**MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2023 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JULY 2023 (2023/24 FINANCIAL YEAR)**

## 1. Introduction

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. Background

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 July 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 R207,691 million, whilst operating expenditure amounted to R 78,016 million, resulting in an operating surplus of R 129,675 million
- Capital expenditure constituted 0 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 8,903 million (2.65%) since June 2023.

- An amount of R 50,356 million is owing to creditors, 96.47% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R83,114,584 (79.21%) since June 2023, from R 104,933,812 to R 188,049,408.

Below is an analysis of the Investment Portfolio as at 31 July 2023.

| | Balance as at 30 June 2022 | Invested | Interest | Withdrawals | Adjustments | Balance as at 31 July 2023 |
|---|---|---|---|---|---|---|
| Standard Bank | 17,575,390 | - | 115,685 | - | | 17,691,074 |
| ABSA | 17,594,065 | - | 132,836 | - | 250 | 17,726,652 |
| Nedbank | 17,580,745 | - | 120,946 | - | | 17,701,690 |
| RMB | 13,004,007 | 22,043,321 | 92,013 | 43,321 | | 35,096,021 |
| INVESTEC | 17,580,053 | - | 120,941 | - | | 17,700,994 |
| Total | **83,334,260** | **22,043,321** | **582,421** | **43,321** | **250** | **105,916,431** |
| | | | | | | |
| **INVESTMENT** | **Balance as at 30 June 2021** | **Invested** | **Interest** | **Withdrawals** | **Adjustments** | **Balance as at 31 July 2023** |
| General Account | 75,741,531 | 43,321 | 527,006 | - | 250 | 76,311,608 |
| Conditional Grants | 7,592,727 | 22,000,000 | 55,415 | 43,321 | - | 29,604,821 |
| Housing Funds | 2 | - | 0 | - | - | 2 |
| Total | **83,334,260** | **22,043,321** | **582,421** | **43,321** | **250** | **105,916,431** |
| | | | | | | |
| Cheque Accounts FNB 52540020791 | 15,413,743 | | | 7,481,903 | | 7,931,841 |
| Cheque Accounts FNB 52540033304 | 3,874,471 | 67,662,411 | | | | 71,536,882 |
| Cheque Accounts FNB 62682103591 | - | | | 451 | | 451 |
| Cheque Accounts FNB 63022194441 | 2,311,338 | 352,466 | | | | 2,663,804 |
| | **21,599,552** | **68,014,877** | **-** | **7,482,354** | **-** | **82,132,977** |
| | | | | | | |
| **Total** | **104,933,812** | **90,058,198** | **582,421** | **7,525,675** | **250** | **188,049,408** |

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

**Cash backed Reserves.**

| | |
|---|---|
| Bank Balances and Cash | R 82,132,977 |
| Short-term Investment Deposits | R 105,916,431 |
| | **R188,049,408** |

**Application of Cash**

| | |
|---|---|
| Unspent Conditional Grants | R 53,412,005 |
| Operational Commitments | R 7,018,206 |
| Internally Generated Funds (Capital commitments) | R 13,460,000 |
| Conditional Grant Commitments | R 1,096,837 |
| Outstanding Creditors Liability | R 50,356,090 |
| | **R 125,343,138** |
| **Cash Reserves in excess of commitments:** | **R 62,706,270** |

The cash backed reserves exceed commitments at this stage by an amount of R 62,706,270. It should be noted the excess of reserves over commitments as at 31 July 2023, is mainly due to an amount of R75,211 million in respect of the equitable share allocation received on 05 July 2023, but not yet fully spent. These funds are already committed towards spending in the 2023/24 operating budget.

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

| Ratio | Actuals as at 30 June 2022 | Actuals as at 30 June 2023 | MFMA Circular 71 Norms | Actuals as at 31 July 2022 | Approved Budget 2023/24 | Actuals as at 31 July 2023 |
|---|---|---|---|---|---|---|
| Current Ratio | 1.12:1 | 1.17:1 | 1.5:1 to 2:1 | 1.67:1 | 0.95:1 | 1.78:1 |
| Liquidity Ratio | 0.24:1 | 0.65:1 | | 0.70:1 | 0.04:1 | 1.13:1 |
| Cost Coverage (Excluding unspent conditional grants) | 0:37 Months | 0.70 Months | 1 Month to 3 Months | 0.86 Months | 0.06 Months | 1.46 Months |
| Debtors Collection Rate | 94.32% | 86.71% | 95% | 114.37% | 95% | 48.94% |
| Capital Expenditure | 87.00% | 80.10% | | 2.44% | 83.04% | 0.00% |

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 July 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. **Comments by Directorates:**

5.1 **Director: Finance and Economic Development**

[insert comment]

5.2 **Acting Director: Planning and Development**

[insert comment]

5.3 **Acting Director: Corporate and Communication Services**

[insert comment]

5.4 **Director: Civil and Water Services**

[insert comment]

5.5 **Acting Director: Electro and Mechanical Services**

[insert comment]

5.6 **Director: Community and Safety Services**

[insert comment]

5.7 **Deputy Municipal Manager**

[insert comment]

5.8 **Municipal Manager**

[insert comment]

6. **Financial Implications**

As per report

7. **Legal Implications**

Compliance with MFMA.

8. **Other Implications**

None

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

## 10. 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…………15 August 2023…………………………

**Annexure “A1”**

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

## Summary Statement of Financial Performance

| Description | Budget Year 2023/24 | | | | | |
|---|---|---|---|---|---|---|
| | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance |
| **R thousands** | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | 1,158,957 | 1,158,957 | 207,691 | 207,691 | 96,580 | 111,111 |
| Total Expenditure | 1,268,316 | 1,268,316 | 78,016 | 78,016 | 105,762 | (27,746) |
| Surplus/(Deficit) | (109,359) | (109,359) | 129,675 | 129,675 | (9,182) | 83,365 |

The statement of financial performance reflects an operating surplus of R129,675million.

## Revenue

### Main revenue sources for 2023/24

| Description | Budget Year 2023/24 | | |
|---|---|---|---|
| | Adjusted Budget | YearTD actual | |
| R thousands | | | % |
| **Revenue** | - | - | - |
| **Exchange Revenue** | **662,340** | **52,375** | **7.91%** |
| Service charges - Electricity | 390,731 | 28,633 | 7.33% |
| Service charges - Water | 101,425 | 4,127 | 4.07% |
| Service charges - Waste Water Management | 63,314 | 5,986 | 9.45% |
| Service charges - Waste management | 66,396 | 6,421 | 9.67% |
| Sale of Goods and Rendering of Services | 7,790 | 499 | 6.41% |
| Agency services | 1,000 | 285 | 28.47% |
| Interest earned from Receivables | 18,595 | 2,304 | 12.39% |
| Interest earned from Current and Non Current Assets | 4,598 | 1,173 | 25.52% |
| Rental from Fixed Assets | 3,295 | 2,571 | 78.04% |
| Licence and permits | 3,021 | 211 | 6.97% |
| Operational Revenue | 2,174 | 165 | 7.59% |
| **Non-Exchange Revenue** | **496,618** | **155,316** | **31.27%** |
| Property rates | 281,488 | 76,181 | 27.06% |
| Fines, penalties and forfeits | 10,334 | 1,541 | 14.91% |
| Licence and permits | 10,668 | 1,157 | 10.84% |
| Transfer and subsidies - Operational | 190,883 | 76,154 | 39.90% |
| Interest | 3,244 | 283 | 8.73% |
| **Total Revenue (excluding capital transfers and contributions)** | **1,158,957** | **207,691** | **17.92%** |

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

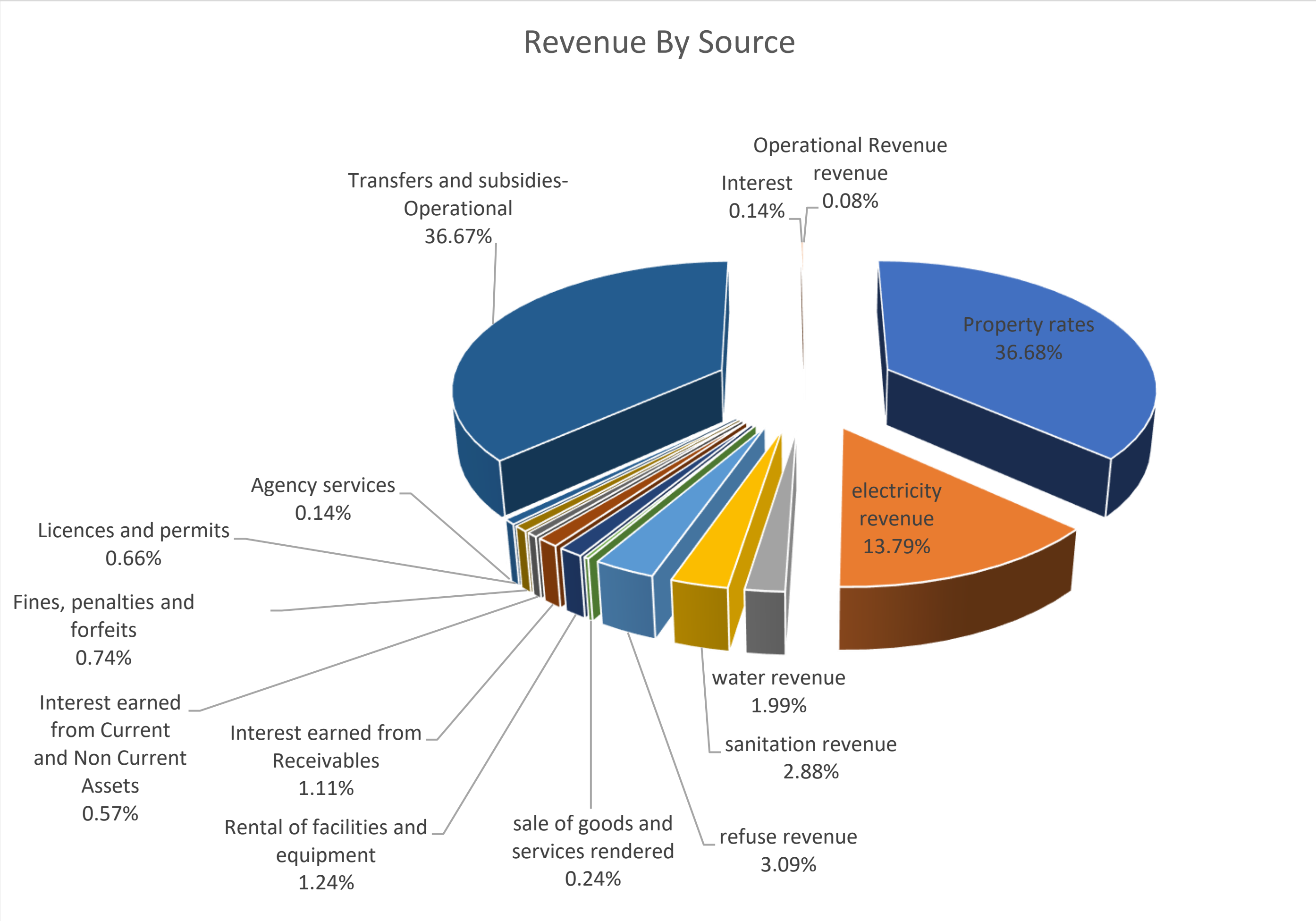
- **Property Rates**
  As at 31 July 2023, the municipality has recognised 27.06% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2023.

- **Interest earned – external investments.**
  the interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R188,049 million. The investment amount of R 188,049 million includes call accounts amounting to R 51,168 million for the unspent conditional grants.

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

- **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-Operational**
  Transfers and subsidies are largely influenced by the equitable share allocation received on 05 July 2022 amounting to R 75,211 million.


Revenue By Source
Operational Revenue revenue 0.08%
Interest 0.14%
Transfers and subsidies-Operational 36.67%
Property rates 36.68%
electricity revenue 13.79%
Agency services 0.14%
Licences and permits 0.66%
Fines, penalties and forfeits 0.74%
Interest earned from Current and Non Current Assets 0.57%
Interest earned from Receivables 1.11%
Rental of facilities and equipment 1.24%
sale of goods and services rendered 0.24%
refuse revenue 3.09%
sanitation revenue 2.88%
water revenue 1.99%

## Expenditure

### Main expenditure types for 2023/24

| Description | Budget Year 2023/24 | | |
|---|---|---|---|
| | Adjusted Budget | YearTD actual | |
| R thousands | | | % |
| **Revenue** | - | - | - |
| **Expenditure By Type** | - | - | - |
| Employee related costs | 447,813 | 28,921 | 6.46% |
| Remuneration of councillors | 15,140 | 1,084 | 7.16% |
| Bulk purchases - electricity | 364,280 | 40,241 | 11.05% |
| Inventory consumed | 94,345 | 4,164 | 4.41% |
| Debt impairment | 28,314 | – | 0.00% |
| Depreciation and amortisation | 109,663 | – | 0.00% |
| Interest | 2,090 | 458 | 21.90% |
| Contracted services | 104,446 | 422 | 0.40% |
| Transfers and subsidies | 924 | 100 | 10.82% |
| Irrecoverable debts written off | 7,305 | – | 0.00% |
| Operational costs | 93,994 | 2,625 | 2.79% |
| **Total Expenditure** | **1,268,316** | **78,016** | **6.15%** |

### Reasons for major over-/under expenditure per type

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

- **Depreciation & asset impairment**
  The depreciation & asset impairment is calculated in line with the municipal asset register.

- **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 2023/24 | | |
|---|---|---|---|
| | Approved Budget | YearTD actual | % |
| **R thousands** | | | |
| Bulk purchases – Electricity | 364,280,321 | 40,241,327 | 11.05% |
| | **364,280,321** | **40,241,327** | **11.05%** |

the bulk water purchases is as follows:

| Description | Budget Year 2023/24 | | |
|---|---|---|---|
| | Approved Adjusted Budget | YearTD actual | % |
| **R thousands** | | | |
| Bulk purchases – Water | 39,548,316 | 481,419 | 1.22% |
| | **39,548,316** | **481,419** | **1.22%** |

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

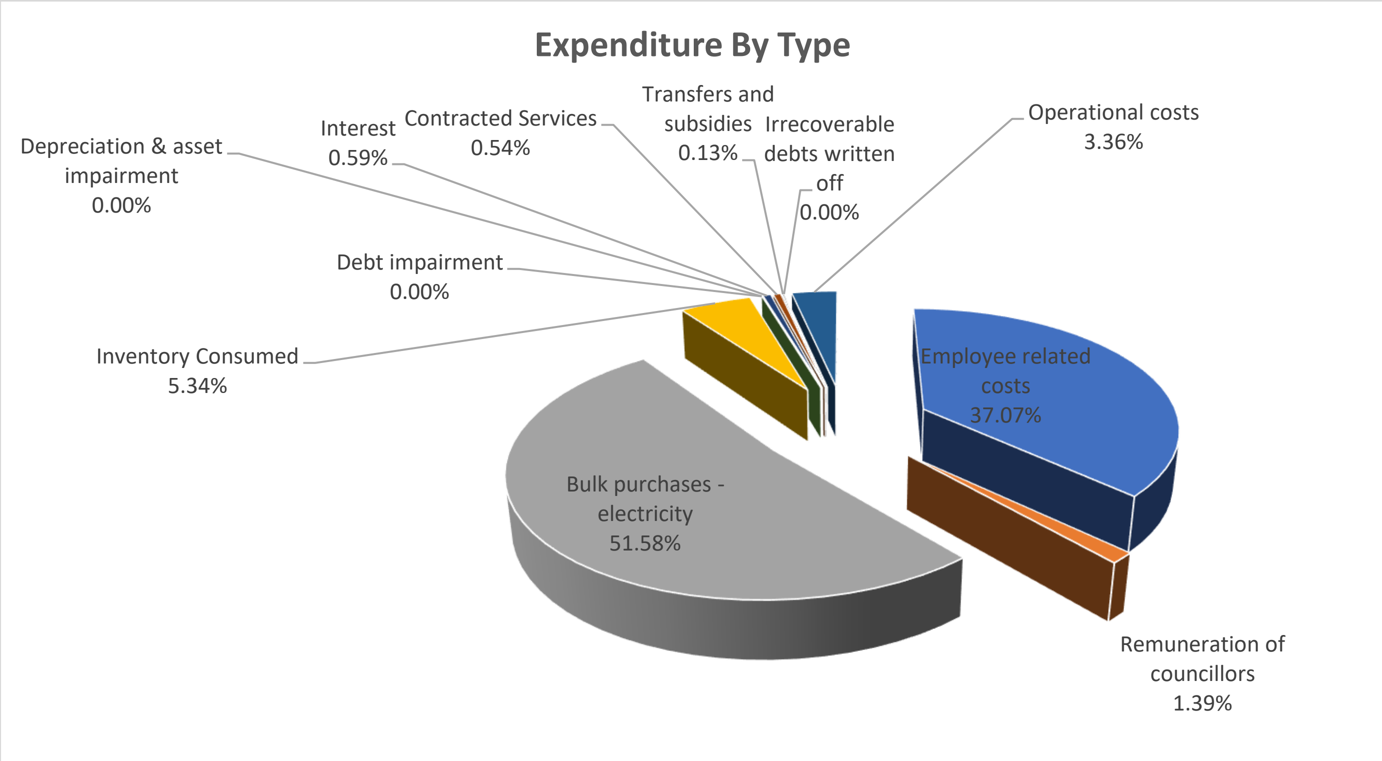
Contracted services are broken down as follows:

| Item Description | Approved Budget 2023/24 | Actuals as at 31 July 2023 | % |
|---|---|---|---|
| Adventure Race World Championship | 1,000,000 | - | 0.00% |
| Air quality Management | 349,227 | - | 0.00% |
| Amanzi Challenge National Tournament | 300,000 | - | 0.00% |
| Amendment of Kouga SPLUM Bylaw | 100,000 | - | 0.00% |
| Animal Care | 483,929 | - | 0.00% |
| Burial Services | 229,492 | - | 0.00% |
| Calamari Festival | 200,000 | - | 0.00% |
| Catering Services | 1,488,628 | - | 0.00% |
| Clearing and Grass Cutting Services | 1,546,576 | - | 0.00% |
| Concours Sur Mesure | 200,000 | - | 0.00% |
| Conducting of feasibility studies (EIA) | 300,000 | - | 0.00% |
| Connection/Dis-connection:Electricity | 588,300 | - | 0.00% |
| Consultants and Professional Services | 5,931,153 | 111,571 | 1.88% |
| Destination Marketing and Promotion | 500,000 | - | 0.00% |
| Drivers Licence Cards | 598,675 | - | 0.00% |
| Dune Stabilisation | 1,100,000 | - | 0.00% |
| Electricity Generation Project | 2,000,000 | - | 0.00% |
| Employee Wellness | 400,000 | - | 0.00% |
| ERF554 SUB DIVISION AND REZONING | 200,000 | - | 0.00% |
| Event Promoters | 100,000 | - | 0.00% |
| Housing Panel of Professional Team | 150,000 | - | 0.00% |
| ICT CONSULTANTS TENDER (SECURITY) | 300,000 | - | 0.00% |
| Internal Auditors | 130,000 | - | 0.00% |
| KLTO | 300,000 | - | 0.00% |
| Laboratory Services:Water | 2,372,063 | - | 0.00% |
| Land Valuations, Surveyor & Planning Services | 150,000 | - | 0.00% |
| Legal Advice and Litigation | 6,040,000 | - | 0.00% |
| Legal Cost:Collection | 856,000 | - | 0.00% |
| Litter Picking and Street Cleaning | 498,896 | - | 0.00% |
| Maintenance of Buildings and Facilities | 5,610,077 | - | 0.00% |
| Maintenance of Electrical Infrastructure | 5,300,000 | 30,124 | 0.57% |
| Maintenance of Equipment | 941,373 | 6,860 | 0.73% |
| Maintenance of Sanitation Infrastructure | 7,228,636 | 37,224 | 0.51% |
| Maintenance of Vehicles | 8,962,661 | 50,205 | 0.56% |
| Maintenance of Water Infrastructure | 931,316 | - | 0.00% |
| Media Monitoring | 250,000 | - | 0.00% |
| Occupational Health and Safety | 1,018,653 | 82,204 | 8.07% |
| Other Contracted Services | 2,232,884 | 47,247 | 2.12% |
| Payroll data cleansing | 500,000 | - | 0.00% |
| Personnel and Labour | 11,808,265 | 17,737 | 0.15% |
| PM: Special Projects | 40,000 | - | 0.00% |
| Private Plots_Alien Vegetation Control | 380,550 | - | 0.00% |
| Qualification Verification | 350,000 | 3,750 | 1.07% |
| Restricted Water Flow | 588,300 | - | 0.00% |
| Revision of SDF | 200,000 | - | 0.00% |
| Roads Maintenance | 10,460,504 | - | 0.00% |
| Security Services | 3,363,152 | 35,100 | 1.04% |
| Special Rating Area | 12,072,328 | - | 0.00% |
| Summer Festival | 500,000 | - | 0.00% |
| Township Events | 300,000 | - | 0.00% |
| Transport Services | 395,000 | - | 0.00% |
| Valuer | 400,000 | - | 0.00% |
| Water Quality | 199,558 | - | 0.00% |
| Winterfest | 1,500,000 | - | 0.00% |
| Yellow Wood Annual Jazz Festival | 500,000 | - | 0.00% |
| | **104,446,196** | **422,022** | **0.40%** |

- **Other Expenditure**

The other expenditure is broken down as follows:

| Item Description | Approved Budget 2023/24 | Actuals as at 31 July 2023 | % |
|---|---|---|---|
| Achievements and Awards | 1,200,000 | - | 0.00% |
| Advertising, Publicity and Marketing | 3,742,949 | 8,540 | 0.23% |
| Bank Charges | 1,150,000 | (120,123) | -10.45% |
| Bargaining Council | 4,360,213 | - | 0.00% |
| Cellular Contract (Subscription and Calls) | 2,896,864 | 206,328 | 7.12% |
| Claims paid to Third Parties | 200,000 | - | 0.00% |
| External Audit Fees | 4,500,000 | - | 0.00% |
| External Computer Service:Internet Charge | 4,000,000 | 357,960 | 8.95% |
| Hire Charges | 12,612,559 | 91,623 | 0.73% |
| Insurance Claims | 1,200,000 | (2,877) | -0.24% |
| Insurance Underwriting:Premiums | 4,199,701 | - | 0.00% |
| Leases:Furniture and Office Equipment | 3,128,689 | 205,467 | 6.57% |
| Leases:Other Assets | 3,963,740 | 661,855 | 16.70% |
| Licences:Licence Agency Fees | 19,956 | - | 0.00% |
| Motor Vehicle Licence and Registrations | 1,596,047 | 72,701 | 4.56% |
| Other | 1,131,064 | 7,506 | 0.66% |
| Postage/Stamps/Franking Machines | 2,424,405 | 135,002 | 5.57% |
| Printing, Publications and Books | 10,000 | - | 0.00% |
| Registration Fees:Professional and Regulatory Bodies | 257,044 | 10,645 | 4.14% |
| Registration Fees:Seminars, Conferences, Workshops | 2,054,108 | - | 0.00% |
| Remuneration to Ward Committees | 2,700,000 | 175,200 | 6.49% |
| Riparian Levies | 7,465,557 | - | 0.00% |
| SAMRO Licence | 150,000 | - | 0.00% |
| Signage | 938,459 | - | 0.00% |
| Skills Development Fund Levy | 3,964,204 | 286,921 | 7.24% |
| Software Licences | 8,364,691 | 11,000 | 0.13% |
| Storage of Files (Archiving) | 350,000 | - | 0.00% |
| Supplier Development Programme | 71,514 | - | 0.00% |
| Third Party Vendors | 5,340,000 | 84,115 | 1.58% |
| Travel and Subsistence | 3,441,937 | 43,896 | 1.28% |
| Uniform and Protective Clothing | 3,458,978 | 142,317 | 4.11% |
| Vehicle Tracking | 942,637 | 75,479 | 8.01% |
| Workmen's Compensation Fund | 2,158,836 | 171,517 | 7.94% |
| | **93,994,152** | **2,625,072** | **2.79%** |




## Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2023/24 Approved Budget.

| Item Description | Budget Year 2023/24 | | |
|---|---|---|---|
| | Approved Budget 2023/24 | Actuals as at 31 July 2023 | % |
| Maintenance of Equipment | 1,275,632 | 28,938 | 2.27% |
| Maintenance of Vehicles | 10,855,627 | 358,109 | 3.30% |
| Maintenance of Buildings and Facilities | 4,683,937 | 54,317 | 1.16% |
| Maintenance of Water Infrastructure | 4,989,394 | 254,056 | 5.09% |
| Roads Maintenance | 14,206,398 | - | 0.00% |
| Sport and Recreation Facilities | 1,347,018 | 1,070 | 0.08% |
| Maintenance of Electrical Infrastructure | 10,577,250 | 473,018 | 4.47% |
| Maintenance of Sanitation Infrastructure | 8,446,061 | 82,320 | 0.97% |
| Hire Charges | 4,307,775 | 47,600 | 1.10% |
| **Total** | **60,689,092** | **1,299,427** | **2.14%** |

It is to be noted that actual repairs and maintenance expenditure constituted 2.14% of the 2023/24 Approved Budget.

**Annexure "A2"**

**CAPITAL BUDGET PERFORMANCE**

**Summary Capital Expenditure and Funding**

The capital expenditure as at 31 July 2023, constituted 0.00% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 0.00% of approved adjusted grant funding budget.
- Internally generated funds are 0.00% of approved adjusted internal funds budget.

**Capital budget by municipal vote for 2023/24**

| Vote Description | Budget Year 2023/24 | | | | |
|---|---|---|---|---|---|
| | Original Budget | Approved Budget | Monthly actual | YearTD actual | % |
| R thousands | | | | | |
| Multi-Year expenditure appropriation | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | 760 | 760 | – | – | 0.00% |
| Vote 2 - FINANCIAL SERVICES | – | – | – | – | #DIV/0! |
| Vote 3 - CORPORATE SERVICES | – | – | – | – | #DIV/0! |
| Vote 4 - COMMUNITY SERVICES | 1,362 | 1,362 | – | – | 0.00% |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 76,521 | 76,521 | – | – | 0.00% |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | 700 | 700 | – | – | 0.00% |
| **Total Capital Multi-year expenditure** | **79,343** | **79,343** | **–** | **–** | **0.00%** |

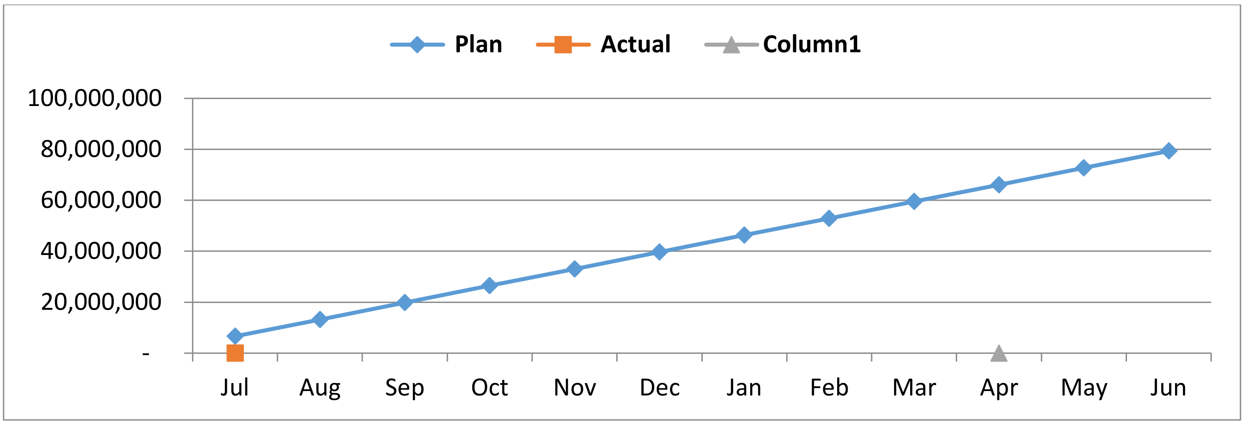
The capital expenditure as at 31 July 2023, constituted 0.00% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 0.00% of R 0.760 million budget.
- Community Services is 0.00% of R 1,362 million budget.
- Infrastructure & Engineering is 0.00% of R 76,521 million budget.
- Planning Development and Tourism is 0.00% of R0.700 million budget.

**Monthly capital expenditure**

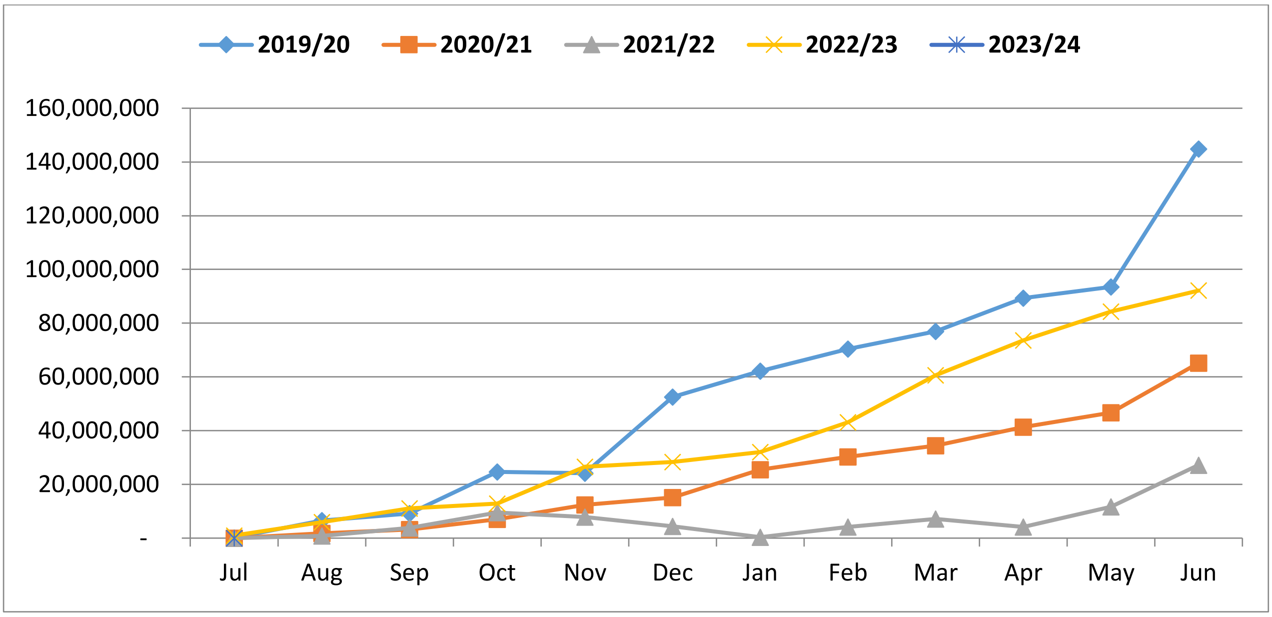
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2023/24 current budget.




**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, 2022/23 and 2023/24



## Status of capital programmes/projects in the Municipality as at 31 July 2023.

| DIRECTORATES | DEPARTMENT | FUNDING | V202_ITEMDE | PROJECT | Approved Budget 2023/24 | Actuals as at 31 July 2023 | % |
|---|---|---|---|---|---|---|---|
| COMMUNITY SERVICES | FIRE SERVICES | DISTRICT | Cost:Acquisitions | Fire Services - Vehicle (DISTRICT) | 1,362,277 | - | |
| | | | | | **1,362,277** | **-** | **0.00%** |
| | | | | | | | |
| | | | | | | | |
| EXECUTIVE&COUNCIL | WARD COUNCILLORS | Internal | Cost:Acquisitions | Ward councilors Capital project | 750,000 | - | |
| | | | | | **750,000** | **-** | **0.00%** |
| | | | | | | | |
| | | | | | | | |
| INFRASTRUCTURE & ENGINEERING | METERING & REVENUE | INEP | Cost:Acquisitions | OCEAN VIEW 1250 ELECTRIFICATION | 4,086,956 | - | |
| INFRASTRUCTURE & ENGINEERING | METERING & REVENUE | MIG | Cost:Acquisitions | DESIGN: HIGH MAST LIGHTS | 86,957 | - | |
| INFRASTRUCTURE & ENGINEERING | METERING & REVENUE | Internal | Cost:Acquisitions | SOLAR ENERGY PROJECT | 12,000,000 | - | |
| INFRASTRUCTURE & ENGINEERING | METERING & REVENUE | EEDSM | Cost:Acquisitions | ENERGY EFFICIENCY PROJECTS | 3,478,260 | - | |
| INFRASTRUCTURE & ENGINEERING | WATER | WSIG | Cost:Acquisitions | PARADISE BEACH WATER TOWER | 9,772,639 | - | |
| INFRASTRUCTURE & ENGINEERING | WATER | WSIG | Cost:Acquisitions | MIMOSA STREET PIPELINE REPLACEMENT | 16,314,317 | - | |
| INFRASTRUCTURE & ENGINEERING | SEWERAGE | MIG | Cost:Acquisitions | DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICUL | 430,645 | - | |
| INFRASTRUCTURE & ENGINEERING | SEWERAGE | MIG | Cost:Acquisitions | DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV | 304,347 | - | |
| INFRASTRUCTURE & ENGINEERING | SEWERAGE | MIG | Cost:Acquisitions | UPGRADING KWANOMZAMO WWTW | 10,632,672 | - | |
| INFRASTRUCTURE & ENGINEERING | SEWERAGE | MIG | Cost:Acquisitions | DESIGN: LA MER NEW SEWER RISING MAIN | 208,695 | - | |
| INFRASTRUCTURE & ENGINEERING | SEWERAGE | MIG | Cost:Acquisitions | UPGRADING HANKEY SEWERAGE INFRASTRUCTURE | 12,808,470 | - | |
| INFRASTRUCTURE & ENGINEERING | ROADS AND STORMWATER | MIG | Cost:Acquisitions | UPGRADING KOUGA GRAVEL ROADS | 3,339,130 | - | |
| INFRASTRUCTURE & ENGINEERING | PROJECT MANAGEMENT UNIT (PMU) | MIG | Cost:Acquisitions | UPGRADING LOERIE SPORTS FACILITIES | 3,057,474 | - | |
| | | | | | **76,520,562** | **-** | **0.00%** |
| | | | | | | | |
| | | | | | | | |
| PLANNING, DEVELOPMENT & TOURISM | LOCAL ECONOMIC DEVELOPMENT | Internal | Cost:Acquisitions | Township Economy Support (Agriculture) | 100,000 | - | |
| PLANNING, DEVELOPMENT & TOURISM | INTEGRATED DEVELOPMENT | Internal | Cost:Acquisitions | Furniture and Equipment | 10,000 | - | |
| PLANNING, DEVELOPMENT & TOURISM | TOURISM | Internal | Cost:Acquisitions | Furniture and Equipment | 600,000 | - | |
| | | | | | **710,000** | **-** | **0.00%** |
| | | | | | | | |
| | | | | **Total** | **79,342,839** | **-** | **0.00%** |

**Annexure "A3"**

## PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

### Projected Cash Flow Statement as at 31 July 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 – M01 July 2023

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 28,350 | 28,350 | 227,440 | (199,090) | -88% | 227,440 |
| Service charges | | 238,396 | 652,478 | 628,917 | 35,644 | 35,644 | 628,917 | (593,273) | -94% | 628,917 |
| Other revenue | | 22,231 | 57,445 | 101,036 | 10,540 | 10,540 | 101,036 | (90,496) | -90% | 101,036 |
| Transfers and Subsidies - Operational | | 147,988 | 177,920 | 177,920 | 76,732 | 76,732 | 177,920 | (101,188) | -57% | 177,920 |
| Transfers and Subsidies - Capital | | – | 35,734 | 93,134 | 22,350 | 22,350 | 93,134 | (70,784) | -76% | 93,134 |
| Interest | | 841,486 | 2,811 | 3,057 | 3,750 | 3,750 | 3,057 | 693 | 23% | 3,057 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Suppliers and employees | | 145,625 | (1,115,817) | (1,140,765) | (93,382) | (93,382) | (1,140,765) | ####### | 92% | (1,140,765) |
| Interest | | – | – | – | (869) | (869) | – | 869 | 0% | – |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 1,886,718 | 41,019 | 90,740 | 83,115 | 83,115 | 90,740 | 7,625 | 8% | 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 | | (71,169) | 79,343 | 79,343 | – | – | 6,612 | 6,612 | 100% | 79,343 |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (71,169) | 79,343 | 79,343 | – | – | 6,612 | 6,612 | 100% | 79,343 |
| | | | | | | | | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | 2,899 | – | – | – | – | – | – | | – |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 2,899 | – | – | – | – | – | – | | – |
| | | | | | | | | | | |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 1,818,448 | 120,362 | 170,083 | 83,115 | 83,115 | 97,352 | | | 170,083 |
| Cash/cash equivalents at beginning: | | 53,394 | 4,105 | 27,851 | | 104,935 | 27,851 | | | 104,935 |
| Cash/cash equivalents at month/year end: | | 1,871,843 | 124,467 | 197,933 | | 188,050 | 125,202 | | | 275,017 |

**Annexure "A4"**

## MUNICIPAL MONTHLY BUDGET TABLES

### 1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2023/24 budget performance for the period of July 2023 and are to be noted. Each table is accompanied by explanatory notes.

## Table C1 Monthly Budget Statement Summary – M01 July 2023

| Description | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 259,374 | 281,488 | 281,488 | 76,181 | 76,181 | 23,457 | 52,724 | 225% | 281,488 |
| Service charges | 540,449 | 629,657 | 629,657 | 45,666 | 45,666 | 52,471 | (6,805) | -13% | 629,657 |
| Investment revenue | 6,818 | 4,598 | 4,598 | 1,173 | 1,173 | 383 | 790 | 206% | 4,598 |
| Transfers and subsidies - Operational | 176,531 | 190,883 | 190,883 | 76,154 | 76,154 | 15,907 | 60,247 | 379% | 190,883 |
| Other own revenue | 41,875 | 38,418 | 38,418 | 7,076 | 7,076 | 3,201 | 3,875 | 121% | 38,418 |
| **Total Revenue (excluding capital transfers and contributions)** | **1,025,047** | **1,145,045** | **1,145,045** | **206,251** | **206,251** | **95,420** | **110,830** | **116%** | **1,145,045** |
| Employee costs | 348,799 | 447,813 | 447,813 | 28,921 | 28,921 | 37,318 | (8,396) | -22% | 447,813 |
| Remuneration of Councillors | 13,875 | 15,140 | 15,140 | 1,084 | 1,084 | 1,262 | (178) | -14% | 15,140 |
| Depreciation and amortisation | 120,451 | 109,663 | 109,663 | – | – | 9,138 | (9,138) | -100% | 109,663 |
| Interest | 2,296 | 2,090 | 2,090 | 458 | 458 | 174 | 284 | 163% | 2,090 |
| Inventory consumed and bulk purchases | 380,815 | 458,626 | 458,626 | 44,406 | 44,406 | 38,219 | 6,187 | 16% | 458,626 |
| Transfers and subsidies | 709 | 924 | 924 | 100 | 100 | 77 | 23 | 30% | 924 |
| Other expenditure | 174,087 | 234,060 | 234,060 | 3,047 | 3,047 | 19,574 | (16,527) | -84% | 234,060 |
| **Total Expenditure** | **1,041,033** | **1,268,316** | **1,268,316** | **78,016** | **78,016** | **105,762** | **(27,746)** | **-26%** | **1,268,316** |
| **Surplus/(Deficit)** | **(15,986)** | **(123,272)** | **(123,272)** | **128,235** | **128,235** | **(10,342)** | **138,577** | **-1340%** | **(123,272)** |
| Transfers and subsidies - capital (monetary allocations) | 93,168 | 75,561 | 75,561 | 270 | 270 | 6,297 | (6,027) | -96% | 75,561 |
| Transfers and subsidies - capital (in-kind) | 93,168 | 75,561 | 75,561 | 270 | 270 | 6,297 | (6,027) | -96% | 75,561 |
| **Surplus/(Deficit) after capital transfers & contributions** | **170,350** | **27,850** | **27,850** | **128,774** | **128,774** | **2,252** | **126,522** | **5619%** | **27,850** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **170,350** | **27,850** | **27,850** | **128,774** | **128,774** | **2,252** | **126,522** | **5619%** | **27,850** |
| | | | | | | | | | |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **94,136** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |
| Capital transfers recognised | 75,119 | 65,883 | 65,883 | – | – | 5,490 | (5,490) | -100% | 65,883 |
| Borrowing | 8,786 | – | – | – | – | – | – | | – |
| Internally generated funds | **10,230** | **13,460** | **13,460** | **–** | **–** | **1,122** | **(1,122)** | **-100%** | **13,460** |
| **Total sources of capital funds** | **94,136** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |
| | | | | | | | | | |
| **Financial position** | | | | | | | | | |
| Total current assets | 381,313 | 154,622 | 154,622 | | 510,171 | | | | 154,622 |
| Total non current assets | 2,306,184 | 2,302,442 | 2,302,442 | | 2,312,664 | | | | 2,302,442 |
| Total current liabilities | 280,388 | 154,259 | 154,258 | | 285,847 | | | | 154,258 |
| Total non current liabilities | 247,114 | 255,035 | 255,035 | | 245,638 | | | | 255,035 |
| **Community wealth/Equity** | **2,163,391** | **2,047,771** | **2,047,771** | | **2,155,168** | | | | **2,047,771** |
| | | | | | | | | | |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 2,088,591 | (2,036,247) | (2,024,899) | 174,745 | 174,745 | (168,742) | (343,487) | 204% | (2,024,899) |
| Net cash from (used) investing | (71,169) | (79,343) | – | (3,503) | (3,503) | 6,612 | 10,115 | 153% | 79,343 |
| Net cash from (used) financing | – | – | – | – | – | – | – | | – |
| **Cash/cash equivalents at the month/year end** | **2,017,423** | **(2,107,048)** | **(2,016,357)** | **–** | **171,242** | **(153,587)** | **(324,829)** | **211%** | **(1,945,557)** |
| | | | | | | | | | |
| **Debtors & creditors analysis** | **0-30 Days** | **31-60 Days** | **61-90 Days** | **91-120 Days** | **121-150 Dys** | **151-180 Dys** | **181 Dys-1 Yr** | **Over 1Yr** | **Total** |
| **Debtors Age Analysis** | | | | | | | | | |
| Total By Income Source | – | – | – | – | – | – | – | – | – |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | – | – | – | – | – | – | – | – | – |

## Explanatory notes to Table C 1 – Monthly Budget Summary

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

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

## Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M01 July 2023

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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*** | | **438,901** | **422,639** | **422,639** | **154,743** | **154,743** | **35,220** | 119,523 | 339% | **422,639** |
| Executive and council | | 2,414 | 106 | 106 | 15 | 15 | 9 | 7 | 75% | 106 |
| Finance and administration | | 436,486 | 422,533 | 422,533 | 154,728 | 154,728 | 35,211 | 119,517 | 339% | 422,533 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **16,284** | **16,716** | **16,716** | **2,253** | **2,253** | **1,393** | 860 | 62% | **16,716** |
| Community and social services | | 2,427 | 2,437 | 2,437 | 28 | 28 | 203 | (175) | -86% | 2,437 |
| Sport and recreation | | 8,640 | 10,338 | 10,338 | 1,190 | 1,190 | 861 | 329 | 38% | 10,338 |
| Public safety | | 2,748 | 1,378 | 1,378 | 270 | 270 | 115 | 155 | 135% | 1,378 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | 2,470 | 2,563 | 2,563 | 764 | 764 | 214 | 551 | 258% | 2,563 |
| ***Economic and environmental services*** | | **30,853** | **37,432** | **37,432** | **5,909** | **5,909** | **3,119** | 2,790 | 89% | **37,432** |
| Planning and development | | 6,538 | 8,083 | 8,083 | 2,955 | 2,955 | 674 | 2,282 | 339% | 8,083 |
| Road transport | | 6,912 | 6,910 | 6,910 | 545 | 545 | 576 | (30) | -5% | 6,910 |
| Environmental protection | | 17,404 | 22,439 | 22,439 | 2,409 | 2,409 | 1,870 | 539 | 29% | 22,439 |
| ***Trading services*** | | **643,083** | **757,731** | **757,731** | **45,056** | **45,056** | **63,144** | (18,089) | -29% | **757,731** |
| Energy sources | | 307,251 | 408,372 | 408,372 | 28,791 | 28,791 | 34,031 | (5,240) | -15% | 408,372 |
| Water management | | 183,747 | 161,300 | 161,300 | 5,190 | 5,190 | 13,442 | (8,251) | -61% | 161,300 |
| Waste water management | | 99,532 | 113,711 | 113,711 | 6,406 | 6,406 | 9,476 | (3,070) | -32% | 113,711 |
| Waste management | | 52,552 | 74,347 | 74,347 | 4,669 | 4,669 | 6,196 | (1,527) | -25% | 74,347 |
| ***Other*** | 4 | – | – | – | – | – | – | – | | – |
| **Total Revenue - Functional** | 2 | **1,129,121** | **1,234,518** | **1,234,518** | **207,961** | **207,961** | **102,876** | **105,084** | **102%** | **1,234,518** |
| Expenditure - Functional | | | | | | | | | | |
| ***Governance and administration*** | | **232,673** | **306,226** | **306,226** | **14,546** | **14,546** | **25,422** | (10,875) | -43% | **306,226** |
| Executive and council | | 55,037 | 64,558 | 64,558 | 3,275 | 3,275 | 5,379 | (2,104) | -39% | 64,558 |
| Finance and administration | | 177,564 | 241,417 | 241,417 | 11,271 | 11,271 | 20,022 | (8,751) | -44% | 241,417 |
| Internal audit | | 73 | 251 | 251 | – | – | 20 | (20) | -100% | 251 |
| ***Community and public safety*** | | **98,301** | **121,818** | **121,818** | **6,219** | **6,219** | **10,151** | (3,932) | -39% | **121,818** |
| Community and social services | | 8,242 | 12,897 | 12,897 | 633 | 633 | 1,075 | (441) | -41% | 12,897 |
| Sport and recreation | | 50,639 | 63,813 | 63,813 | 2,633 | 2,633 | 5,318 | (2,684) | -50% | 63,813 |
| Public safety | | 26,931 | 30,247 | 30,247 | 1,967 | 1,967 | 2,521 | (553) | -22% | 30,247 |
| Housing | | 5,343 | 7,037 | 7,037 | 453 | 453 | 586 | (133) | -23% | 7,037 |
| Health | | 7,146 | 7,824 | 7,824 | 532 | 532 | 652 | (120) | -18% | 7,824 |
| ***Economic and environmental services*** | | **129,904** | **158,670** | **158,670** | **5,137** | **5,137** | **13,389** | (8,252) | -62% | **158,670** |
| Planning and development | | 24,177 | 31,432 | 31,432 | 2,037 | 2,037 | 2,619 | (582) | -22% | 31,432 |
| Road transport | | 94,293 | 118,681 | 118,681 | 2,867 | 2,867 | 10,057 | (7,189) | -71% | 118,681 |
| Environmental protection | | 11,433 | 8,556 | 8,556 | 233 | 233 | 713 | (480) | -67% | 8,556 |
| ***Trading services*** | | **574,226** | **674,375** | **674,375** | **52,106** | **52,106** | **56,198** | (4,092) | -7% | **674,375** |
| Energy sources | | 331,688 | 424,020 | 424,020 | 42,395 | 42,395 | 35,335 | 7,060 | 20% | 424,020 |
| Water management | | 100,701 | 103,892 | 103,892 | 3,032 | 3,032 | 8,658 | (5,626) | -65% | 103,892 |
| Waste water management | | 84,615 | 85,015 | 85,015 | 2,867 | 2,867 | 7,085 | (4,217) | -60% | 85,015 |
| Waste management | | 57,222 | 61,449 | 61,449 | 3,812 | 3,812 | 5,121 | (1,309) | -26% | 61,449 |
| ***Other*** | | **5,929** | **7,227** | **7,227** | **7** | **7** | **602** | **(595)** | **-99%** | **7,227** |
| **Total Expenditure - Functional** | 3 | **1,041,033** | **1,268,316** | **1,268,316** | **78,016** | **78,016** | **105,762** | **(27,746)** | **-26%** | **1,268,316** |
| **Surplus/ (Deficit) for the year** | | **88,088** | **(33,798)** | **(33,798)** | **129,945** | **129,945** | **(2,886)** | **132,830** | **-4603%** | **(33,798)** |

## 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 – M01 July 2023

| Vote Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 | | 2,471 | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | | 423,024 | 410,736 | 410,736 | 153,095 | 153,095 | 34,228 | 118,867 | 347.3% | 410,736 |
| Vote 3 - CORPORATE SERVICES | | 783 | 1,194 | 1,194 | 129 | 129 | 100 | 29 | 29.5% | 1,194 |
| Vote 4 - COMMUNITY SERVICES | | 102,901 | 127,808 | 127,808 | 11,385 | 11,385 | 10,651 | 734 | 6.9% | 127,808 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 594,126 | 688,565 | 688,565 | 42,995 | 42,995 | 57,380 | (14,386) | -25.1% | 688,565 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 5,970 | 6,215 | 6,215 | 357 | 357 | 518 | (161) | -31.0% | 6,215 |
| 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 | **1,129,275** | **1,234,518** | **1,234,518** | **207,961** | **207,961** | **102,876** | **105,084** | **102.1%** | **1,234,518** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | 60,326 | 70,802 | 70,802 | 3,340 | 3,340 | 5,897 | (2,557) | -43.4% | 70,802 |
| Vote 2 - FINANCIAL SERVICES | | 82,282 | 115,941 | 115,941 | 5,259 | 5,259 | 9,657 | (4,399) | -45.5% | 115,941 |
| Vote 3 - CORPORATE SERVICES | | 36,481 | 62,930 | 62,930 | 2,916 | 2,916 | 5,154 | (2,238) | -43.4% | 62,930 |
| Vote 4 - COMMUNITY SERVICES | | 213,589 | 240,505 | 240,505 | 13,253 | 13,253 | 20,042 | (6,789) | -33.9% | 240,505 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 618,531 | 739,091 | 739,091 | 51,313 | 51,313 | 61,757 | (10,445) | -16.9% | 739,091 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 29,809 | 38,427 | 38,427 | 1,935 | 1,935 | 3,202 | (1,267) | -39.6% | 38,427 |
| 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 | **1,041,019** | **1,267,696** | **1,267,696** | **78,016** | **78,016** | **105,710** | **(27,695)** | **-26.2%** | **1,267,696** |
| **Surplus/ (Deficit) for the year** | 2 | **88,256** | **(33,178)** | **(33,178)** | **129,945** | **129,945** | **(2,834)** | **132,779** | **-4685.4%** | **(33,178)** |

## 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) – M01 July 2023

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD Variance | YTD Variance % | Full Year Forecast |
| **Revenue** | | | | | | | | | | |
| **Exchange Revenue** | | 577,840 | 662,340 | 662,340 | 52,375 | 52,375 | 55,195 | (2,820) | -5% | 662,340 |
| Service charges - Electricity | | 300,296 | 390,731 | 390,731 | 28,633 | 28,633 | 32,561 | (3,927) | -12% | 390,731 |
| Service charges - Water | | 108,789 | 101,425 | 101,425 | 4,127 | 4,127 | 8,452 | (4,325) | -51% | 101,425 |
| Service charges - Waste Water Management | | 61,478 | 63,314 | 63,314 | 5,986 | 5,986 | 5,276 | 710 | 13% | 63,314 |
| Service charges - Waste management | | 61,940 | 66,396 | 66,396 | 6,421 | 6,421 | 5,533 | 888 | 16% | 66,396 |
| Sale of Goods and Rendering of Services | | 7,945 | 7,790 | 7,790 | 499 | 499 | 649 | (150) | -23% | 7,790 |
| Agency services | | 2,678 | 1,000 | 1,000 | 285 | 285 | 83 | 201 | 242% | 1,000 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 21,443 | 18,595 | 18,595 | 2,304 | 2,304 | 1,550 | 754 | 49% | 18,595 |
| Interest earned from Current and Non Current Assets | | 6,818 | 4,598 | 4,598 | 1,173 | 1,173 | 383 | 790 | 206% | 4,598 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 2,657 | 3,295 | 3,295 | 2,571 | 2,571 | 275 | 2,297 | 837% | 3,295 |
| Licence and permits | | 2,624 | 3,021 | 3,021 | 211 | 211 | 252 | (41) | -16% | 3,021 |
| Operational Revenue | | 1,171 | 2,174 | 2,174 | 165 | 165 | 181 | (16) | -9% | 2,174 |
| **Non-Exchange Revenue** | | 458,113 | 496,618 | 496,618 | 155,316 | 155,316 | 41,385 | 113,931 | 275% | 496,618 |
| Property rates | | 259,374 | 281,488 | 281,488 | 76,181 | 76,181 | 23,457 | 52,724 | 225% | 281,488 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 11,285 | 10,334 | 10,334 | 1,541 | 1,541 | 861 | 680 | 79% | 10,334 |
| Licence and permits | | 7,184 | 10,668 | 10,668 | 1,157 | 1,157 | 889 | 268 | 30% | 10,668 |
| Transfer and subsidies - Operational | | 176,531 | 190,883 | 190,883 | 76,154 | 76,154 | 15,907 | 60,247 | 379% | 190,883 |
| Interest | | 3,722 | 3,244 | 3,244 | 283 | 283 | 270 | 13 | 5% | 3,244 |
| Fuel Levy | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | – | – | – | – | – | – | – | | – |
| Gains on disposal of Assets | | 17 | – | (0) | – | – | – | – | | (0) |
| Other Gains | | – | – | – | – | – | – | – | | – |
| Discontinued Operations | | – | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and contributions)** | | **1,035,953** | **1,158,957** | **1,158,957** | **207,691** | **207,691** | **96,580** | **111,111** | **115%** | **1,158,957** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 348,799 | 447,813 | 447,813 | 28,921 | 28,921 | 37,318 | (8,396) | -22% | 447,813 |
| Remuneration of councillors | | 13,875 | 15,140 | 15,140 | 1,084 | 1,084 | 1,262 | (178) | -14% | 15,140 |
| Bulk purchases - electricity | | 291,888 | 364,280 | 364,280 | 40,241 | 40,241 | 30,357 | 9,885 | 33% | 364,280 |
| Inventory consumed | | 88,927 | 94,345 | 94,345 | 4,164 | 4,164 | 7,862 | (3,698) | -47% | 94,345 |
| Debt impairment | | – | 28,314 | 28,314 | – | – | 2,360 | (2,360) | -100% | 28,314 |
| Depreciation and amortisation | | 120,451 | 109,663 | 109,663 | – | – | 9,138 | (9,138) | -100% | 109,663 |
| Interest | | 2,296 | 2,090 | 2,090 | 458 | 458 | 174 | 284 | 163% | 2,090 |
| Contracted services | | 86,575 | 104,476 | 104,446 | 422 | 422 | 8,865 | (8,443) | -95% | 104,446 |
| Transfers and subsidies | | 709 | 924 | 924 | 100 | 100 | 77 | 23 | 30% | 924 |
| Irrecoverable debts written off | | 11,292 | 7,305 | 7,305 | – | – | 609 | (609) | -100% | 7,305 |
| Operational costs | | 76,208 | 93,964 | 93,994 | 2,625 | 2,625 | 7,741 | (5,116) | -66% | 93,994 |
| Losses on Disposal of Assets | | 13 | – | – | – | – | – | – | | – |
| Other Losses | | – | – | – | – | – | – | – | | – |
| **Total Expenditure** | | **1,041,033** | **1,268,316** | **1,268,316** | **78,016** | **78,016** | **105,762** | **(27,746)** | **-26%** | **1,268,316** |
| **Surplus/(Deficit)** | | **(5,080)** | **(109,359)** | **(109,359)** | **129,675** | **129,675** | **(9,182)** | **138,857** | **(0)** | **(109,359)** |
| Transfers and subsidies - capital (monetary allocations) | | 93,168 | 75,561 | 75,561 | 270 | 270 | 6,297 | (6,027) | **(0)** | 75,561 |
| Transfers and subsidies - capital (in-kind) | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **88,088** | **(33,798)** | **(33,798)** | **129,945** | **129,945** | **(2,886)** | | | **(33,798)** |
| Income Tax | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after income tax** | | **88,088** | **(33,798)** | **(33,798)** | **129,945** | **129,945** | **(2,886)** | | | **(33,798)** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | | | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | | | – |
| **Surplus/(Deficit) attributable to municipality** | | **88,088** | **(33,798)** | **(33,798)** | **129,945** | **129,945** | **(2,886)** | | | **(33,798)** |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | | | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | | | – |
| **Surplus/ (Deficit) for the year** | | **88,088** | **(33,798)** | **(33,798)** | **129,945** | **129,945** | **(2,886)** | | | **(33,798)** |

## 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) – M01 July 2023

| Vote Description | Ref | 2022/23 Audited Outcome | Budget Year 2023/24 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 | | 329 | 760 | 760 | – | – | 63 | (63) | -100% | 760 |
| Vote 2 - FINANCIAL SERVICES | | 1,982 | – | – | – | – | – | – | | – |
| Vote 3 - CORPORATE SERVICES | | 10 | – | – | – | – | – | – | | – |
| Vote 4 - COMMUNITY SERVICES | | 9,294 | 1,362 | 1,362 | – | – | 114 | (114) | -100% | 1,362 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 82,431 | 76,521 | 76,521 | – | – | 6,377 | (6,377) | -100% | 76,521 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 19 | 700 | 700 | – | – | 58 | (58) | -100% | 700 |
| 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 | **94,065** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |
| **Single Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | 1 | – | – | – | – | – | – | | – |
| Vote 2 - FINANCIAL SERVICES | | 56 | – | – | – | – | – | – | | – |
| Vote 3 - CORPORATE SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 4 - COMMUNITY SERVICES | | – | – | – | – | – | – | – | | – |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 14 | – | – | – | – | – | – | | – |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | – | – | – | – | – | – | – | | – |
| 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 | 71 | – | – | – | – | – | **–** | | – |
| **Total Capital Expenditure** | 3 | **94,136** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |
| **Capital Expenditure - Functional Classification** | | | | | | | | | | |
| ***Governance and administration*** | | **2,765** | **760** | **760** | **–** | **–** | **63** | (63) | -100% | **760** |
| Executive and council | | 307 | 760 | 760 | – | – | 63 | (63) | -100% | 760 |
| Finance and administration | | 2,434 | – | – | – | – | – | – | | – |
| Internal audit | | 23 | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **301** | **1,362** | **1,362** | **–** | **–** | **114** | (114) | -100% | **1,362** |
| Community and social services | | – | – | – | – | – | – | – | | – |
| Sport and recreation | | 301 | – | – | – | – | – | – | | – |
| Public safety | | – | 1,362 | 1,362 | – | – | 114 | (114) | -100% | 1,362 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | – | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **15,653** | **6,497** | **6,497** | **–** | **–** | **541** | (541) | -100% | **6,497** |
| Planning and development | | 3,897 | 3,157 | 3,157 | – | – | 263 | (263) | -100% | 3,157 |
| Road transport | | 11,756 | 3,339 | 3,339 | – | – | 278 | (278) | -100% | 3,339 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **75,417** | **70,124** | **70,124** | **–** | **–** | **5,844** | (5,844) | -100% | **70,124** |
| Energy sources | | 6,789 | 19,652 | 19,652 | – | – | 1,638 | (1,638) | -100% | 19,652 |
| Water management | | 45,599 | 26,087 | 26,087 | – | – | 2,174 | (2,174) | -100% | 26,087 |
| Waste water management | | 14,243 | 24,385 | 24,385 | – | – | 2,032 | (2,032) | -100% | 24,385 |
| Waste management | | 8,786 | – | – | – | – | – | – | | – |
| ***Other*** | | – | 600 | 600 | – | – | 50 | (50) | -100% | 600 |
| **Total Capital Expenditure - Functional Classification** | 3 | **94,136** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |
| **Funded by:** | | | | | | | | | | |
| National Government | | 75,119 | 64,521 | 64,521 | – | – | 5,377 | (5,377) | -100% | 64,521 |
| Provincial Government | | – | – | – | – | – | – | – | | – |
| District Municipality | | – | 1,362 | 1,362 | – | – | 114 | (114) | -100% | 1,362 |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | | – | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **75,119** | **65,883** | **65,883** | **–** | **–** | **5,490** | **(5,490)** | **-100%** | **65,883** |
| **Borrowing** | 6 | 8,786 | – | – | – | – | – | – | | – |
| **Internally generated funds** | | 10,230 | 13,460 | 13,460 | – | – | 1,122 | (1,122) | -100% | 13,460 |
| **Total Capital Funding** | 7 | **94,136** | **79,343** | **79,343** | **–** | **–** | **6,612** | **(6,612)** | **-100%** | **79,343** |

## 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 – M01 July 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 and cash equivalents | | 8,542 | 5,596 | 5,596 | 188,049 | 5,596 |
| Trade and other receivables from exchange transactions | | 48,597 | 55,239 | 55,239 | 57,121 | 55,239 |
| Receivables from non-exchange transactions | | 20,621 | 24,619 | 24,619 | 34,261 | 24,619 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 17,110 | 17,110 | 17,110 | 17,110 | 17,110 |
| VAT | | 50,443 | 50,443 | 50,443 | – | 50,443 |
| Other current assets | | 1,616 | 1,616 | 1,616 | – | 1,616 |
| **Total current assets** | | **146,929** | **154,622** | **154,622** | **296,542** | **154,622** |
| | | | | | | |
| **Non current assets** | | | | | | |
| Investments | | – | – | – | – | – |
| Investment property | | 262,608 | 262,608 | 262,608 | 262,608 | 262,608 |
| Property, plant and equipment | | 2,069,744 | 2,039,424 | 2,039,424 | 2,039,424 | 2,039,424 |
| Biological assets | | – | – | – | | – |
| Living and non-living resources | | – | – | – | – | – |
| Heritage assets | | – | – | – | – | – |
| Intangible assets | | 410 | 410 | 410 | 410 | 410 |
| Trade and other receivables from exchange transactions | | – | – | – | | – |
| Non-current receivables from non-exchange transactions | | – | – | – | – | – |
| Other non-current assets | | – | – | – | – | – |
| **Total non current assets** | | **2,332,762** | **2,302,442** | **2,302,442** | **2,302,442** | **2,302,442** |
| **TOTAL ASSETS** | | **2,479,691** | **2,457,064** | **2,457,064** | **2,598,984** | **2,457,064** |
| | | | | | | |
| **LIABILITIES** | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | 12,169 | 9,484 | 9,484 | 11,314 | 9,484 |
| Consumer deposits | | 23,673 | 23,673 | 23,673 | 23,673 | 23,673 |
| Trade and other payables from exchange transactions | | 77,411 | 77,412 | 100,427 | 100,427 | 77,412 |
| Trade and other payables from non-exchange transactions | | – | – | – | | – |
| Provision | | 41,511 | 40,426 | 40,426 | 30,796 | 40,426 |
| VAT | | – | – | – | | – |
| Other current liabilities | | – | 3,263 | 3,263 | – | 3,263 |
| **Total current liabilities** | | **154,763** | **154,259** | **177,274** | **166,210** | **154,259** |
| | | | | | | |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | 16,043 | – | 16,043 | 23,166 | 8,637 |
| Provision | | 123,051 | 191,375 | 227,316 | 214,884 | 126,738 |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | 104,265 | – | – | – | 119,659 |
| **Total non current liabilities** | | **243,359** | **191,375** | **243,359** | **238,050** | **255,035** |
| **TOTAL LIABILITIES** | | **398,122** | **345,634** | **420,633** | **404,260** | **409,293** |
| | | | | | | |
| **NET ASSETS** | 2 | **2,081,569** | **2,111,430** | **2,036,431** | **2,194,724** | **2,047,771** |
| | | | | | | |
| **COMMUNITY WEALTH/EQUITY** | | | | | | |
| Accumulated Surplus/(Deficit) | | 2,081,569 | 2,111,430 | 2,059,447 | 4,264,730 | 2,047,771 |
| Reserves and funds | | – | – | – | – | – |
| Other | | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **2,081,569** | **2,111,430** | **2,059,447** | **4,264,730** | **2,047,771** |

## 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 – M01 July 2023

| Description | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 28,350 | 28,350 | 227,440 | (199,090) | -88% | 227,440 |
| Service charges | | 238,396 | 652,478 | 628,917 | 35,644 | 35,644 | 628,917 | (593,273) | -94% | 628,917 |
| Other revenue | | 22,231 | 57,445 | 101,036 | 10,540 | 10,540 | 101,036 | (90,496) | -90% | 101,036 |
| Transfers and Subsidies - Operational | | 147,988 | 177,920 | 177,920 | 76,732 | 76,732 | 177,920 | (101,188) | -57% | 177,920 |
| Transfers and Subsidies - Capital | | – | 35,734 | 93,134 | 22,350 | 22,350 | 93,134 | (70,784) | -76% | 93,134 |
| Interest | | 841,486 | 2,811 | 3,057 | 3,750 | 3,750 | 3,057 | 693 | 23% | 3,057 |
| Dividends | | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | 145,625 | (1,115,817) | (1,140,765) | (93,382) | (93,382) | (1,140,765) | ####### | 92% | (1,140,765) |
| Interest | | – | – | – | (869) | (869) | – | 869 | 0% | – |
| Transfers and Subsidies | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **1,886,718** | **41,019** | **90,740** | **83,115** | **83,115** | **90,740** | **7,625** | **8%** | **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 | | (71,169) | 79,343 | 79,343 | – | – | 6,612 | 6,612 | 100% | 79,343 |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **(71,169)** | **79,343** | **79,343** | **–** | **–** | **6,612** | **6,612** | **100%** | **79,343** |
| | | | | | | | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | | – |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | | – |
| Increase (decrease) in consumer deposits | | 2,899 | – | – | – | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | | – |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **2,899** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** |
| | | | | | | | | | | |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **1,818,448** | **120,362** | **170,083** | **83,115** | **83,115** | **97,352** | | | **170,083** |
| Cash/cash equivalents at beginning: | | 53,394 | 4,105 | 27,851 | | 104,935 | 27,851 | | | 104,935 |
| Cash/cash equivalents at month/year end: | | 1,871,843 | 124,467 | 197,933 | | 188,050 | 125,202 | | | 275,017 |

## 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.

**Annexure "A5"**

## 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 July 2023, compared to the position as at 30 June 2023.

### Debtors' Age Analysis (Inclusive of VAT) as at 31 July 2023

| Description | Budget Year 2023/24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 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 | 19,767 | 5,606 | 6,488 | 5,831 | 2,765 | 5,817 | 19,380 | 66,680 | 132,334 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 27,408 | 1,421 | 1,068 | 890 | 640 | 594 | 3,455 | 11,489 | 46,965 |
| Receivables from Non-exchange Transactions - Property Rates | 64,667 | 1,617 | 1,389 | 1,043 | 947 | 783 | 9,957 | 24,339 | 104,742 |
| Receivables from Exchange Transactions - Waste Water Management | 9,207 | 1,816 | 1,602 | 1,464 | 1,201 | 1,393 | 6,466 | 30,501 | 53,651 |
| Receivables from Exchange Transactions - Waste Management | 6,197 | 1,406 | 1,309 | 1,248 | 1,208 | 1,179 | 6,750 | 40,999 | 60,297 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | 816 | 248 | 342 | 366 | 315 | 523 | 3,590 | 48,056 | 54,256 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (25,135) | 411 | 378 | 348 | 550 | 371 | 2,356 | 16,429 | (4,292) |
| **Total By Income Source** | **102,928** | **12,525** | **12,577** | **11,190** | **7,625** | **10,659** | **51,954** | **238,493** | **447,952** |
| **2020/21 - totals only** | | | | | | | | | – |
| **Debtors Age Analysis By Customer Group** | | | | | | | | | |
| Organs of State | 2,779 | 534 | 438 | 378 | 179 | 175 | 2,031 | 6,942 | 13,456 |
| Commercial | 11,180 | 511 | 445 | 380 | 299 | 301 | 1,398 | 5,669 | 20,183 |
| Households | 88,969 | 11,480 | 11,694 | 10,432 | 7,147 | 10,183 | 48,526 | 225,882 | 414,313 |
| Other | (1) | – | – | – | – | – | – | – | (1) |
| **Total By Customer Group** | **102,928** | **12,525** | **12,577** | **11,190** | **7,625** | **10,659** | **51,954** | **238,493** | **447,952** |

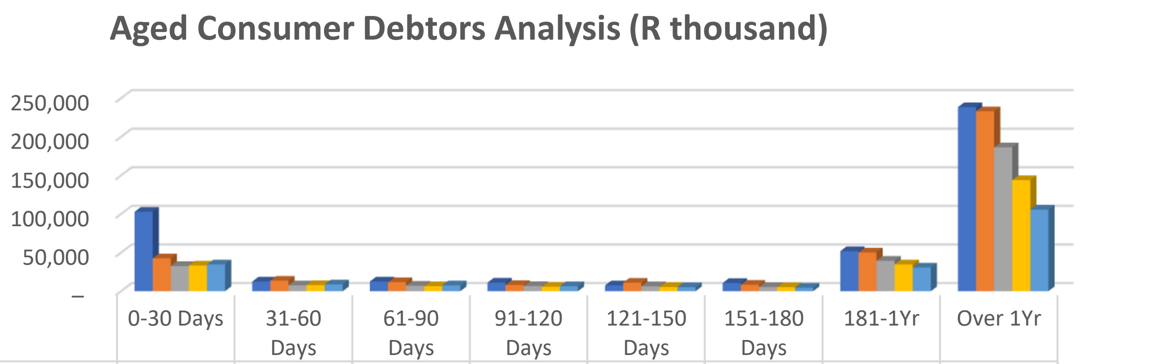
## Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

| 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** |

The aforementioned analysis indicates that from 30 June 2022 to 30 July 2023, the overdue debts have increased by R 8,903 million from R 336,122 million to R 345,025 million, as follows:

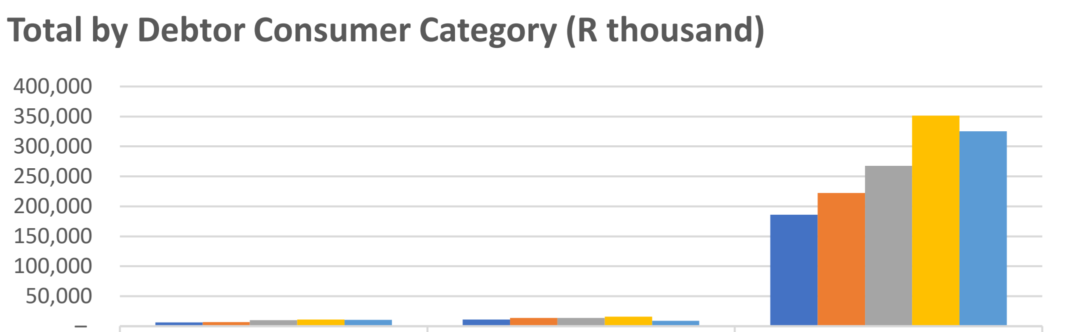
| R thousands | OVERDUE AMOUNTS AS AT | | |
|---|---|---|---|
| **Debtors Age Analysis By Income Source** | **30-Jun-23** | **31-Jul-23** | **DIFFERENCE** |
| Trade and Other Receivables from Exchange Transactions - Water | 108,222 | 112,567 | 4,345 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 19,479 | 19,557 | 78 |
| Receivables from Non-exchange Transactions - Property Rates | 40,157 | 40,074 | (82) |
| Receivables from Exchange Transactions - Waste Water Management | 43,229 | 44,444 | 1,215 |
| Receivables from Exchange Transactions - Waste Management | 53,040 | 54,099 | 1,059 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – |
| Interest on Arrear Debtor Accounts | 51,327 | 53,440 | 2,113 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – |
| Other | 20,669 | 20,843 | 175 |
| **Total By Income Source** | **336,122** | **345,025** | **8,903** |
| | | | |
| **Debtors Age Analysis By Customer Group** | | | |
| Organs of State | 10,365 | 10,677 | 312 |
| Commercial | 8,845 | 9,003 | 158 |
| Households | 316,912 | 325,344 | 8,432 |
| Other | – | – | – |
| **Total By Customer Group** | **336,122** | **345,025** | **8,903** |

## 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 31 July 2023 | 102,928 | 12,525 | 12,577 | 11,190 | 7,625 | 10,659 | 51,954 | 238,493 |
| Actuals 30 June 2023 | 42,578 | 13,678 | 11,810 | 8,076 | 11,006 | 8,294 | 50,164 | 233,095 |
| Actuals 30 June 2022 | 32,612 | 7,576 | 7,082 | 6,586 | 6,412 | 5,453 | 39,420 | 186,451 |
| Actuals 30 June 2021 | 33,316 | 7,885 | 6,439 | 5,863 | 5,488 | 5,186 | 34,751 | 143,963 |
| Actuals 30 June 2020 | 34,657 | 8,787 | 7,594 | 6,557 | 5,292 | 4,547 | 30,714 | 105,766 |

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




| | Organs of State | Commercial | Households |
|---|---|---|---|
| Budget Year 2019/20 | 6,387 | 11,420 | 186,107 |
| Budget Year 2020/21 | 6,937 | 13,634 | 222,320 |
| Budget Year 2021/22 | 10,058 | 14,079 | 267,456 |
| Budget Year 2022/23 | 11,296 | 15,936 | 351,468 |
| Budget Year 2023/24 | 10,677 | 9,003 | 325,344 |

## 2. Overview of Creditors position

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

| Description | Budget Year 2023/24 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 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 | 46,150 | (60) | (60) | – | – | – | – | – | **46,030** |
| Bulk Water | 467 | 10 | 14 | (9) | 19 | 16 | 6 | (1,603) | **(1,079)** |
| PAYE deductions | – | | | | | | | | **–** |
| VAT (output less input) | | | | | | | | | **–** |
| Pensions / Retirement deductions | | | | | | | | | **–** |
| Loan repayments | | | | | | | | | **–** |
| Trade Creditors | 1,961 | 126 | 117 | 43 | (4) | 1,379 | 84 | 1,699 | **5,405** |
| Auditor General | | | | | | | | | **–** |
| Other | | | | | | | | | **–** |
| **Total By Customer Type** | **48,579** | **76** | **72** | **34** | **15** | **1,394** | **90** | **97** | **50,356** |

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

| | |
|---|---|
| Eskom | R 46,030 million |
| NMBM | R -1,079 million |
| Other Creditors | R 5,405 million |
| Total | **R 50,356 million** |

It is to be noted that the Eskom amount of R 46,030 million, represents the current account for July 2023, which will be fully paid on 23 August 2023.

## 3. Allocation and Grants receipts and expenditure for the 2023/24 financial year

### Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M01 July 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: | 186,552 | 186,552 | 75,861 | 75,861 | 75,861 | – | 186,552 |
| Operational Revenue:General Revenue:Equitable Share | 180,506 | 180,506 | 75,211 | 75,211 | 75,211 | - | 180,506 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2,458 | 2,458 | – | – | – | - | 2,458 |
| Local Government Financial Management Grant [Schedule 5B] | 1,720 | 1,720 | – | – | – | - | 1,720 |
| Municipal Infrastructure Grant [Schedule 5B] | 1,868 | 1,868 | 650 | 650 | 650 | - | 1,868 |
| Provincial Government: | 2,050 | 2,050 | – | – | – | – | 2,050 |
| Library grant | 2,050 | 2,050 | – | – | – | - | 2,050 |
| District Municipality: | 3,542 | 3,542 | 871 | 871 | 871 | – | 3,542 |
| Environmental health subsidy | 2,888 | 2,888 | 757 | 757 | 757 | - | 2,888 |
| Skills Development subsidy | 654 | 654 | 113 | 113 | 113 | | 654 |
| Total Operating Transfers and Grants | 192,144 | 192,144 | 76,732 | 76,732 | 76,732 | – | 192,144 |
| | | | | | | | |
| Capital Transfers and Grants | | | | | | | |
| National Government: | 72,067 | 72,067 | 22,350 | 22,350 | 22,350 | – | 72,067 |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 4,700 | 4,700 | 1,000 | 1,000 | 1,000 | - | 4,700 |
| Municipal Infrastructure Grant [Schedule 5B] | 37,367 | 37,367 | 12,350 | 12,350 | 12,350 | - | 37,367 |
| Water Services Infrastructure Grant | 30,000 | 30,000 | 9,000 | 9,000 | 9,000 | - | 30,000 |
| District Municipality: | 1,362 | 1,362 | – | – | – | – | 1,362 |
| Fire Services Subsidy | 1,362 | 1,362 | – | – | – | - | 1,362 |
| Total Capital Transfers and Grants | 73,429 | 73,429 | 22,350 | 22,350 | 22,350 | – | 73,429 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 265,573 | 265,573 | 99,082 | 99,082 | 99,082 | – | 265,573 |

**Below is an analysis of the spending associated with the grants as at 31 July 2023:**

**Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M01 July 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:** | **186,552** | **186,552** | **75,397** | **75,259** | **186,552** | **1,672** | **1%** | **186,552** |
| Operational Revenue:General Revenue:Equitable Share | 180,506 | 180,506 | 75,211 | 75,211 | 180,506 | | 0% | 180,506 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2,458 | 2,458 | – | – | 2,458 | | 0% | 2,458 |
| Local Government Financial Management Grant [Schedule 5B] | 1,720 | 1,720 | 48 | 48 | 1,720 | 1,672 | 97% | 1,720 |
| Municipal Infrastructure Grant [Schedule 5B] | 1,868 | 1,868 | 138 | – | 1,868 | | 0% | 1,868 |
| **Provincial Government:** | **2,050** | **2,050** | **–** | **–** | **2,050** | – | **0%** | **2,050** |
| Library grant | 2,050 | 2,050 | – | – | 2,050 | | 0% | 2,050 |
| **District Municipality:** | **3,542** | **3,542** | **–** | **–** | **3,542** | | **0%** | **3,542** |
| Environmental health subsidy | 2,888 | 2,888 | – | – | 2,888 | | 0% | 2,888 |
| Skills Development subsidy | 654 | 654 | – | – | 654 | | 0% | 654 |
| **Total operating expenditure of Transfers and Grants:** | **192,144** | **192,144** | **75,397** | **75,259** | **192,144** | **1,672** | **1%** | **192,144** |
| | | | | | | | | |
| Capital expenditure of Transfers and Grants | | | | | | | | |
| **National Government:** | **72,067** | **72,067** | **–** | **–** | **72,067** | **–** | **0%** | **72,067** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 4,700 | 4,700 | – | – | 4,700 | | 0% | 4,700 |
| Municipal Infrastructure Grant [Schedule 5B] | 37,367 | 37,367 | – | – | 37,367 | – | 0% | 37,367 |
| Water Services Infrastructure Grant | 30,000 | 30,000 | – | – | 30,000 | – | 0% | 30,000 |
| **District Municipality:** | **1,362** | **1,362** | **–** | **–** | **1,362** | **–** | **0%** | **1,362** |
| Fire Services Subsidy | 1,362 | 1,362 | – | – | 1,362 | – | 0% | 1,362 |
| **Total capital expenditure of Transfers and Grants** | **73,429** | **73,429** | **–** | **–** | **73,429** | **–** | **0%** | **73,429** |
| | | | | | | | | |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | **265,573** | **265,573** | **75,397** | **75,259** | **265,573** | **1,672** | **1%** | **265,573** |

**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 0.00 |
| Expenditure to date: | R 47,715 |
| Overspent as at 31 July 2023: | R 47,715 |

**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 2,458,000 |
| Amount of Grant Received: | R 0.00 |
| Expenditure to date: | R 0.00 |
| Unspent as at 31 July 2023: | R 0.00 |

### 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 37,367,000 |
| Amount of Grant Received: | R 13,000,000 |
| Expenditure to date: | R 137,943 |
| Unspent as at 31 July 2023: | R 12,862,057 |

The spending of the grant amounted to 1.06% as at 31 July 2023, compared to the amount of the grant received.

**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 4,700,000 |
| Unspent (2022/23FY) | R 2,894,953 |
| Current Year Receipts: | R 1,000,000 |
| Expenditure to date: | R 0.00 |
| Unspent as at 31 July 2023: | R 3,894,953 |

The spending of the grant amounted to 0.00 % as at 31 July 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 30,000,000 |
| Unspent (2022/23FY) | R 3,109,952 |
| Current Year Receipts: | R 9,000,000 |
| Expenditure to date: | R 0,00 |
| Unspent as at 31 July 2023: | R 12,109,952 |

The spending of the grant amounted to 0.00% as at 31 July 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 | 1,741,857 | 3,258,143 |
| Human Settlement | 25,689,286 | 4,402,387 | 21,286,900 |
| **Total** | **30,689,286** | **6,144,244** | **24,545,043** |

## 4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

### Table SC8 Monthly Budget Statement – Councillor and staff benefits – M01 July 2023.

| Summary of Employee and Councillor remuneration | Ref | 2022/23 | Budget Year 2023/24 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | | 9,305 | 10,101 | 10,101 | 721 | 721 | 842 | (120) | -14% | 10,101 |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | | – |
| Medical Aid Contributions | | 175 | – | – | 10 | 10 | – | 10 | #DIV/0! | – |
| Motor Vehicle Allowance | | 3,066 | 3,407 | 3,407 | 241 | 241 | 284 | (43) | -15% | 3,407 |
| Cellphone Allowance | | 1,328 | 1,632 | 1,632 | 112 | 112 | 136 | (24) | -18% | 1,632 |
| Housing Allowances | | – | – | – | – | – | – | – | | – |
| Other benefits and allowances | | – | – | – | – | – | – | – | | – |
| **Sub Total - Councillors** | | **13,875** | **15,140** | **15,140** | **1,084** | **1,084** | **1,262** | **(178)** | **-14%** | **15,140** |
| **Senior Managers of the Municipality** | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 5,096 | 7,675 | 7,675 | 376 | 376 | 640 | (263) | -41% | 7,675 |
| Pension and UIF Contributions | | 61 | 117 | 117 | 5 | 5 | 10 | (4) | -45% | 117 |
| Medical Aid Contributions | | 31 | 52 | 52 | 3 | 3 | 4 | (2) | -40% | 52 |
| Overtime | | – | – | – | – | – | – | – | | – |
| Performance Bonus | | 325 | 1,528 | 1,528 | – | – | 127 | (127) | -100% | 1,528 |
| Motor Vehicle Allowance | | 490 | 2,072 | 2,072 | 35 | 35 | 173 | (137) | -80% | 2,072 |
| Cellphone Allowance | | 10 | 10 | 10 | 1 | 1 | 1 | (0) | -5% | 10 |
| Housing Allowances | | – | – | – | – | – | – | – | | – |
| Other benefits and allowances | | 1 | 5 | 5 | 0 | 0 | 0 | (0) | -88% | 5 |
| Payments in lieu of leave | | 4,195 | 4,743 | 4,743 | 287 | 287 | 395 | (108) | -27% | 4,743 |
| Long service awards | | – | – | – | – | – | – | – | | – |
| Post-retirement benefit obligations | 2 | 2 | – | – | – | – | – | – | | – |
| Entertainment | | – | – | – | – | – | – | – | | – |
| Scarcity | | – | – | – | – | – | – | – | | – |
| Acting and post related allowance | | – | – | – | – | – | – | – | | – |
| In kind benefits | | – | – | – | – | – | – | – | | – |
| **Sub Total - Senior Managers of Municipality** | | **10,211** | **16,202** | **16,202** | **707** | **707** | **1,350** | **(643)** | **-48%** | **16,202** |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 214,514 | 275,744 | 275,654 | 19,142 | 19,142 | 22,971 | (3,829) | -17% | 275,654 |
| Pension and UIF Contributions | | 33,322 | 36,936 | 36,936 | 2,963 | 2,963 | 3,078 | (115) | -4% | 36,936 |
| Medical Aid Contributions | | 17,603 | 18,588 | 18,588 | 1,552 | 1,552 | 1,549 | 3 | 0% | 18,588 |
| Overtime | | 27,987 | 29,013 | 29,013 | 1,803 | 1,803 | 2,418 | (615) | -25% | 29,013 |
| Performance Bonus | | 23 | 25 | 25 | – | – | 2 | (2) | -100% | 25 |
| Motor Vehicle Allowance | | 10,408 | 11,356 | 11,446 | 903 | 903 | 954 | (51) | -5% | 11,446 |
| Cellphone Allowance | | 21 | 56 | 56 | 1 | 1 | 5 | (3) | -70% | 56 |
| Housing Allowances | | 722 | 1,234 | 1,234 | 63 | 63 | 103 | (40) | -39% | 1,234 |
| Other benefits and allowances | | 32,223 | 34,740 | 34,740 | 1,596 | 1,596 | 2,895 | (1,299) | -45% | 34,740 |
| Post-retirement benefit obligations | 2 | 19,082 | 20,887 | 20,887 | – | – | 1,741 | (1,741) | -100% | 20,887 |
| **Sub Total - Other Staff of Entities** | | **357,672** | **431,612** | **431,612** | **28,214** | **28,214** | **35,967** | **(7,754)** | **-22%** | **431,612** |
| **Total Municipal Entities** | | – | – | – | – | – | – | – | – | – |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **381,758** | **462,953** | **462,953** | **30,005** | **30,005** | **38,579** | **(8,574)** | **-22%** | **462,953** |
| **TOTAL MANAGERS AND STAFF** | | **367,883** | **447,813** | **447,813** | **28,921** | **28,921** | **37,318** | **(8,396)** | **-22%** | **447,813** |

## 6. Key performance indicators

The table below reflects the key performance indicators as per the 2023/24 Budget and the associated performance to date.

| **Borrowing Management** | | **Actuals as at 30 June 2021** | **Actuals as at 30 June 2022** | **Actuals as at 30 June 2023** | **Actuals as at 31 July 2022** | **Approved Budget 2023/24** | **Actuals as at 31 July 2023** |
|---|---|---|---|---|---|---|---|
| Capital Charges to Operating Expenditure | Interest & principal paid/Total Operating Expenditure | 1.13% | 0.67% | 1.39% | 0% | 1.00% | 1.11% |
| 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% | 0.01 | 0.00 |
| **Liquidity** | | | | | | | |
| Current Ratio | Current assets / current liabilities | 2.61 | 1.12 | 1.17 | 1.67 | 1:1 | 1.78:1 |
| Liquidity Ratio | Monetary assets / current liabilities | 0.45 | 0.24 | 0.65 | 0.70 | 0.04:1 | 1.13:1 |
| **Revenue Management** | | | | | | | |
| Annual Debtors Collection Rate | Billed Revenue / Receipted Revenue | 94.41% | 94.32% | 86.71% | 114.37% | 95% | 49.00% |

| **Other indicators** | | **Actuals as at 30 June 2021** | **Actuals as at 30 June 2022** | **Actuals as at 30 June 2023** | **Actuals as at 31 July 2022** | **Approved Budget 2023/24** | **Actuals as at 31 July 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) | 0.62 | 0.37 | 0.70 | 0.86 | 0.06 Months | 1.46 Months |
| Employee Costs | Employee Costs / Total Operating Expenditure | 34.26% | 33.86% | 34.11% | 37.60% | 35.31% | 37.07% |
| Capital Expenditure | Capital Expenditure / Capital Budget | 76.92% | 87% | 80.10% | 2.44% | 83.04% | 0.00% |
| Repairs and Maintenance as % of Total Operating Expenditure | Repairs and Maintenance / Total Operating Expenditure | 7.00% | 5.32% | 4.54% | 1.76% | 4.79% | 1.67% |
| Repairs and Maintenance as % of PPE (Book Value) | Repairs and Maintenance / Net PPE | 3.33% | 2.52% | 2.25% | 1.76% | 2.80% | 0.06% |
| Own Revenue Sources / Total Operating Revenue (Including operating grants) | Own Revenue Sources / Total Operating Revenue (Including Conditional Grants) | 77.11% | 83.67% | 85.18% | 68.80% | 83.16% | 26.75% |

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 1.11% as at 31 July 2023, compared to the approved budget ratio of 1.00%.

**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 2023/24 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 31 July 2023, the ratio indicates 0.00, compared to the approved 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:

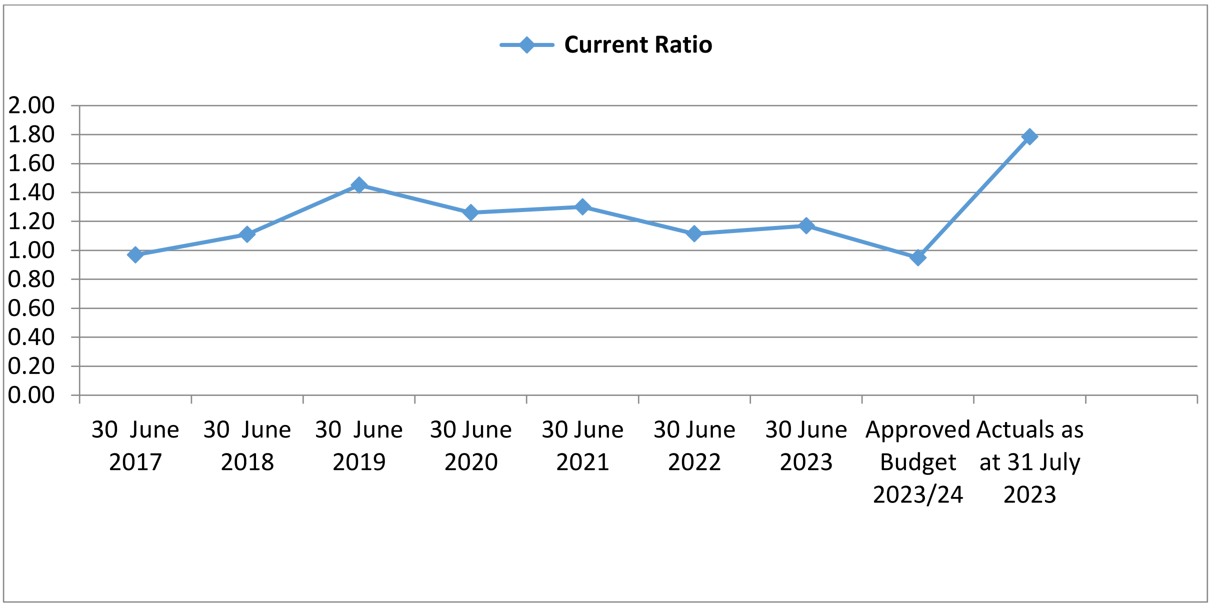
**Current assets/Current liabilities**

The ratio as at 31 July 2023 was 1.78:1, compared to the approved adjusted budget ratio of 1:1

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

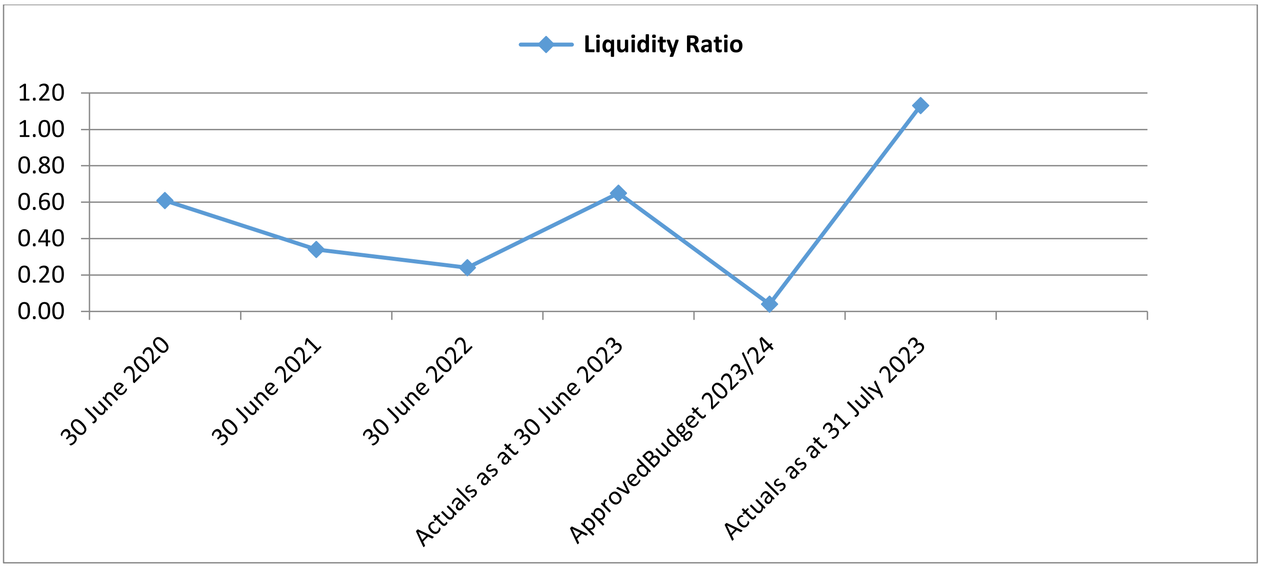
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 31 July 2023 was 1.13:1, compared to the approved adjusted budget ratio of 0.04:1.

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




### 4.2. Revenue Management

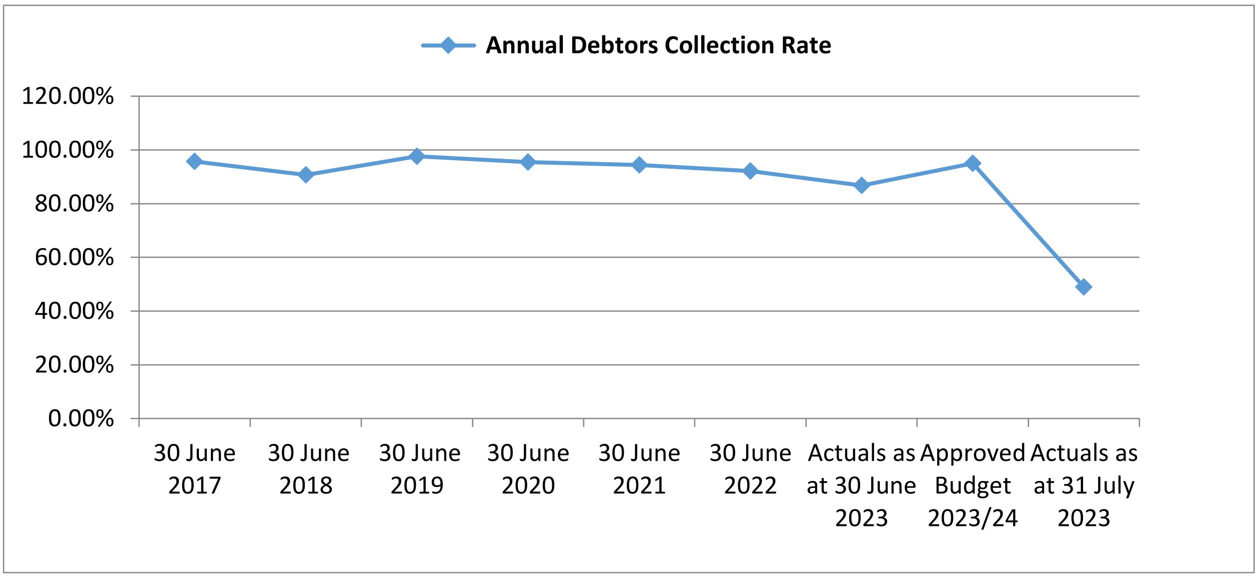
#### 4.2.1. Annual Debtors Collection Rate

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 31 July 2023 was 48.94%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for July is 48.94%.



### 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.

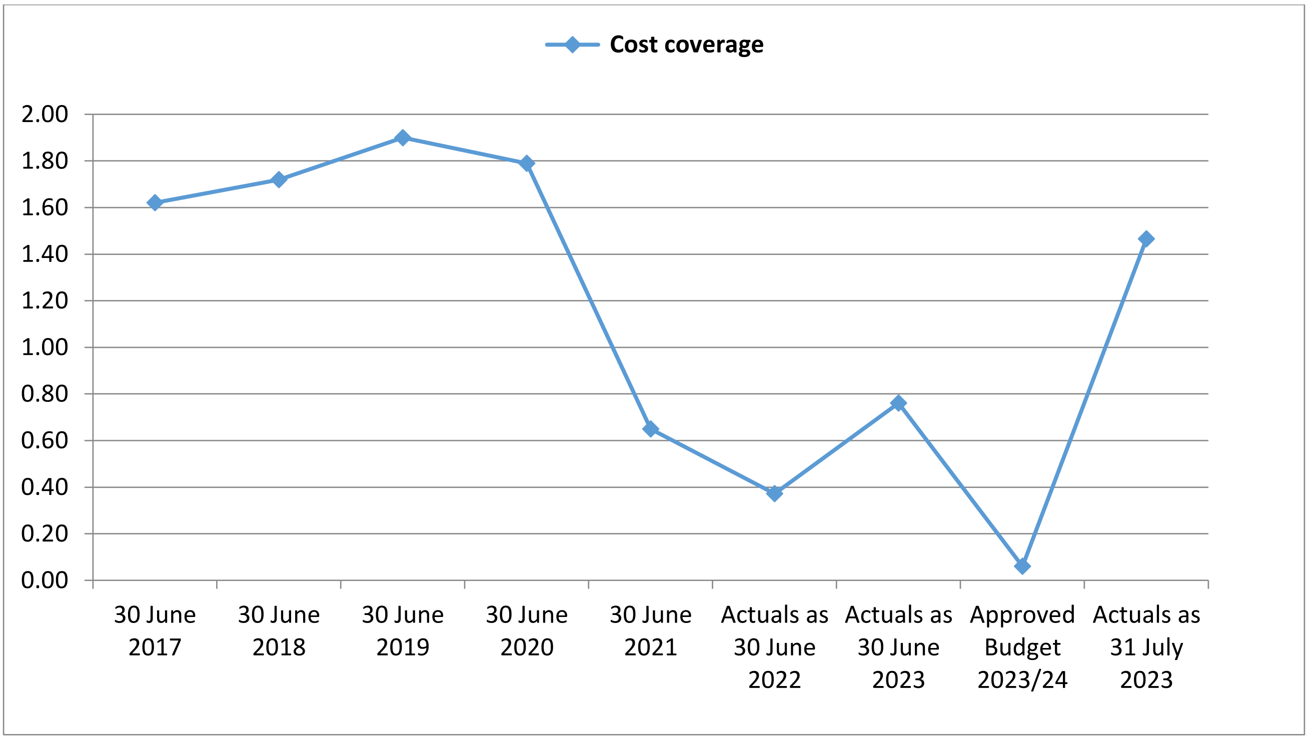
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 31 July 2023, the Ratio was1.24months, 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.



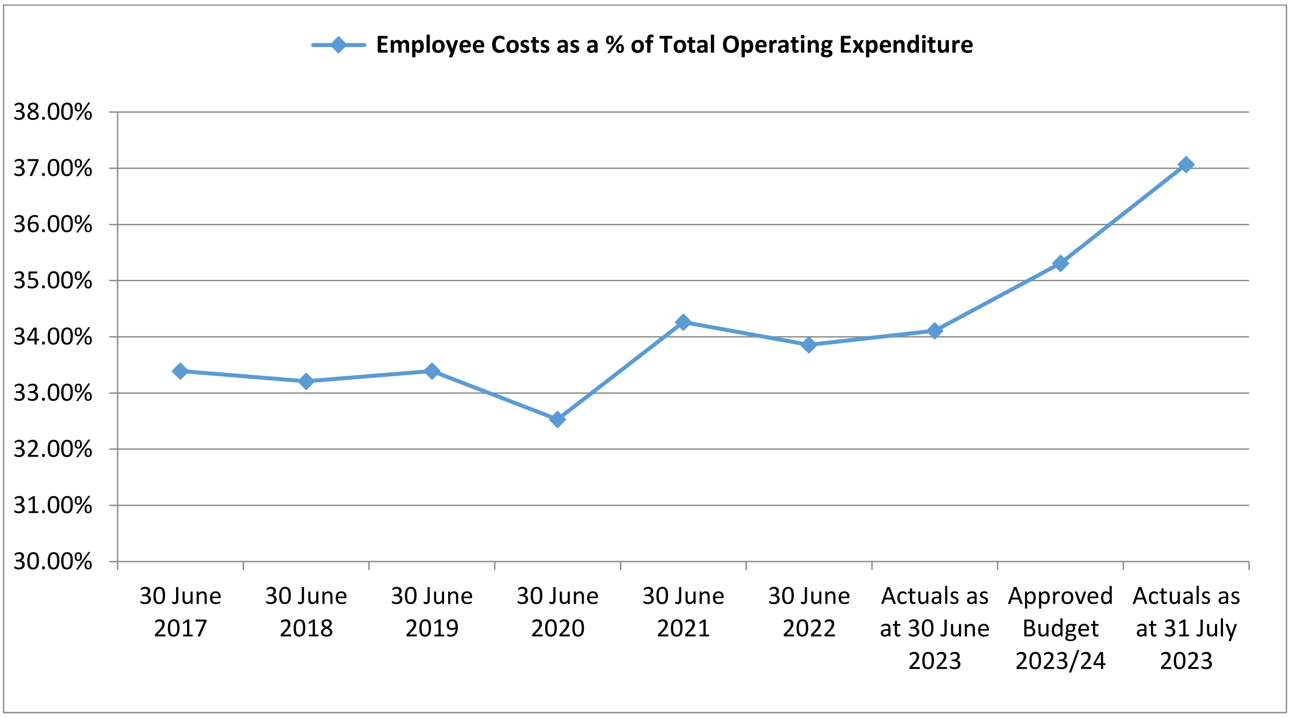

### 4.3.2. Employee costs as a % of Total Operating Expenditure

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 31 July 2023, Employee Related Costs constituted 37.07% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



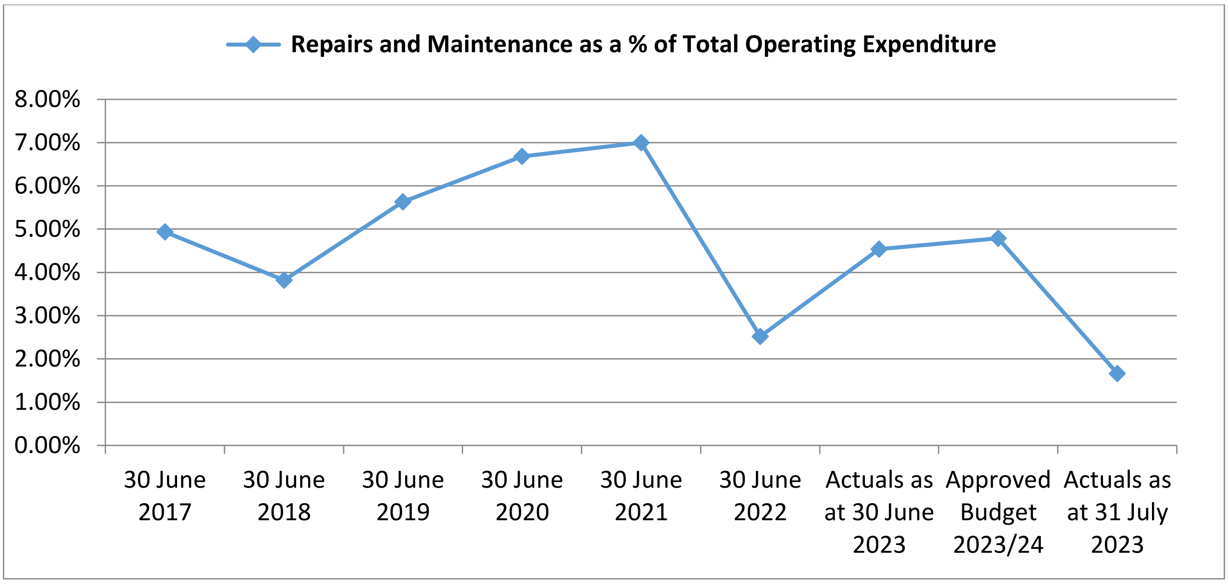

### 4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 31 July 2023, the ratio was 1.67%, compared to the approved budget ratio of 4.79%.




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

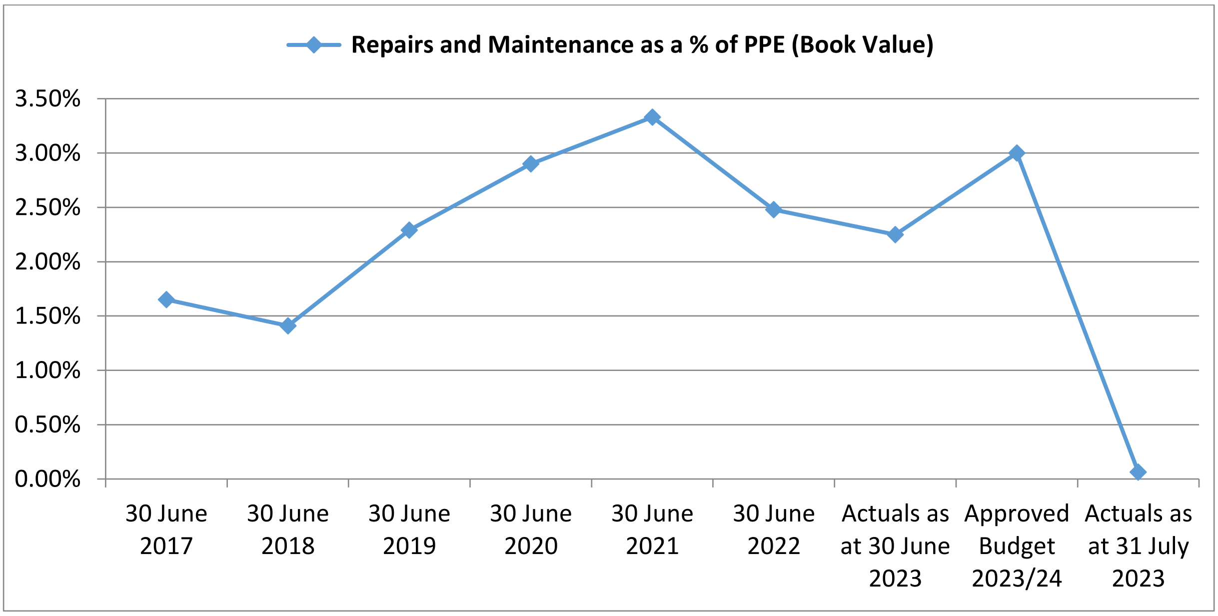
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 July 2023, repairs and maintenance expenditure constituted 0.06% of the book value of PPE, compared to the approved budget ratio of 3.00%.

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



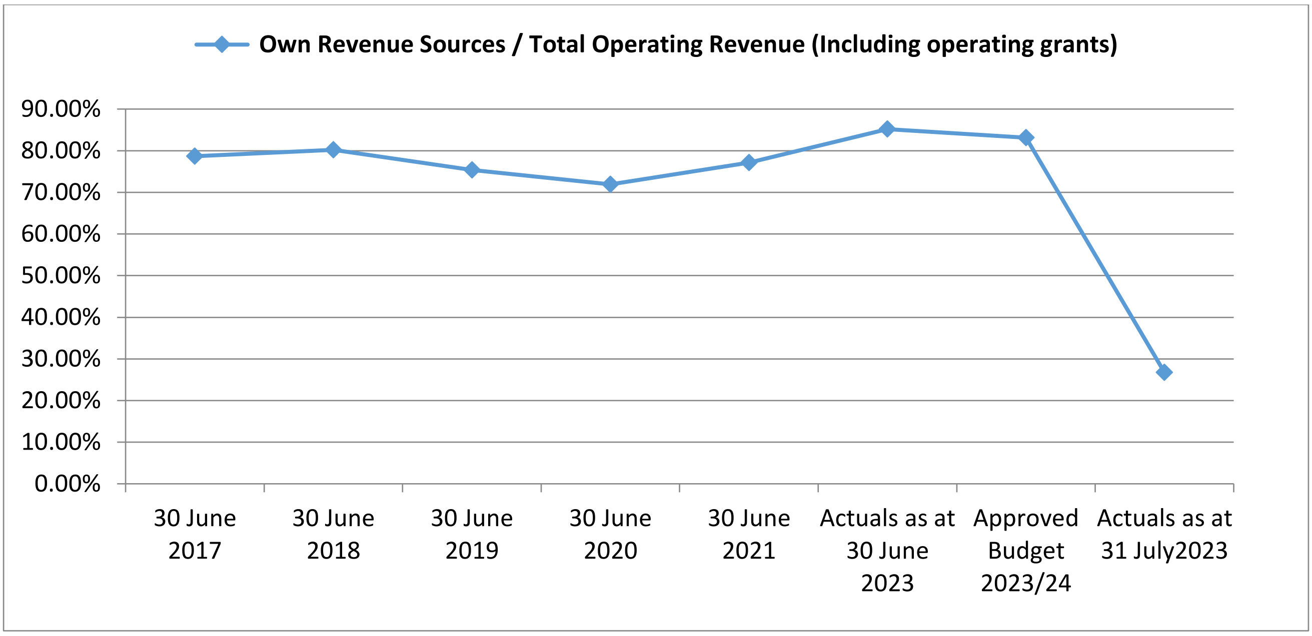
**Own Revenue Generation**

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 July 2023, the Municipality's own revenue sources constituted 26.75% of its total Operating Income, compared to the approved 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 31 July 2023 amounted to 0.00% compared to the approved budget ratio of 95%.