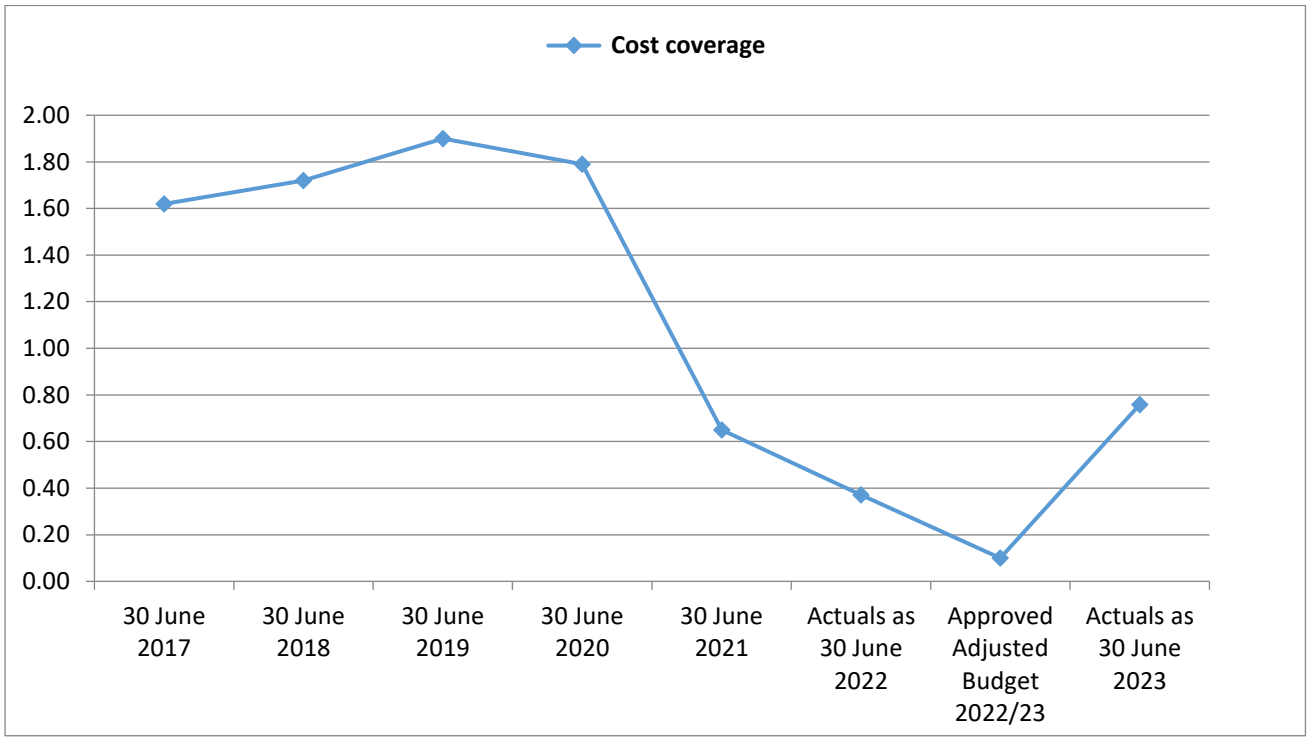
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 June 2023, the Ratio was 0.76 months, compared to the approved adjusted budget ratio of 0.10 months.

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



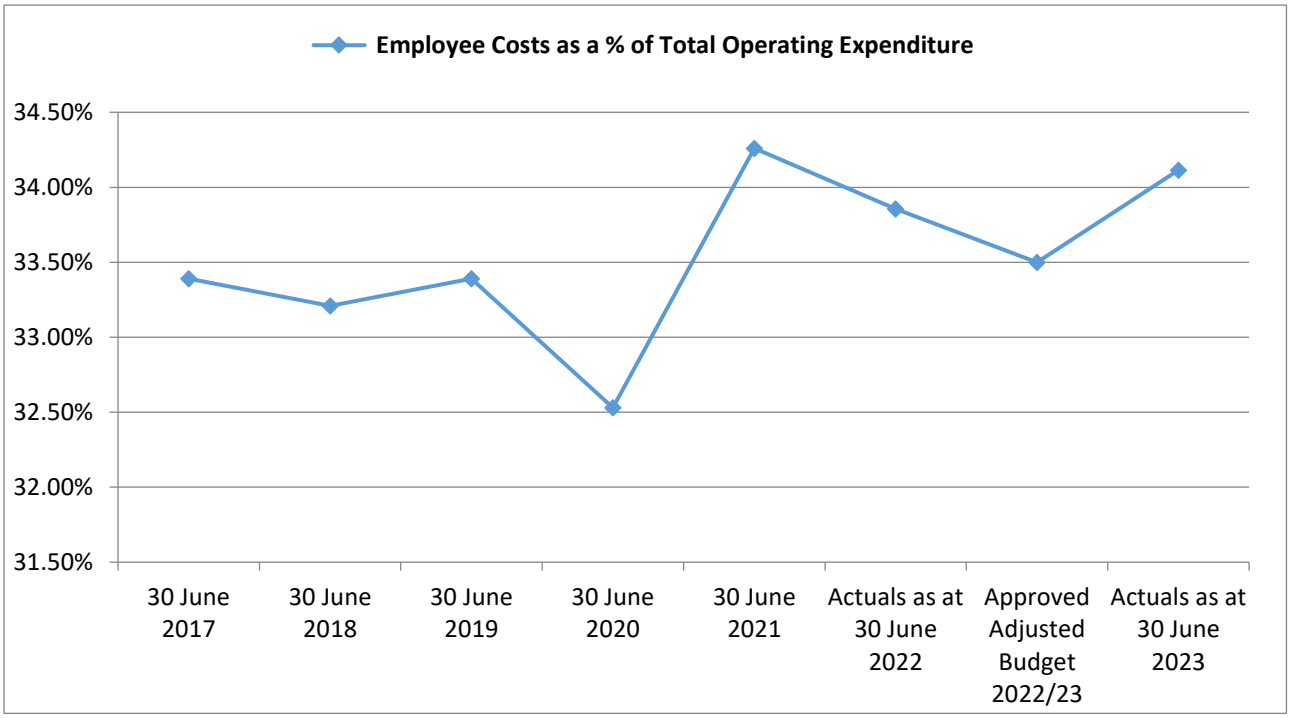
4.3.2. Employee costs as a % of Total Operating Expenditure

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 June 2023, Employee Related Costs constituted 34.11% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 34.75%.



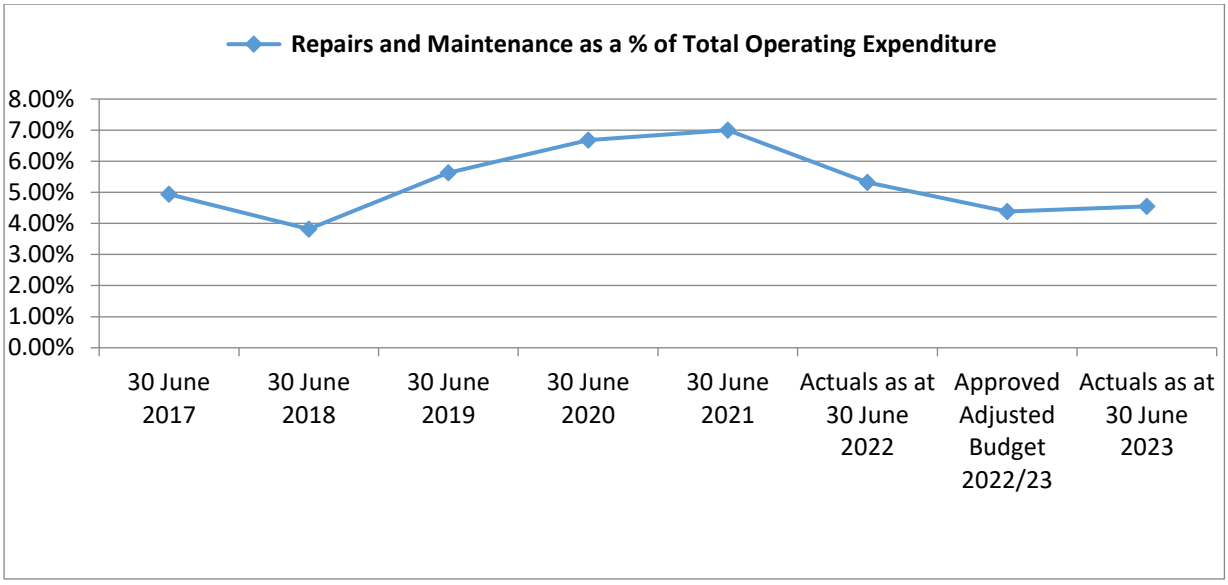
4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 June 2023, the ratio was 3.80%, compared to the approved adjusted budget ratio of 4.54%.



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

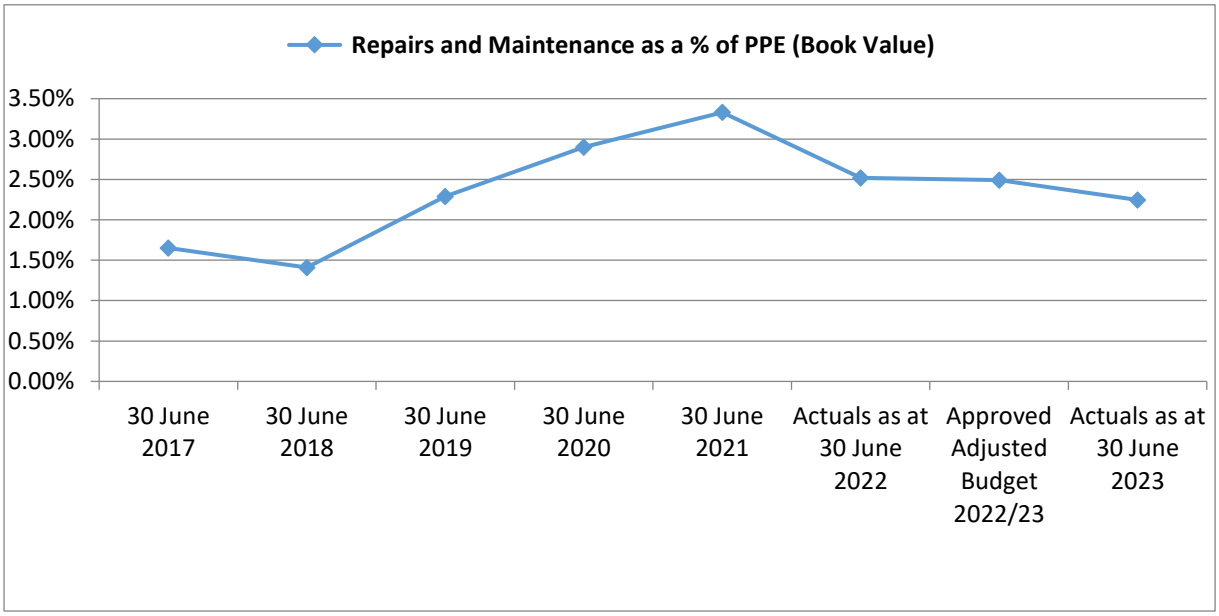
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 June 2023, repairs and maintenance expenditure constituted 2.25% of the book value of PPE, compared to the approved adjusted budget ratio of 2.49%.

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



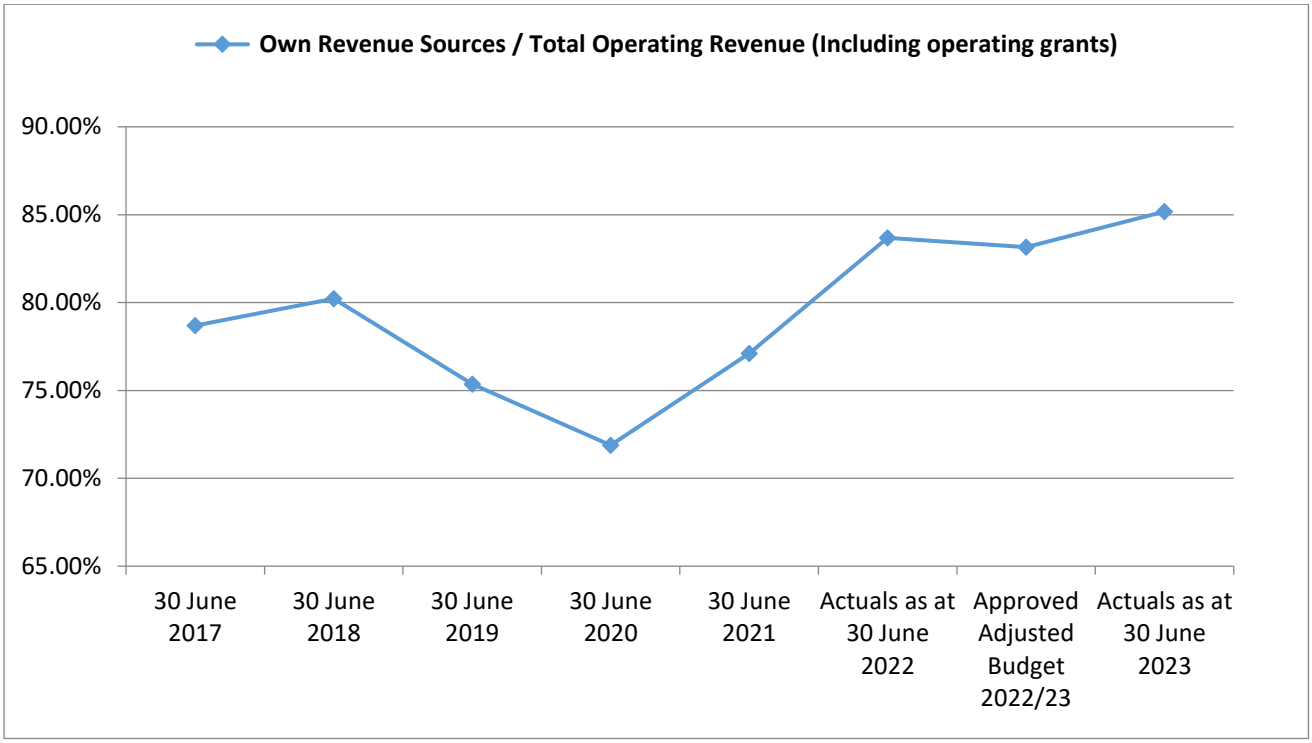
Own Revenue Generation

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 June 2023, the Municipality's own revenue sources constituted 85.18% of its total Operating Income, compared to the approved adjusted budget ratio of 83.16%.



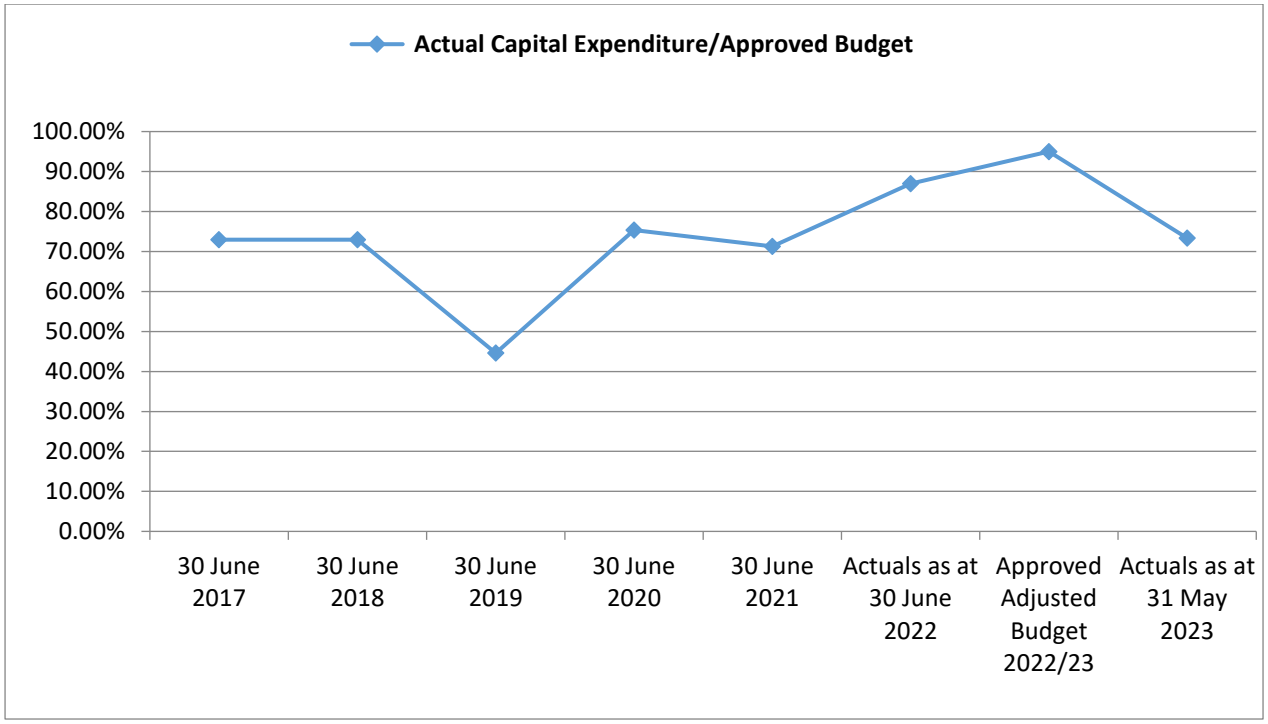
4.3.5. Capital Budget Spending

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 June 2023 amounted to 73.36% compared to the approved adjusted budget ratio of 95%.


Actual Capital Expenditure/Approved Budget
100.00%
90.00%
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
30 June 2017
30 June 2018
30 June 2019
30 June 2020
30 June 2021
Actuals as at 30 June 2022
Approved Adjusted Budget 2022/23
Actuals as at 31 May 2023