KOUGA LOCAL MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE

FINANCE

DATE: **ITEM NO:**

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

1. Introduction

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act (MFMA) read together with Regulations Section 28 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

2. Background

MFMA Accountability cycle begins with the preparation and approval of the IDP, MTERF and SDBIP, which is followed by in year reporting, Annual Financial Statements, Annual Audit (Audit Report) and ultimately Annual and Oversight Reports. The MFMA legislates what must be reported on, by when, and the Municipal Budget and Reporting Regulations prescribes the format of the reports.

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 and include all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act".

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 August 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 R 286,848 million, whilst operating expenditure amounted to R 170,252 million, resulting in an operating surplus of R 116,596 million.
- Capital expenditure constituted 3.18 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 14,283 million (4.25%) since June 2023.
- An amount of R 58,657 million is owing to creditors, 97.09% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R98,443 (93.81%) since June 2023, from R 104,935,019 to R 203,377,532.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2023
Standard Bank	17,575,390	-	232,131	-		17,807,520
ABSA	17,594,065	-	266,675	-	400	17,860,340
Nedbank	17,580,745	-	242,724	-		17,823,468
RMB	13,004,007	22,098,736	327,493	98,736		35,331,500
INVESTEC	17,580,053	-	242,714	-		17,822,767
Total	**83,334,260**	**22,098,736**	**1,311,736**	**98,736**	**400**	**106,645,596**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 August 2023**
General Account	75,741,531	98,736	1,058,057	-	400	76,897,924
Conditional Grants	7,592,727	22,000,000	253,679	98,736	-	29,747,670
Housing Funds	2	-	0	-	-	2
Total	**83,334,260**	**22,098,736**	**1,311,736**	**98,736**	**400**	**106,645,596**
Cheque Accounts FNB 52540020791	15,413,743			4,720,717		10,693,027
Cheque Accounts FNB 52540033304	3,874,471	79,131,774				83,006,245
Cheque Accounts FNB 62682103591	780			515		265
Cheque Accounts FNB 63022194441	2,311,338	721,061				3,032,399
	21,600,332	**79,852,835**	**-**	**4,721,231**	**-**	**96,731,935**
Total	**104,934,592**	**101,951,571**	**1,311,736**	**4,819,967**	**400**	**203,377,532**

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

Cash backed Reserves.

Bank Balances and Cash	R 96,731,935
Short-term Investment Deposits	R 106,645,596
	R 203,377,532

Application of Cash

Unspent Conditional Grants	R 53,171,875
Operational Commitments	R 8,903,423
Internally Generated Funds (Capital commitments)	R 661,770
Outstanding Creditors Liability	R 58,657,536
	R 121,394,604
Cash Reserves in excess of commitments:	**R 81,982,928**

The cash backed reserves exceed commitments at this stage by an amount of R 81,983 million. It should be noted that the excess of reserves over commitments as at 31 August 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 August 2022	Approved Budget 2023/24	Actuals as at 31 August 2023
Current Ratio	1.12:1	1.17:1	1.5:1 to 2:1	1.70:1	0.95:1	1.71:1
Liquidity Ratio	0.24:1	0.65:1		0.90:1	0.04:1	1.15:1
Cost Coverage (Excluding unspent conditional grants)	0:37 Months	0.70 Months	1 Month to 3 Months	1.15 Months	0.06 Months	1.59 Months
Debtors Collection Rate	94.32%	86.71%	95%	74%	95%	74.40%
Capital Expenditure	87.00%	80.10%		13.07%	83.04%	3.18%

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 August 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 **Director: Civil and Water Services**

[insert comment]

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

[insert comment]

5.5 **Director: Community and Safety Services**

[insert comment]

5.6 **Deputy Municipal Manager**

[insert comment]

5.7 **Municipal Manager**

[insert comment]

6. **Financial Implications**

As per report.

7. **Legal Implications**

Compliance with Municipal Finance Management Act and Municipal Budgeting and Reporting Regulations.

8. **Other Implications**

None.

9. **Recommendations**

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…………14 September 2023…………

Annexure “A1”

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

1.1. 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	79,157	286,848	193,159	93,689
Total Expenditure	1,268,316	1,271,504	92,237	170,252	211,595	(41,343)
Surplus/(Deficit)	(109,359)	(112,547)	(13,079)	116,596	(18,436)	135,032

The statement of financial performance reflects an operating surplus of R116,596 million. It must be noted that the operating surplus of R 116,596 million is influenced by zero amount recognised for the depreciation and debt impairment during the reporting period.

1.2 Revenue

Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Exchange Revenue	**662,340**	**108,950**	**16.45%**
Service charges - Electricity	390,731	57,862	14.81%
Service charges - Water	101,425	15,156	14.94%
Service charges - Waste Water Management	63,314	11,358	17.94%
Service charges - Waste management	66,396	11,740	17.68%
Sale of Goods and Rendering of Services	7,790	1,281	16.44%
Agency services	1,000	667	66.73%
Interest earned from Receivables	18,595	4,692	25.23%
Interest earned from Current and Non Current Assets	4,598	2,570	55.90%
Rental from Fixed Assets	3,295	2,991	90.78%
Licence and permits	3,021	438	14.51%
Operational Revenue	2,174	194	8.91%
Non-Exchange Revenue	**496,618**	**177,898**	**35.82%**
Property rates	281,488	95,021	33.76%
Fines, penalties and forfeits	10,334	4,353	42.12%
Licence and permits	10,668	2,143	20.09%
Transfer and subsidies - Operational	190,883	75,713	39.66%
Interest	3,244	669	20.62%
Total Revenue (excluding capital transfers and contributions)	**1,158,957**	**286,848**	**24.75%**

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

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Property Rates**
  As at 31 August 2023, the municipality has recognised 33.76% 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 R203,378 million.
  The investment amount of R 203,378 million includes call accounts amounting to R 53,172 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 an amount of R2,396 million land disposals receipted erroneously under rental from fixed assets which will be rectified in the next reporting period.

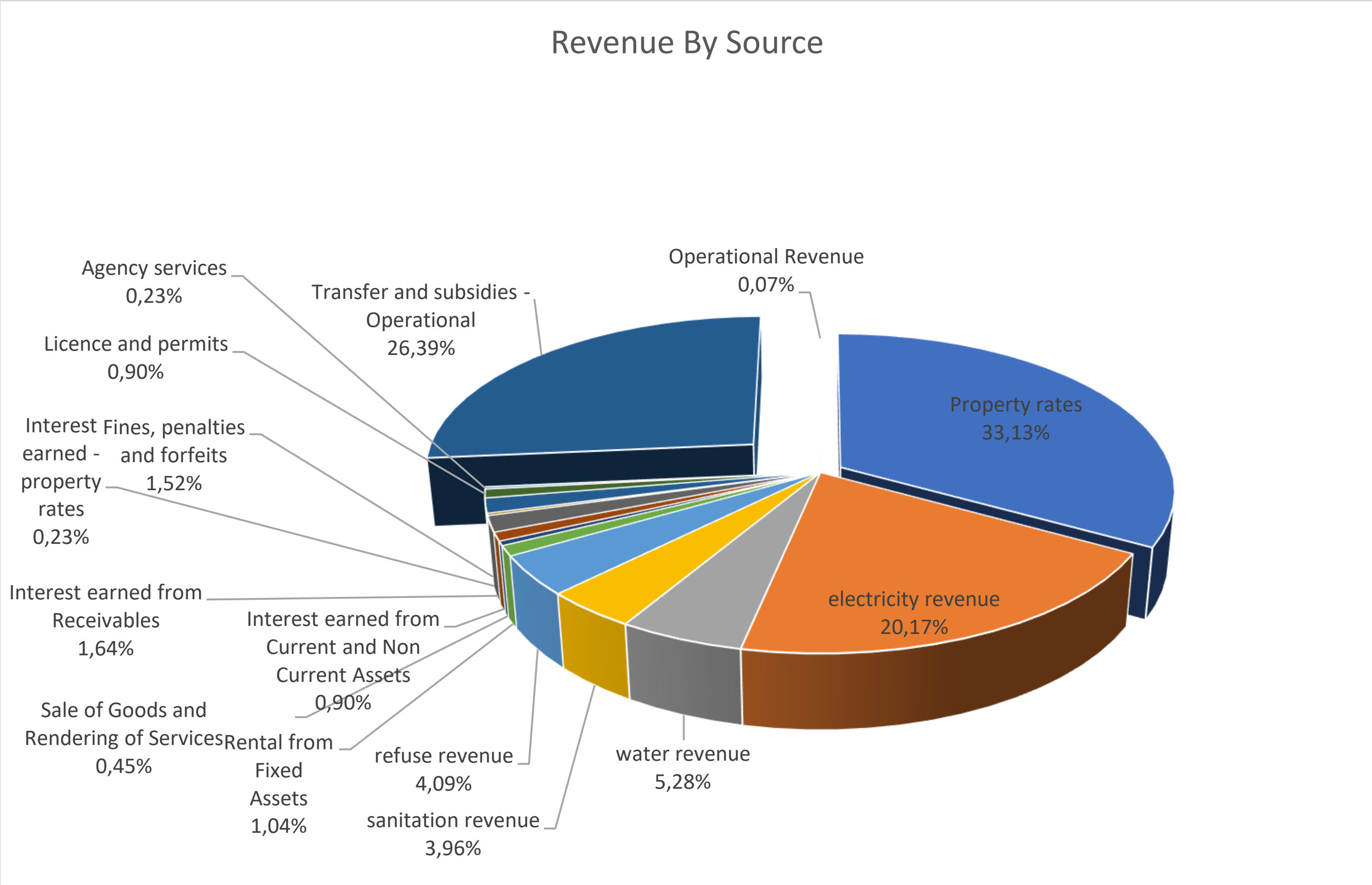
- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences and other drivers' licences and permits.

  The revenue recognised is significantly higher than anticipated compared to the budget. The budgeted amount will be accordingly revised during the 2023/24 adjustments budget period.

- **Interest earned from Receivables.**
  Interest earned from receivables is mainly influenced by the municipality's overdue consumer debts, which amounts to R 350,405 million.

- **Transfers and subsidies-Operational**
  Transfers and subsidies are largely influenced by the equitable share allocation received on 05 July 2023 amounting to R 75,211 million.

- **Fines, Penalties and Forfeits:**
  The traffic fines revenue is significantly higher than initially budgeted for, due to the appointment of a service provider for speeding camera fines.
  The budgeted amount will be accordingly revised during the 2023/24 adjustments budget period.



1.3 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	58,026	12.96%
Remuneration of councillors	15,140	2,265	14.96%
Bulk purchases - electricity	364,280	80,875	22.20%
Inventory consumed	94,345	14,694	15.57%
Debt impairment	28,314	–	0.00%
Depreciation and amortisation	109,663	–	0.00%
Interest	2,090	944	45.16%
Contracted services	107,410	4,357	4.06%
Transfers and subsidies	924	100	10.82%
Irrecoverable debts written off	7,305	–	0.00%
Operational costs	94,218	8,991	9.54%
Total Expenditure	**1,271,504**	**170,252**	**13.39%**

Reasons for major over-/under expenditure per type

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Debt impairment**
  At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.

- **Irrecoverable debts written off.**
  Debts are written off upon Council approval.

- **Depreciation & asset impairment**
  The depreciation & asset impairment is calculated in line with the municipal asset register. The depreciation and impairment for the period July 2023 to August 2023 will be reported in the next reporting period.

- **Finance charges**
  finance charges relate to the new finance lease for vehicles and is based on the finance lease amortisation schedule. The finance charges recognised are significantly higher than anticipated compared to the budget and this is due to additional vehicles received by municipality. The budgeted amount will be accordingly revised during the 2023/24 adjustments budget period.

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

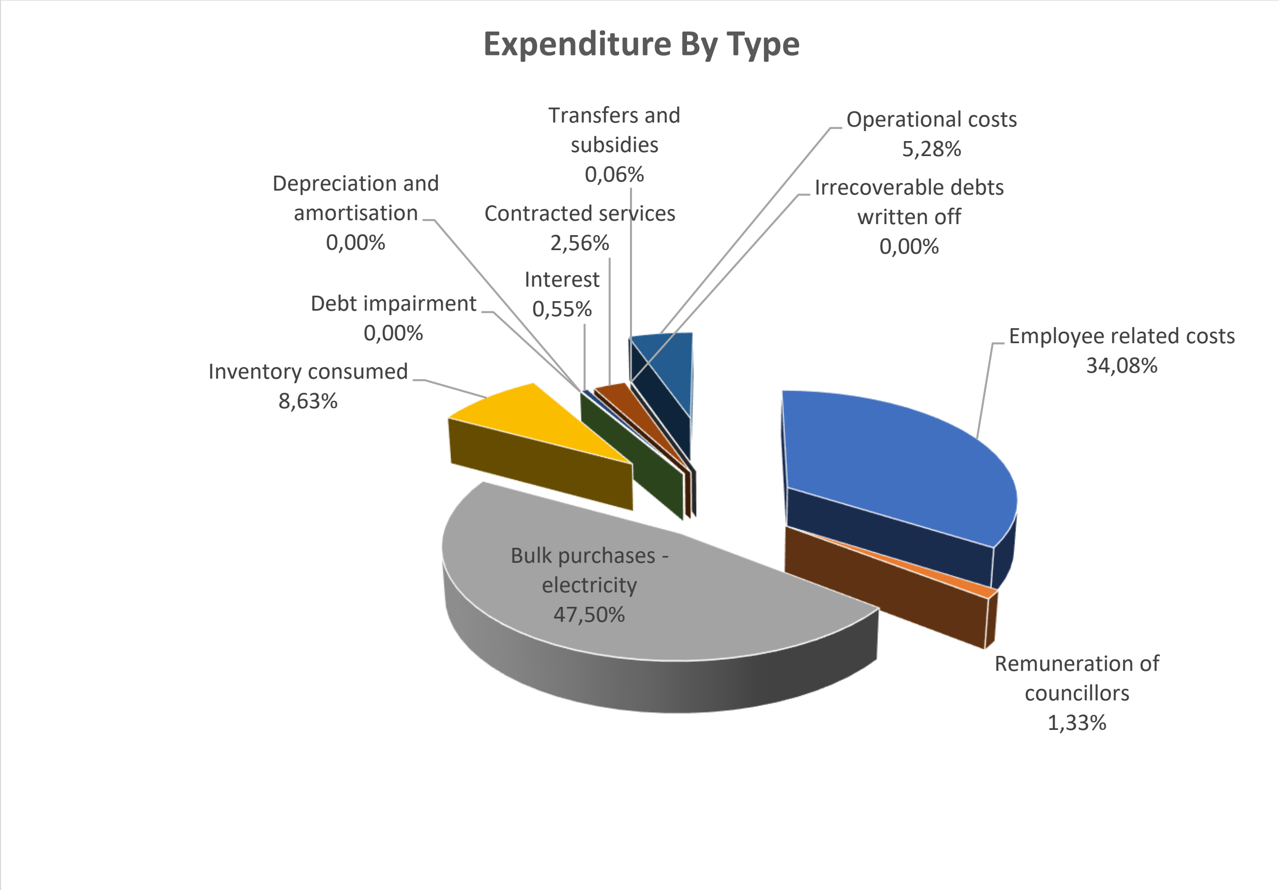
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 August 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	79,492	-	0.00%
Calamari Festival	200,000	-	0.00%
Catering Services	1,533,578	43,768	2.85%
Clearing and Grass Cutting Services	1,546,576	25,600	1.66%
Concours Sur Mesure	200,000	-	0.00%
Conducting of feasibility studies (EIA)	300,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	25,801	4.39%
Consultants and Professional Services	6,081,153	212,126	3.49%
Destination Marketing and Promotion	500,000	-	0.00%
Drivers Licence Cards	598,675	45,109	7.53%
Dune Stabilisation	1,100,000	-	0.00%
Electricity Generation Project	2,000,000	-	0.00%
Employee Wellness	249,200	-	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	12,035	8.02%
Legal Advice and Litigation	6,040,000	50,600	0.84%
Legal Cost:Collection	856,000	122,599	14.32%
Litter Picking and Street Cleaning	498,896	-	0.00%
Maintenance of Buildings and Facilities	5,610,077	73,371	1.31%
Maintenance of Electrical Infrastructure	5,300,000	94,232	1.78%
Maintenance of Equipment	941,373	12,985	1.38%
Maintenance of Sanitation Infrastructure	7,228,636	140,584	1.94%
Maintenance of Vehicles	8,962,661	544,530	6.08%
Maintenance of Water Infrastructure	931,316	85,815	9.21%
Media Monitoring	250,000	-	0.00%
Occupational Health and Safety	1,018,653	82,204	8.07%
Other Contracted Services	2,288,734	144,065	6.29%
Payroll data cleansing	500,000	47,769	9.55%
Personnel and Labour	14,819,207	773,607	5.22%
PM: Special Projects	40,000	-	0.00%
Private Plots_Alien Vegetation Control	380,550	-	0.00%
Qualification Verification	350,000	168,225	48.06%
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	311,127	9.25%
Special Rating Area	12,072,328	1,116,232	9.25%
Summer Festival	500,000	-	0.00%
Township Events	300,000	-	0.00%
Transport Services	398,000	-	0.00%
Valuer	400,000	-	0.00%
Water Quality	199,558	-	0.00%
Winterfest	1,500,000	225,000	15.00%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
	107,410,138	**4,357,384**	**4.06%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 August 2023	%
Achievements and Awards	1,200,000	-	0.00%
Advertising, Publicity and Marketing	3,749,949	173,560	4.63%
Bank Charges	1,150,000	205,613	17.88%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	407,352	14.06%
Claims paid to Third Parties	200,000	-	0.00%
External Audit Fees	4,500,000	56,045	1.25%
External Computer Service:Internet Charge	4,000,000	676,700	16.92%
Hire Charges	12,612,559	570,415	4.52%
Insurance Claims	1,200,000	2,284	0.19%
Insurance Underwriting:Premiums	4,199,701	-	0.00%
Leases:Furniture and Office Equipment	3,128,689	460,463	14.72%
Leases:Other Assets	3,963,740	993,229	25.06%
Licences:Licence Agency Fees	19,956	-	0.00%
Motor Vehicle Licence and Registrations	1,596,047	90,937	5.70%
Other	1,131,064	21,405	1.89%
Postage/Stamps/Franking Machines	2,424,405	331,590	13.68%
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	336,960	16.40%
Remuneration to Ward Committees	2,700,000	348,000	12.89%
Riparian Levies	7,465,557	985,308	13.20%
SAMRO Licence	150,000	-	0.00%
Signage	938,459	-	0.00%
Skills Development Fund Levy	3,964,204	576,917	14.55%
Software Licences	8,364,691	1,314,800	15.72%
Storage of Files (Archiving)	350,000	1,914	0.55%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	5,340,000	309,601	5.80%
Travel and Subsistence	3,481,937	190,256	5.46%
Uniform and Protective Clothing	3,635,528	435,110	11.97%
Vehicle Tracking	942,637	150,268	15.94%
Workmen's Compensation Fund	2,158,836	341,395	15.81%
	94,217,702	**8,990,764**	**9.54%**



1.4 Repairs and Maintenance

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

	Budget Year 2023/24		
Item Description	**Adjusted Budget 2023/24**	**Actuals as at 31 August 2023**	**%**
Maintenance of Equipment	1,275,632	60,447	4.74%
Maintenance of Vehicles	10,855,627	1,229,459	11.33%
Maintenance of Buildings and Facilities	4,683,937	154,948	3.31%
Maintenance of Water Infrastructure	4,989,394	641,077	12.85%
Roads Maintenance	14,206,398	1,216,399	8.56%
Sport and Recreation Facilities	1,347,018	56,317	4.18%
Maintenance of Electrical Infrastructure	10,577,250	1,193,179	11.28%
Maintenance of Sanitation Infrastructure	8,446,061	289,545	3.43%
Hire Charges	4,307,775	47,600	1.10%
Total	**60,689,092**	**4,888,971**	**8.06%**

It is to be noted that actual repairs and maintenance expenditure constituted 8.06% of the 2023/24 Approved Budget.

1.5 Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	390,731	57,862	14.81%
Interest earned from Receivables	1,451	316	21.75%
Total Revenue	**392,183**	**58,177**	**14.83%**
Expenditure By Type			
Employee related costs	16,177	2,656	16.42%
Bulk purchases - electricity	364,280	80,875	22.20%
Inventory consumed	7,353	1,560	21.22%
Debt impairment	15,099	–	0.00%
Depreciation and amortisation	6,944	–	0.00%
Contracted services	8,360	106	1.27%
Operational costs	5,806	212	3.65%
Total Expenditure	**424,020**	**85,409**	**20.14%**
Surplus/(Deficit)	**(31,837)**	**(27,232)**	

1.5.1.1 Revenue

- The electricity revenue reflects 14.81% of budget as at 31 August 2023, and this is slightly lower than the projected budget ratio of 16.67% as at 31 August 2023.

1.5.1.2 Expenditure

- the bulk electricity reflects 22.20% of budget expenditure as at 31 August 2023, and this is slightly higher than the projected ratio of 16.67%.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 27,232 million as at 31 August 2023 and the deficit amount equates to 46.81% compared to revenue. The budgeted deficit for the 2023/24 amount to R 31,837 million and equates to 8.12% compared to total revenue.

1.5.2 Water

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - water	101,425	15,156	14.94%
Interest earned from Receivables	7,735	2,176	28.13%
Total Revenue	**109,160**	**17,332**	**15.88%**
Expenditure By Type			
Employee related costs	27,733	3,682	13.27%
Inventory consumed	47,034	6,801	14.46%
Debt impairment	4,212	–	0.00%
Depreciation and amortisation	16,097	–	0.00%
Contracted services	3,745	127	3.39%
Operational costs	5,072	165	3.24%
Total Expenditure	**103,892**	**10,774**	**10.37%**
Surplus/(Deficit)	**5,268**	**6,558**	

1.5.2.1 Revenue

- The water revenue reflects 14.94% of budget as at 31 August 2023, and this is slightly lower than the projected budget ratio of 16.67% as at 31 August 2023.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 39,548 million for the bulk water purchases and the expenditure amount of R 5,565 million (14.07% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 6,558 million as at 31 August 2023 and equates to 37.84% of total revenue.

1.5.3 Waste Water Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	63,314	11,358	17.94%
Interest earned from Receivables	3,513	855	24.33%
Total Revenue	**66,827**	**12,213**	**18.28%**
Expenditure By Type			
Employee related costs	24,642	4,113	16.69%
Inventory consumed	12,036	1,597	13.27%
Debt impairment	2,573	–	0.00%
Depreciation and amortisation	28,156	–	0.00%
Contracted services	9,669	247	2.56%
Operational costs	7,940	668	8.42%
Total Expenditure	**85,015**	**6,626**	**7.79%**
Surplus/(Deficit)	**(18,188)**	**5,587**	

1.5.3.1 Revenue

- The waste water revenue reflects 17.94% of budget as at 31 August 2023, and this is slightly higher than the projected budget ratio of 16.67% as at 31 August 2023.
- Interest earned from receivables reflects 24.33% of budget and this is mainly influenced by overdue consumer debt.

1.5.3.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.
- The depreciation and impairment for the period July 2023 to August 2023 will be reported in the next reporting period.

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a surplus of R 5.587 million as at 31 August 2023 and equates to 45.75% of total revenue. Council approved a deficit budget of R 18,188 million for the 2023/24 financial year.

1.5.4 Waste Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			**%**
Revenue			
Exchange Revenue			
Service charges - Waste	66,396	11,740	17.68%
Sale of Goods and Rendering of Services	50	–	0.00%
Interest earned from Receivables	5,666	1,293	22.82%
Total Revenue	**72,112**	**13,033**	**18.07%**
Expenditure By Type			
Employee related costs	36,715	6,196	16.87%
Inventory consumed	8,229	1,459	17.73%
Debt impairment	2,774	–	0.00%
Depreciation and amortisation	3,195	–	0.00%
Contracted services	17,489	913	5.22%
Operational costs	4,767	371	7.79%
Total Expenditure	**73,170**	**8,939**	**12.22%**
Surplus/(Deficit)	**(1,058)**	**4,094**	

1.5.4.1 Revenue

- The waste revenue reflects 17.68% of budget as at 31 August 2023, and this is slightly higher than the projected budget ratio of 16.67% as at 31 August 2023.
- It must be noted that the waste management is the combination of refuse and environmental management fee.

1.5.4.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.
- The depreciation and impairment for the period July 2023 to August 2023 will be reported in the next reporting period.

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 4,094 million as at 31 August 2023 and equates to 31.41% of total revenue. Council approved a deficit budget of R 1,058 million for the 2023/24 financial year.

1.6 Cost Containment Measures

The main purpose of the Municipal Cost Containment Regulations, 2019 is to ensure that the resources of the municipality are used effectively, efficiently, and economically by the implementation of cost containment measures. Cost containment measures policy was approved by Council on 31 May 2023.

Description	Budget Year 2023/24				
	Original Budget	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands					
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	11,208	14,219	841	2,370	(1,529)
2. Travel claims	3,412	3,482	190	580	(390)
4. Overtime	20,282	20,282	2,592	3,380	(788)
5. Catering Costs	1,489	1,534	44	256	(212)
6. Events, Advertising and sponsorships	5,019	5,026	174	838	(664)
7. Attendance of Conferences, Seminars & Workshops	2,054	2,054	337	342	(5)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,441	–	240	(240)
9. Projects /Programme Launches	–	–	–	–	–
Total	**44,754**	**48,037**	**4,178**	**8,006**	**(3,829)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 3,829 million as at 31 August 2023.

1.7 Unauthorised Expenditure by Directorate

Below is an assessment table for the unauthorised expenditure in terms of MFMA requirements and National Treasury MFMA Circular No. 68 guidelines.

Description	Budget Year 2023/24			Actuals as at 31 August 2023			
R thousands	Operating Budget	Capital Budget	Total budget per vote	Operating Actuals	Capital Actuals	Total Expenditure per Vote	Unauthorised Expenditure
Expenditure by Vote							
CIVIL & WATER SERVICES	303,348	68,804	372,151	23,738	2,859	26,596	–
COMMUNITY SERVICES	244,029	3,000	247,029	29,137	–	29,137	–
ELECTRO/ MECHANICAL SERVICES	434,637	13,582	448,218	86,420	–	86,420	–
FINANCE AND ECONOMIC DEVELOPMENT	108,717	982	109,699	11,461	–	11,461	–
OFFICE OF THE DMM	124,644	1,969	126,614	12,220	–	12,220	–
OFFICE OF THE MM	29,901	48	29,949	3,766	19	3,785	–
PLANNING AND DEVELOPMENT	26,229	2,000	28,229	3,511	–	3,511	–
Total Expenditure by Vote	**1,271,504**	**90,385**	**1,361,888**	**170,252**	**2,878**	**173,130**	–

The assessment reflects no unauthorised expenditure as t 31 August 2023.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 31 August 2023, constituted 3.18% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 4.08% of approved adjusted grant funding budget.
- Internally generated funds are 0.09% 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	1,017	19	19	1.89%
Vote 2 - FINANCIAL SERVICES	–	282	–	–	0.00%
Vote 3 - CORPORATE SERVICES	–	1,000	–	–	
Vote 4 - COMMUNITY SERVICES	1,362	3,000	–	–	0.00%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	82,385	2,859	2,859	3.47%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	2,700	–	–	0.00%
Total Capital Multi-year expenditure	**79,343**	**90,385**	**2,878**	**2,878**	**3.18%**

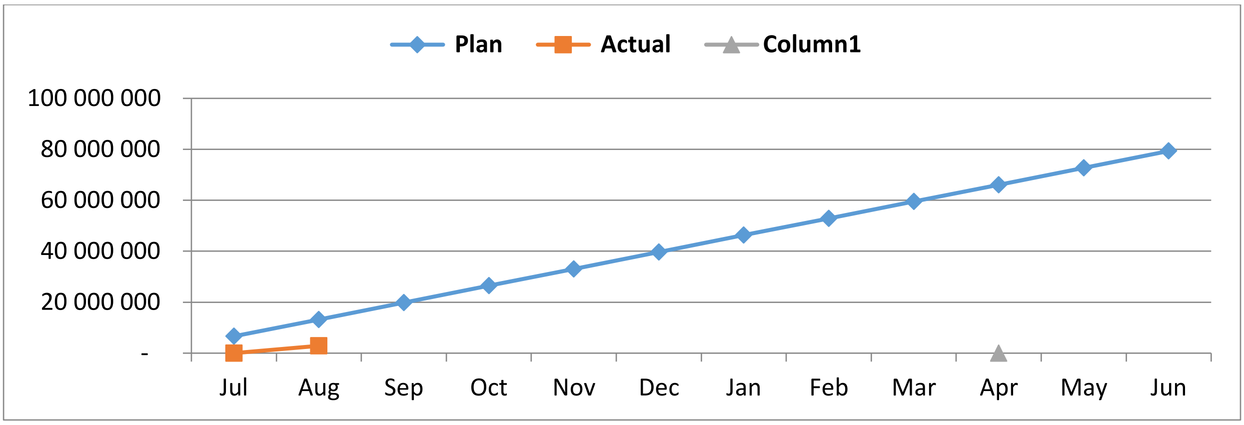
The capital expenditure as at 31 August 2023, constituted 3.18% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive& Council is 1.91% of R 1.007 million budget.
- Finance is 0% of R 0.282 million budget.
- Corporate Services 0% of R 1,000 million budget.
- Community Services is 0% of R 3,000 million budget.
- Infrastructure& Engineering is 3.47% of R 82,385 million of the budget.
- Planning and Development & Tourism is 0% of R 2,700 million budget.

Monthly capital expenditure

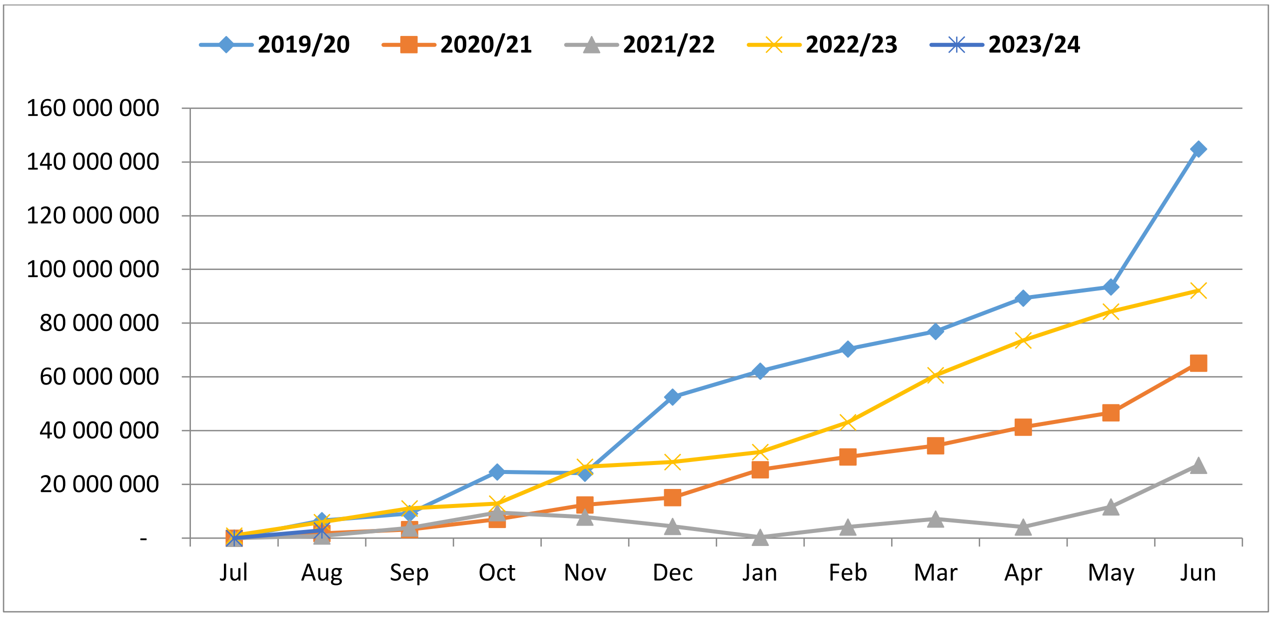
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2023/24 current budget.



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 August 2023.

DIRECTORATES	DEPARTMENT	FUNDING	V202_ITEMDE	PROJECT	Approved Budget 2023/24	Actuals as at 31 August 2023	%
Civil & Water Services	WATER	WSIG	Cost:Acquisitions	PARADISE BEACH WATER TOWER	9,772,639	11,514	0.12%
Civil & Water Services	WATER	WSIG	Cost:Acquisitions	MIMOSA STREET PIPELINE REPLACEMENT	16,314,317	-	0.00%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICUL	430,645	-	0.00%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	304,347	-	0.00%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	UPGRADING KWANOMZAMO WWTW	10,632,672	-	0.00%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	DESIGN: LA MER NEW SEWER RISING MAIN	208,695	-	0.00%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12,808,470	878,252	6.86%
Civil & Water Services	ROADS AND STORMWATER	MIG	Cost:Acquisitions	UPGRADING KOUGA GRAVEL ROADS	3,339,130	1,130,211	33.85%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	MIG	Cost:Acquisitions	UPGRADING LOERIE SPORTS FACILITIES	3,057,474	700,476	22.91%
Civil & Water Services	Water	Internal	Cost:Acquisitions	Replace 250mm Water Main Canal Road St Francis Ba	10,717	-	0.00%
Civil & Water Services	Water	Internal	Cost:Acquisitions	Replace Main Waterline Sout Rivier Bridge Crossing	82,500	-	0.00%
Civil & Water Services	Sewerage	Internal	Cost:Acquisitions	New bypass Sewer Rising Main and Pump Stations Jba	323,486	-	0.00%
Civil & Water Services	Sewerage	Internal	Cost:Acquisitions	Piped Reticulation - St Francis Bay	72,500	-	0.00%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	Internal	Cost:Acquisitions	Upgrading/Improvement of Sport Facilities within K	900,243	-	0.00%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	Internal	Cost:Acquisitions	Mini Fresh Food and Craft Markets in Jbay & Hankey	400,000	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Cost:Acquisitions	Solid Waste Infrastructure:Waste Transfer Stations	300,000	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Cost:Acquisitions	Solid Waste Infrastructure:Waste Processing Facili	56,562	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Cost:Acquisitions	KWANOMZAMO SEWERAGE PUMP STATION	1,224,891	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Cost:Acquisitions	HANKEY WWTW	5,155,634	-	0.00%
Civil & Water Services	ROADS AND STORMWATER	MDRG	Cost:Acquisitions	ST FRANCIS CANAL BRIDGE	2,608,696	138,288	5.30%
Civil & Water Services	ROADS AND STORMWATER	Internal	Cost:Acquisitions	UPGRADING KOUGA GRAVEL ROADS	800,000	-	0.00%
					68,803,618	**2,858,742**	**4.15%**
Community Services	FIRE SERVICES	DISTRICT	Cost:Acquisitions	Fire Services - Vehicle (DISTRICT)	3,000,277	-	0.00%
					3,000,277	**-**	**0.00%**
Electro & Mechanical Services	METERING & REVENUE	INEP	Cost:Acquisitions	OCEAN VIEW 1250 ELECTRIFICATION	4,086,956	-	0.00%
Electro & Mechanical Services	METERING & REVENUE	MIG	Cost:Acquisitions	DESIGN: HIGH MAST LIGHTS	86,957	-	0.00%
Electro & Mechanical Services	METERING & REVENUE	Internal	Cost:Acquisitions	SOLAR ENERGY PROJECT	5,619,475	-	0.00%
Electro & Mechanical Services	METERING & REVENUE	EEDSM	Cost:Acquisitions	ENERGY EFFICIENCY PROJECTS	3,478,260	-	0.00%
Electro & Mechanical Services	FLEET AND WORKSHOP	Internal	Cost:Acquisitions	Generator	310,000	-	0.00%
					13,581,648	**-**	**0.00%**
Finance and Economic Development	ASSET MANAGEMENT	Internal	Cost:Acquisitions	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	282,006	-	0.00%
Finance and Economic Development	LOCAL ECONOMIC DEVELOPMENT	Internal	Cost:Acquisitions	Township Economy Support (Agriculture)	100,000	-	0.00%
Finance and Economic Development	TOURISM	Internal	Cost:Acquisitions	Furniture and Equipment	600,000	-	0.00%
					982,006	**-**	**0.00%**
Office of the DMM	Finance: IT	Internal	Cost:Acquisitions	Computer Equipment	1,000,000	-	0.00%
					1,000,000	**-**	**0.00%**
Office of the MM	WARD COUNCILLORS	Internal	Cost:Acquisitions	Ward councilors Capital project	750,000	-	0.00%
Office of the MM	MAYOR	Internal	Cost:Acquisitions	Furniture and Equipment - Municipal Court	219,331	-	0.00%
Office of the MM	MUNICIPAL MANAGER	Internal	Cost:Acquisitions	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	37,632	19,200	51.02%
					1,006,963	**19,200**	**1.91%**
Planning and Development	INTEGRATED DEVELOPMENT	Internal	Cost:Acquisitions	Furniture and Equipment	10,000	-	0.00%
Planning and Development	TOWN AND REGIONAL PLANNING	Internal	Cost:Acquisitions	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	2,000,000	-	0.00%
					2,010,000	**-**	**0.00%**
				Total	**90,384,512**	**2,877,942**	**3.18%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 August 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 – M02 August 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	227,440	41,276	69,626	113,720	(44,094)	-39%	227,440
Service charges		238,396	652,478	628,917	46,033	81,677	314,458	(232,781)	-74%	628,917
Other revenue		22,231	57,445	101,036	14,902	25,442	50,518	(25,076)	-50%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,334	79,066	88,960	(9,894)	-11%	177,920
Transfers and Subsidies - Capital		–	35,734	93,134	1,000	23,350	46,567	(23,217)	-50%	93,134
Interest		841,486	2,811	3,057	4,147	7,897	1,529	6,369	417%	3,057
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,140,765)	(90,075)	(183,457)	(570,382)	(386,925)	68%	(1,140,765)
Interest		–	–	–	(979)	(1,848)	–	1,848	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**(62,691)**	**90,740**	**18,638**	**101,753**	**45,370**	**(56,383)**	**-124%**	**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)	(90,385)	(3,310)	(3,310)	(45,192)	(41,883)	93%	90,385
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(90,385)**	**(3,310)**	**(3,310)**	**(45,192)**	**(41,883)**	**93%**	**90,385**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(142,034)**	**355**	**15,328**	**98,443**	**178**			**181,124**
Cash/cash equivalents at beginning:		27,851	8,542	8,542		104,935	8,542			104,935
Cash/cash equivalents at month/year end:		1,843,400	(133,491)	8,897		203,378	8,720			286,059

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

Table C1 Monthly Budget Statement Summary – M02 August 2023

Description	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
Financial Performance									
Property rates	259,514	281,488	281,488	18,840	95,021	46,915	48,106	103%	281,488
Service charges	547,619	621,867	621,867	50,950	96,117	103,644	(7,528)	-7%	621,867
Investment revenue	6,818	4,598	4,598	1,397	2,570	766	1,804	235%	4,598
Transfers and subsidies - Operational	177,339	190,883	190,883	(441)	75,713	31,814	43,899	138%	190,883
Other own revenue	194,387	60,121	60,121	8,412	17,428	10,020	7,408	74%	60,121
Total Revenue (excluding capital transfers and contributions)	**1,185,678**	**1,158,957**	**1,158,957**	**79,157**	**286,848**	**193,159**	**93,689**	**49%**	**1,158,957**
Employee costs	364,911	447,813	447,813	29,105	58,026	74,635	(16,609)	-22%	447,813
Remuneration of Councillors	13,700	15,140	15,140	1,181	2,265	2,523	(258)	-10%	15,140
Depreciation and amortisation	124,787	109,663	109,663	–	–	18,277	(18,277)	-100%	109,663
Interest	8,046	2,090	2,090	486	944	348	595	171%	2,090
Inventory consumed and bulk purchases	382,970	458,626	458,626	51,163	95,569	76,437	19,131	25%	458,626
Transfers and subsidies	709	924	924	–	100	154	(54)	-35%	924
Other expenditure	284,403	234,060	237,248	10,301	13,348	39,220	(25,872)	-66%	237,248
Total Expenditure	**1,179,524**	**1,268,316**	**1,271,504**	**92,237**	**170,252**	**211,595**	**(41,343)**	**-20%**	**1,271,504**
Surplus/(Deficit)	**6,153**	**(109,359)**	**(112,547)**	**(13,079)**	**116,596**	**(18,436)**	**135,032**	**-732%**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)	96,187	75,561	78,561	3,288	3,557	13,093	(9,536)	-73%	78,561
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**	**125,496**	**-2349%**	**(33,986)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**	**125,496**	**-2349%**	**(33,986)**
Capital expenditure & funds sources									
Capital expenditure	**15,328**	**79,343**	**90,385**	**2,878**	**2,878**	**15,064**	**(12,186)**	**-81%**	**90,385**
Capital transfers recognised	(77,560)	65,883	70,130	2,859	2,859	11,688	(8,830)	-76%	70,130
Borrowing	14,691	–	–	–	–	–	–		–
Internally generated funds	78,197	13,460	20,255	19	19	3,376	(3,357)	-99%	20,255
Total sources of capital funds	**15,328**	**79,343**	**90,385**	**2,878**	**2,878**	**15,064**	**(12,186)**	**-81%**	**90,385**
Financial position									
Total current assets	469,101	154,622	143,569		302,165				143,569
Total non current assets	2,313,166	2,302,442	2,313,484		2,302,442				2,313,484
Total current liabilities	325,053	154,259	154,435		165,291				154,435
Total non current liabilities	246,291	255,035	255,035		248,580				255,035
Community wealth/Equity	**2,198,544**	**2,047,771**	**2,047,771**		**2,190,736**				**2,047,771**
Cash flows									
Net cash from (used) operating	2,104,792	(2,036,247)	(2,024,899)	18,638	101,753	(337,483)	(439,236)	130%	(906,999)
Net cash from (used) investing	(71,169)	(79,343)	(90,385)	(3,310)	(3,310)	15,064	18,374	122%	90,385
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**2,061,474**	**(2,107,048)**	**(2,106,742)**	**–**	**203,378**	**(313,877)**	**(517,255)**	**165%**	**(711,680)**

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	82,000	11,100	10,966	11,668	10,729	7,460	47,220	251,263	432,405
Creditors Age Analysis									
Total Creditors	52,118	1,081	29	50	45	20	373	110	53,826

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) – M02 August 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		**573,291**	**422,639**	**422,639**	**23,524**	**178,267**	**70,440**	107,827	153%	**422,639**
Executive and council		2,464	106	106	–	15	18	(2)	-13%	106
Finance and administration		570,827	422,533	422,533	23,524	178,252	70,422	107,830	153%	422,533
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**17,044**	**16,716**	**16,716**	**283**	**2,536**	**2,786**	(250)	-9%	**16,716**
Community and social services		2,427	2,437	2,437	52	81	406	(325)	-80%	2,437
Sport and recreation		8,640	10,338	10,338	978	2,168	1,723	445	26%	10,338
Public safety		2,748	1,378	1,378	0	270	230	41	18%	1,378
Housing		–	–	–	–	–	–	–		–
Health		3,230	2,563	2,563	(747)	17	427	(410)	-96%	2,563
Economic and environmental services		**30,911**	**37,432**	**40,432**	**3,486**	**9,396**	**6,739**	2,657	39%	**40,432**
Planning and development		6,504	8,083	8,083	933	3,888	1,347	2,541	189%	8,083
Road transport		7,002	6,910	9,910	966	1,511	1,652	(141)	-9%	9,910
Environmental protection		17,404	22,439	22,439	1,587	3,996	3,740	256	7%	22,439
Trading services		**660,618**	**757,731**	**757,731**	**55,151**	**100,207**	**126,288**	(26,082)	-21%	**757,731**
Energy sources		313,432	408,372	408,372	29,387	58,177	68,062	(9,885)	-15%	408,372
Water management		195,377	161,300	161,300	12,155	17,345	26,883	(9,538)	-35%	161,300
Waste water management		99,252	113,711	113,711	8,922	15,328	18,952	(3,624)	-19%	113,711
Waste management		52,557	74,347	74,347	4,687	9,356	12,391	(3,035)	-24%	74,347
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,281,864**	**1,234,518**	**1,237,518**	**82,445**	**290,405**	**206,253**	**84,153**	**41%**	**1,237,518**
Expenditure - Functional										
Governance and administration		**373,656**	**306,226**	**306,224**	**18,585**	**33,131**	**50,883**	(17,752)	-35%	**306,224**
Executive and council		54,922	64,558	64,556	3,651	6,927	10,758	(3,832)	-36%	64,556
Finance and administration		318,660	241,417	241,417	14,932	26,203	40,084	(13,881)	-35%	241,417
Internal audit		73	251	251	1	1	40	(39)	-97%	251
Community and public safety		**98,311**	**121,818**	**121,818**	**7,623**	**13,842**	**20,303**	(6,461)	-32%	**121,818**
Community and social services		8,235	12,897	12,897	662	1,295	2,149	(854)	-40%	12,897
Sport and recreation		50,609	63,813	63,813	3,882	6,516	10,635	(4,120)	-39%	63,813
Public safety		26,931	30,247	30,247	2,112	4,080	5,041	(962)	-19%	30,247
Housing		5,390	7,037	7,037	443	896	1,173	(277)	-24%	7,037
Health		7,146	7,824	7,824	523	1,055	1,304	(249)	-19%	7,824
Economic and environmental services		**121,915**	**158,670**	**161,860**	**7,132**	**12,270**	**26,810**	(14,540)	-54%	**161,860**
Planning and development		24,223	31,432	31,434	2,033	4,070	5,239	(1,169)	-22%	31,434
Road transport		86,259	118,681	118,681	4,309	7,177	19,613	(12,437)	-63%	118,681
Environmental protection		11,434	8,556	11,744	791	1,023	1,957	(934)	-48%	11,744
Trading services		**579,406**	**674,375**	**674,375**	**58,620**	**110,725**	**112,396**	(1,670)	-1%	**674,375**
Energy sources		332,376	424,020	424,020	43,015	85,409	70,670	14,739	21%	424,020
Water management		107,549	103,892	103,892	7,743	10,774	17,315	(6,541)	-38%	103,892
Waste water management		80,321	85,015	85,015	3,758	6,626	14,169	(7,543)	-53%	85,015
Waste management		59,160	61,449	61,449	4,104	7,916	10,241	(2,326)	-23%	61,449
Other		**6,236**	**7,227**	**7,227**	**277**	**285**	**1,205**	**(920)**	**-76%**	**7,227**
Total Expenditure - Functional	3	**1,179,524**	**1,268,316**	**1,271,504**	**92,237**	**170,252**	**211,595**	**(41,343)**	**-20%**	**1,271,504**
Surplus/ (Deficit) for the year		**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**	**125,496**	**-2349%**	**(33,986)**

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 – M02 August 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		435,870	410,736	410,736	20,754	173,849	68,456	105,393	154.0%	410,736
Vote 3 - CORPORATE SERVICES		835	1,194	1,194	–	129	199	(70)	-35.2%	1,194
Vote 4 - COMMUNITY SERVICES		225,170	127,808	127,808	9,970	21,354	21,301	53	0.2%	127,808
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,641	688,565	691,565	50,972	93,966	115,261	(21,294)	-18.5%	691,565
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		5,980	6,215	6,215	749	1,107	1,036	71	6.9%	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	**1,281,968**	**1,234,518**	**1,237,518**	**82,445**	**290,405**	**206,253**	**84,153**	**40.8%**	**1,237,518**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,200	70,802	70,802	3,743	7,084	11,795	(4,711)	-39.9%	70,802
Vote 2 - FINANCIAL SERVICES		201,201	115,941	115,941	8,237	13,495	19,316	(5,821)	-30.1%	115,941
Vote 3 - CORPORATE SERVICES		52,563	62,930	62,930	3,288	6,204	10,347	(4,143)	-40.0%	62,930
Vote 4 - COMMUNITY SERVICES		215,566	240,505	243,692	15,884	29,137	40,615	(11,478)	-28.3%	243,692
Vote 5 - INFRASTRUCTURE AND ENGINEERING		619,771	739,091	739,091	58,880	110,192	123,015	(12,823)	-10.4%	739,091
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	38,427	2,205	4,141	6,404	(2,264)	-35.3%	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	**1,179,510**	**1,267,696**	**1,270,884**	**92,237**	**170,252**	**211,492**	**(41,240)**	**-19.5%**	**1,270,884**
Surplus/ (Deficit) for the year	2	**102,458**	**(33,178)**	**(33,366)**	**(9,792)**	**120,153**	**(5,239)**	**125,392**	**-2393.3%**	**(33,366)**

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) – M02 August 2023

Description R thousands	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
Revenue										
Exchange Revenue		593,638	662,340	662,340	56,575	108,950	110,390	(1,440)	-1%	662,340
Service charges - Electricity		306,477	390,731	390,731	29,228	57,862	65,122	(7,260)	-11%	390,731
Service charges - Water		117,400	101,425	101,425	11,029	15,156	16,904	(1,748)	-10%	101,425
Service charges - Waste Water Management		61,797	63,314	63,314	5,372	11,358	10,552	806	8%	63,314
Service charges - Waste management		61,945	66,396	66,396	5,319	11,740	11,066	674	6%	66,396
Sale of Goods and Rendering of Services		9,189	7,790	7,790	782	1,281	1,298	(18)	-1%	7,790
Agency services		2,678	1,000	1,000	383	667	167	501	300%	1,000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	18,595	2,388	4,692	3,099	1,593	51%	18,595
Interest earned from Current and Non Current Assets		6,818	4,598	4,598	1,397	2,570	766	1,804	235%	4,598
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,613	3,295	3,295	420	2,991	549	2,442	445%	3,295
Licence and permits		2,677	3,021	3,021	228	438	504	(65)	-13%	3,021
Operational Revenue		1,200	2,174	2,174	29	194	362	(169)	-47%	2,174
Non-Exchange Revenue		592,039	496,618	496,618	22,582	177,898	82,770	95,129	115%	496,618
Property rates		259,514	281,488	281,488	18,840	95,021	46,915	48,106	103%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132,727	10,334	10,334	2,811	4,353	1,722	2,630	153%	10,334
Licence and permits		7,195	10,668	10,668	987	2,143	1,778	365	21%	10,668
Transfer and subsidies - Operational		177,339	190,883	190,883	(441)	75,713	31,814	43,899	138%	190,883
Interest		3,729	3,244	3,244	386	669	541	128	24%	3,244
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		17	–	(0)	–	–	–	–		(0)
Other Gains		11,518	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1,185,678**	**1,158,957**	**1,158,957**	**79,157**	**286,848**	**193,159**	**93,689**	**49%**	**1,158,957**
Expenditure By Type										
Employee related costs		364,911	447,813	447,813	29,105	58,026	74,635	(16,609)	-22%	447,813
Remuneration of councillors		13,700	15,140	15,140	1,181	2,265	2,523	(258)	-10%	15,140
Bulk purchases - electricity		291,888	364,280	364,280	40,633	80,875	60,713	20,161	33%	364,280
Inventory consumed		91,082	94,345	94,345	10,530	14,694	15,724	(1,030)	-7%	94,345
Debt impairment		31,285	28,314	28,314	–	–	4,719	(4,719)	-100%	28,314
Depreciation and amortisation		124,787	109,663	109,663	–	–	18,277	(18,277)	-100%	109,663
Interest		8,046	2,090	2,090	486	944	348	595	171%	2,090
Contracted services		87,363	104,476	107,410	3,935	4,357	17,725	(13,368)	-75%	107,410
Transfers and subsidies		709	924	924	–	100	154	(54)	-35%	924
Irrecoverable debts written off		87,459	7,305	7,305	–	–	1,218	(1,218)	-100%	7,305
Operational costs		76,926	93,964	94,218	6,366	8,991	15,558	(6,567)	-42%	94,218
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		25	–	–	–	–	–	–		–
Total Expenditure		**1,179,524**	**1,268,316**	**1,271,504**	**92,237**	**170,252**	**211,595**	**(41,343)**	**-20%**	**1,271,504**
Surplus/(Deficit)		**6,153**	**(109,359)**	**(112,547)**	**(13,079)**	**116,596**	**(18,436)**	**135,032**	**(0)**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)		96,187	75,561	78,561	3,288	3,557	13,093	(9,536)	(0)	78,561
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**			**(33,986)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**			**(33,986)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**			**(33,986)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**102,340**	**(33,798)**	**(33,986)**	**(9,792)**	**120,153**	**(5,343)**			**(33,986)**

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) – M02 August 2023

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		307	760	1,017	19	19	169	(150)	-89%	1,017
Vote 2 - FINANCIAL SERVICES		8,823	–	1,282	–	–	214	(214)	-100%	1,282
Vote 3 - CORPORATE SERVICES		10	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		10,992	1,362	3,000	–	–	500	(500)	-100%	3,000
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(4,916)	76,521	81,319	2,859	2,859	13,553	(10,694)	-79%	81,319
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	2,700	–	–	450	(450)	-100%	2,700
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	**15,235**	**79,343**	**89,318**	**2,878**	**2,878**	**14,886**	**(12,008)**	**-81%**	**89,318**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		56	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	1,067	–	–	178	(178)	-100%	1,067
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	93	–	1,067	–	–	178	**(178)**	**-100%**	1,067
Total Capital Expenditure	3	**15,328**	**79,343**	**90,385**	**2,878**	**2,878**	**15,064**	**(12,186)**	**-81%**	**90,385**
Capital Expenditure - Functional Classification										
Governance and administration		**9,605**	**760**	**2,609**	**19**	**19**	**435**	(416)	-96%	**2,609**
Executive and council		307	760	1,017	19	19	169	(150)	-89%	1,017
Finance and administration		9,275	–	1,592	–	–	265	(265)	-100%	1,592
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**1,999**	**1,362**	**3,901**	**–**	**–**	**650**	(650)	-100%	**3,901**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		1,999	–	900	–	–	150	(150)	-100%	900
Public safety		–	1,362	3,000	–	–	500	(500)	-100%	3,000
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**17,138**	**6,497**	**12,305**	**1,969**	**1,969**	**2,051**	(82)	-4%	**12,305**
Planning and development		3,897	3,157	5,557	700	700	926	(226)	-24%	5,557
Road transport		13,241	3,339	6,748	1,268	1,268	1,125	144	13%	6,748
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**(13,415)**	**70,124**	**70,970**	**890**	**890**	**11,828**	(10,939)	-92%	**70,970**
Energy sources		1,390	19,652	13,272	–	–	2,212	(2,212)	-100%	13,272
Water management		(26,991)	26,087	26,180	12	12	4,363	(4,352)	-100%	26,180
Waste water management		3,400	24,385	31,518	878	878	5,253	(4,375)	-83%	31,518
Waste management		8,786	–	–	–	–	–	–		–
Other		–	600	600	–	–	100	(100)	-100%	600
Total Capital Expenditure - Functional Classification	3	**15,328**	**79,343**	**90,385**	**2,878**	**2,878**	**15,064**	**(12,186)**	**-81%**	**90,385**
Funded by:										
National Government		(77,560)	64,521	67,129	2,859	2,859	11,188	(8,329)	-74%	67,129
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	1,362	3,000	–	–	500	(500)	-100%	3,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**(77,560)**	**65,883**	**70,130**	**2,859**	**2,859**	**11,688**	**(8,830)**	**-76%**	**70,130**
Borrowing	6	14,691	–	–	–	–	–	–		–
Internally generated funds		78,197	13,460	20,255	19	19	3,376	(3,357)	-99%	20,255
Total Capital Funding	7	**15,328**	**79,343**	**90,385**	**2,878**	**2,878**	**15,064**	**(12,186)**	**-81%**	**90,385**

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 – M02 August 2023

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104,930	5,596	(16,805)	203,378	(16,805)
Trade and other receivables from exchange transactions		166,225	55,239	55,239	56,696	55,239
Receivables from non-exchange transactions		41,893	24,619	35,967	27,312	35,967
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,984	17,110	17,110	14,780	17,110
VAT		134,484	50,443	50,443	–	50,443
Other current assets		2,586	1,616	1,616	–	1,616
Total current assets		**469,101**	**154,622**	**143,569**	**302,165**	**143,569**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,049,955	2,039,424	2,050,466	2,039,424	2,050,466
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	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		**2,313,166**	**2,302,442**	**2,313,484**	**2,302,442**	**2,313,484**
TOTAL ASSETS		**2,782,267**	**2,457,064**	**2,457,053**	**2,604,607**	**2,457,053**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		8,034	9,484	9,484	10,321	9,484
Consumer deposits		29,060	23,673	23,673	23,673	23,673
Trade and other payables from exchange transactions		127,107	77,412	77,588	111,829	77,588
Trade and other payables from non-exchange transactions		26,181	–	–	–	–
Provision		42,808	43,689	43,689	30,796	43,689
VAT		91,862	–	0	–	0
Other current liabilities		–	–	–	–	–
Total current liabilities		**325,053**	**154,259**	**154,435**	**176,619**	**154,435**
Non current liabilities						
Financial liabilities		25,321	8,637	8,637	33,696	8,637
Provision		128,937	126,686	126,686	214,884	126,686
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92,032	119,711	119,711	–	119,711
Total non current liabilities		**246,291**	**255,035**	**255,035**	**248,580**	**255,035**
TOTAL LIABILITIES		**571,343**	**409,293**	**409,470**	**425,199**	**409,470**
NET ASSETS	2	**2,210,924**	**2,047,771**	**2,047,583**	**2,179,409**	**2,047,583**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,198,544	2,047,771	2,047,771	2,179,409	2,047,771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,198,544**	**2,047,771**	**2,047,771**	**2,179,409**	**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 – M02 August 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	230,449	227,440	41,276	69,626	113,720	(44,094)	-39%	227,440
Service charges		238,396	652,478	628,917	46,033	81,677	314,458	(232,781)	-74%	628,917
Other revenue		22,231	57,445	101,036	14,902	25,442	50,518	(25,076)	-50%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	2,334	79,066	88,960	(9,894)	-11%	177,920
Transfers and Subsidies - Capital		–	35,734	93,134	1,000	23,350	46,567	(23,217)	-50%	93,134
Interest		841,486	2,811	3,057	4,147	7,897	1,529	6,369	417%	3,057
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,140,765)	(90,075)	(183,457)	(570,382)	(386,925)	68%	(1,140,765)
Interest		–	–	–	(979)	(1,848)	–	1,848	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**(62,691)**	**90,740**	**18,638**	**101,753**	**45,370**	**(56,383)**	**-124%**	**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)	(90,385)	(3,310)	(3,310)	(45,192)	(41,883)	93%	90,385
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(90,385)**	**(3,310)**	**(3,310)**	**(45,192)**	**(41,883)**	**93%**	**90,385**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(142,034)**	**355**	**15,328**	**98,443**	**178**			**181,124**
Cash/cash equivalents at beginning:		27,851	8,542	8,542		104,935	8,542			104,935
Cash/cash equivalents at month/year end:		1,843,400	(133,491)	8,897		203,378	8,720			286,059

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 31 August 2023, compared to the position as at 30 June 2023.

Debtors' Age Analysis (Inclusive of VAT) as at 31 August 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	20,900	4,195	5,144	6,160	5,649	2,749	22,250	68,893	135,941
Trade and Other Receivables from Exchange Transactions - Electricity	27,028	1,154	986	869	782	588	2,706	12,167	46,280
Receivables from Non-exchange Transactions - Property Rates	44,276	2,125	1,238	1,154	929	868	3,620	29,288	83,496
Receivables from Exchange Transactions - Waste Water Management	8,846	1,633	1,630	1,478	1,396	1,178	6,521	31,517	54,198
Receivables from Exchange Transactions - Waste Management	6,142	1,366	1,294	1,246	1,210	1,179	6,788	41,960	61,184
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	887	223	308	410	431	363	3,407	50,424	56,455
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(26,080)	404	366	352	333	535	1,928	17,014	(5,149)
Total By Income Source	**82,000**	**11,100**	**10,966**	**11,668**	**10,729**	**7,460**	**47,220**	**251,263**	**432,405**
Debtors Age Analysis By Customer Group									
Organs of State	3,019	515	430	415	358	178	1,030	7,383	13,327
Commercial	10,259	559	337	310	270	270	1,202	5,962	19,169
Households	68,720	10,025	10,198	10,942	10,101	7,010	44,986	237,917	399,900
Other	2	1	1	1	1	1	3	–	9
Total By Customer Group	**82,000**	**11,100**	**10,966**	**11,668**	**10,729**	**7,460**	**47,220**	**251,263**	**432,405**

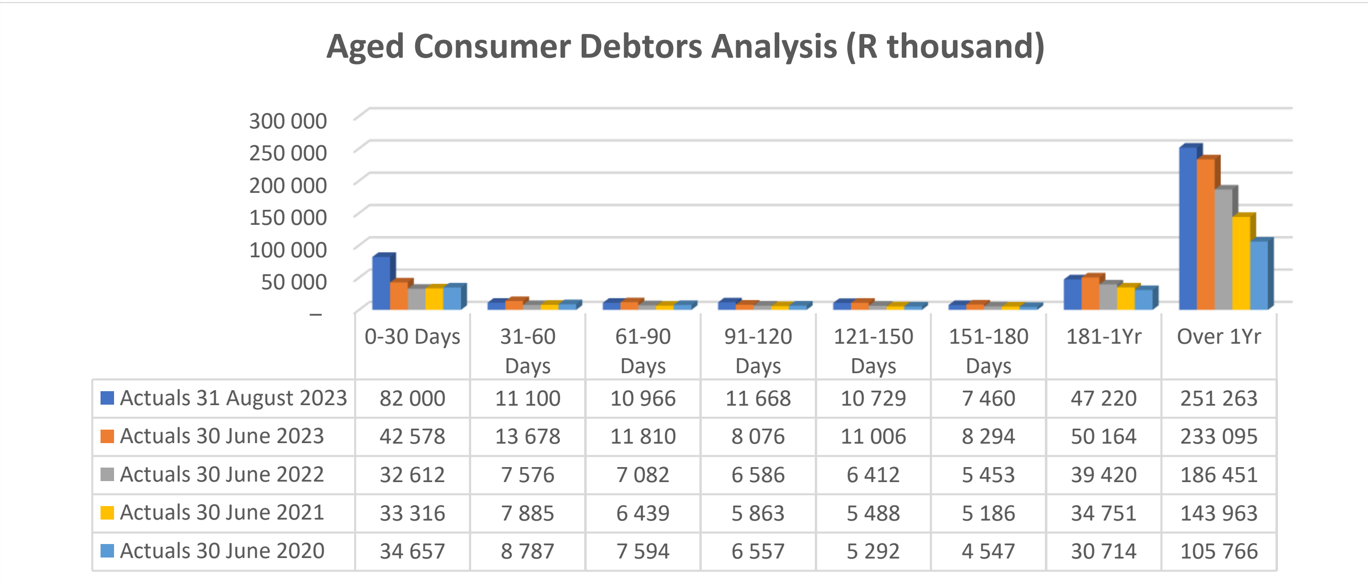
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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**

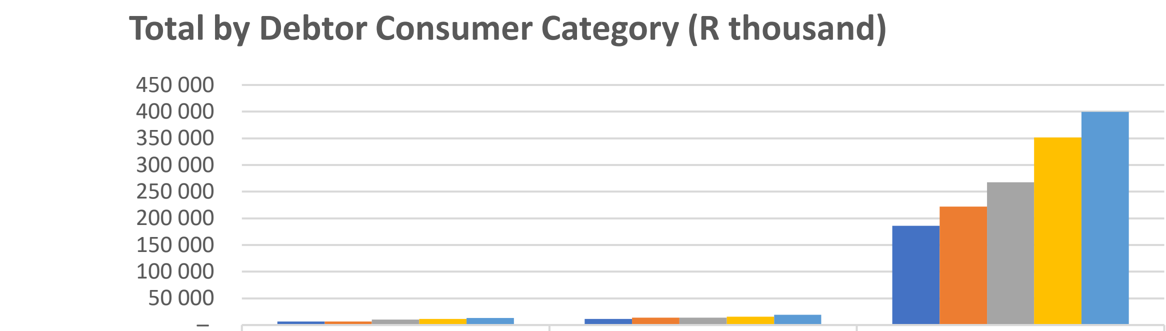
The aforementioned analysis indicates that from 30 June 2022 to 31 August 2023, the overdue debts have increased by R 14,283 million from R 336,122 million to R 350,405 million, as follows:

R thousands	**OVERDUE AMOUNTS AS AT**		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-Aug-23**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	115,040	6,818
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	19,252	(226)
Receivables from Non-exchange Transactions - Property Rates	40,157	39,220	(936)
Receivables from Exchange Transactions - Waste Water Management	43,229	45,352	2,123
Receivables from Exchange Transactions - Waste Management	53,040	55,042	2,002
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	55,568	4,241
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	20,930	262
Total By Income Source	**336,122**	**350,405**	**14,283**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	10,308	(57)
Commercial	8,845	8,910	65
Households	316,912	331,180	14,268
Other	–	7	7
Total By Customer Group	**336,122**	**350,405**	**14,283**

Graphical Analysis of consumer debtors



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



	Organs of State	Commercial	Households
Budget Year 2019/20	6 387	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	13 327	19 169	399 900

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	46,304	24	(60)	–	–	–	–	–	**46,268**
Bulk Water	2,779	723	10	12	33	14	68	(1,639)	**2,001**
PAYE deductions	4,831								**4,831**
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	3,035	334	79	38	11	6	306	1,748	**5,557**
Auditor General									–
Other									–
Total By Customer Type	**56,949**	**1,081**	**29**	**50**	**45**	**20**	**373**	**110**	**58,658**

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

Eskom	R 46,352 million
NMBM	R 1,946 million
SARS: PAYE	R 4,831 million
Other Creditors	R 5.557 million
Total	**R 58,658 million**

It is to be noted that the Eskom amount of R 46,268 million, represents the current account for August 2023, which will be fully paid on 23 September 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M02 August 2023.

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

Description	Budget Year 2023/24						
	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	2,334	78,195	76,219	(1,976)	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	–	75,211	75,211	-	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,458	2,458	614	614	410	(204)	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	1,720	1,720	287	(1,433)	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	–	650	311	(339)	1,868
Provincial Government:	2,050	2,050	-	-	-	-	2,050
Library grant	2,050	2,050	–	–	–	-	2,050
District Municipality:	3,542	3,542	-	113	113	-	3,542
Environmental health subsidy	2,888	2,888	–	–	–	-	2,888
Skills Development subsidy	654	654		113	113		654
Total Operating Transfers and Grants	192,144	192,144	2,334	78,308	76,332	(1,976)	192,144
Capital Transfers and Grants							
National Government:	76,067	76,067	1,000	23,350	12,678	(10,339)	76,067
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	–	1,000	783	(217)	4,700
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	1,000	1,000	667		4,000
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	–	12,350	6,228	(6,122)	37,367
Water Services Infrastructure Grant	30,000	30,000	–	9,000	5,000	(4,000)	30,000
District Municipality:	1,362	3,000	-	-	-	-	1,362
Fire Services Subsidy	1,362	3,000	–	–	–	-	1,362
Total Capital Transfers and Grants	77,429	79,067	1,000	23,350	12,678	(10,339)	77,429
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	271,211	3,334	101,658	89,010	(12,315)	269,573

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 2023.

Description	Budget Year 2023/24							
	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	316	76,690	76,219	471	1%	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	–	75,211	75,211		0%	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,458	2,458	136	136	410	273	67%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	42	90	287	197	69%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	138	276	311		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	–	113	2,997		0%	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888		0%	2,888
Skills Development subsidy	654	654		113	109	113		654
Total operating expenditure of Transfers and Grants:	192,144	192,144	316	76,804	81,266	471	1%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	79,067	3,288	3,288	12,511	–	0%	79,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	–	–	667	667		4,000
Municipal Disaster Relief Grant	3,000	3,000	159	159	500	341		3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	–	–	783	783	100%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	3,115	3,115	6,228	3,113	50%	37,367
Water Services Infrastructure Grant	30,000	30,000	13	13	5,000	4,987	100%	30,000
District Municipality:	1,362	3,000	–	–	500	500	100%	1,362
Fire Services Subsidy	1,362	3,000	–	–	500	500	100%	1,362
Total capital expenditure of Transfers and Grants	80,429	82,067	3,288	3,288	13,011	500	4%	80,429
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	274,211	3,604	80,091	94,277	971	1%	272,573

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.

<u>Grants received from National Government.</u>

<u>DORA Operating Grants</u>

Financial Management Grant (FMG)
The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 89,545
Unspent as at 31 August 2023:	R 1,630,455

The spending of the grant amounted to 5.21% as at 31 August 2023, compared to the amount of the grant received.

Expanded Public Works Programme (EPWP)
The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

DORA Allocation:	R 2,458,000
Amount of Grant Received:	R 614,000
Expenditure to date:	R 136,218
Unspent as at 31 August 2023:	R 477,782

The spending of the grant amounted to 22.19% as at 31 August 2023, compared to the amount of the grant received.

<u>DORA Capital Grants</u>

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 3,391,165
Unspent as at 31 August 2023:	R 9,608,835

The spending of the grant amounted to 26.09% as at 31 August 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
Current Year Receipts:	R 1,000,000
Expenditure to date:	R 0.00
Unspent as at 31 August 2023:	R 1,000,000

The spending of the grant amounted to 0% as at 31 August 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
Current Year Receipts:	R 9,000,000
Expenditure to date:	R 13,241
Unspent as at 31 August 2023:	R 8,986,759

The spending of the grant amounted to 0.15% as at 31 August 2023, compared to the amount of the grant received.

Energy Efficiency and Demand Side Management Grant

The purpose of the grant is to provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure to reduce electricity consumption and improve energy efficiency.

DORA Allocation:	R 4,000,000
Current Year Receipts:	R 1,000,000
Expenditure to date:	R 0.00
Unspent as at 31 August 2023:	R 1,000,000

The spending of the grant amounted to 0% as at 31 August 2023, compared to the amount of the grant received.

Municipal Disaster Response Grant

The purpose of the grant is to provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act. This grant provides funding for responding to and providing response and relief measures for unforeseeable and unavoidable disasters where municipalities are unable to cope with the effects of the disaster from own resources.

DORA Allocation:	R 3,000,000
Current Year Receipts:	R 3,000,000
Expenditure to date:	R 159,032
Unspent as at 31 August 2023:	R 2,840,968

The spending of the grant amounted to 5.30 % as at 31 August 2023, compared to the amount of the grant received.

Other Conditional Grants

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 – M02 August 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	795	1,516	1,684	(168)	-10%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	10	20	–	20	#DIV/0!	–
Motor Vehicle Allowance		3,066	3,407	3,407	265	506	568	(62)	-11%	3,407
Cellphone Allowance		1,328	1,632	1,632	111	223	272	(49)	-18%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,181**	**2,265**	**2,523**	**(258)**	**-10%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	7,675	392	769	1,279	(510)	-40%	7,675
Pension and UIF Contributions		61	117	117	6	11	19	(9)	-44%	117
Medical Aid Contributions		31	52	52	3	5	9	(3)	-40%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	–	255	(255)	-100%	1,528
Motor Vehicle Allowance		490	2,072	2,072	35	70	345	(275)	-80%	2,072
Cellphone Allowance		10	10	10	1	2	2	(0)	-5%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	1	(1)	-88%	5
Payments in lieu of leave		4,195	4,743	4,743	227	514	790	(276)	-35%	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**	**664**	**1,371**	**2,700**	**(1,329)**	**-49%**	**16,202**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	275,654	19,086	38,228	45,942	(7,714)	-17%	275,654
Pension and UIF Contributions		33,322	36,936	36,936	2,976	5,939	6,156	(217)	-4%	36,936
Medical Aid Contributions		17,746	18,588	18,588	1,535	3,086	3,098	(12)	0%	18,588
Overtime		27,987	29,013	29,013	2,171	3,974	4,835	(861)	-18%	29,013
Performance Bonus		23	25	25	–	–	4	(4)	-100%	25
Motor Vehicle Allowance		10,408	11,356	11,446	932	1,835	1,908	(72)	-4%	11,446
Cellphone Allowance		21	56	56	1	3	9	(7)	-70%	56
Housing Allowances		722	1,234	1,234	62	125	206	(81)	-39%	1,234
Other benefits and allowances		32,223	34,740	34,740	1,560	3,156	5,790	(2,634)	-45%	34,740
Post-retirement benefit obligations	2	15,967	20,887	20,887	–	–	3,481	(3,481)	-100%	20,887
Sub Total - Other Staff of Entities		**354,700**	**431,612**	**431,612**	**28,442**	**56,655**	**71,935**	**(15,279)**	**-21%**	**431,612**
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,611**	**462,953**	**462,953**	**30,286**	**60,292**	**77,158**	**(16,867)**	**-22%**	**462,953**
TOTAL MANAGERS AND STAFF		**364,911**	**447,813**	**447,813**	**29,105**	**58,026**	**74,635**	**(16,609)**	**-22%**	**447,813**

5. 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 August 2022**	**Approved Budget 2023/24**	**Actuals as at 31 August 2023**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	0.67%	1.39%	0%	1.00%	1.34%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0%	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	2.61	1.12	1.17	1.70	1:1	1.71:1
Liquidity Ratio	Monetary assets / current liabilities	0.45	0.24	0.65	0.90	0.04:1	1.15:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	149%	95%	74.40%

Other indicators		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 31 August 2022	Approved Budget 2023/24	Actuals as at 31 August 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	1.15	0.06 Months	1.59 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.26%	33.86%	34.11%	36.01%	35.31%	34.08%
Capital Expenditure	Capital Expenditure / Capital Budget	76.92%	87%	80.10%	13.07%	83.04%	3.18%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	7.00%	5.32%	4.54%	2.76%	4.79%	2.87%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2.52%	2.25%	0.20%	2.80%	0.24%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.11%	83.67%	85.18%	74.81%	83.16%	46.97%

The above table is discussed in detail below.

5.1. Borrowing Management

5.1.1. 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 1.34% as at 31 August 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.

5.1.2. 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 August 2023, the ratio indicates 0.01, compared to the approved budget of 0.01.

5.1.3. 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:

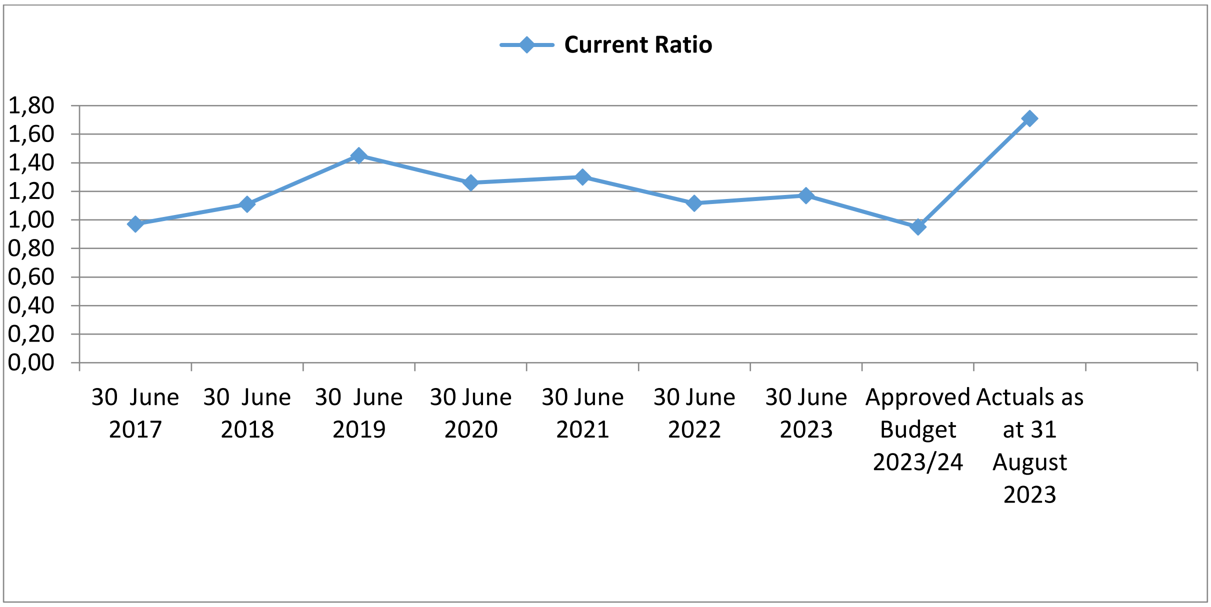
Current assets/Current liabilities

The ratio as at 31 August 2023 was 1.71:1, compared to the approved 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.



5.1.4. Liquidity Ratio

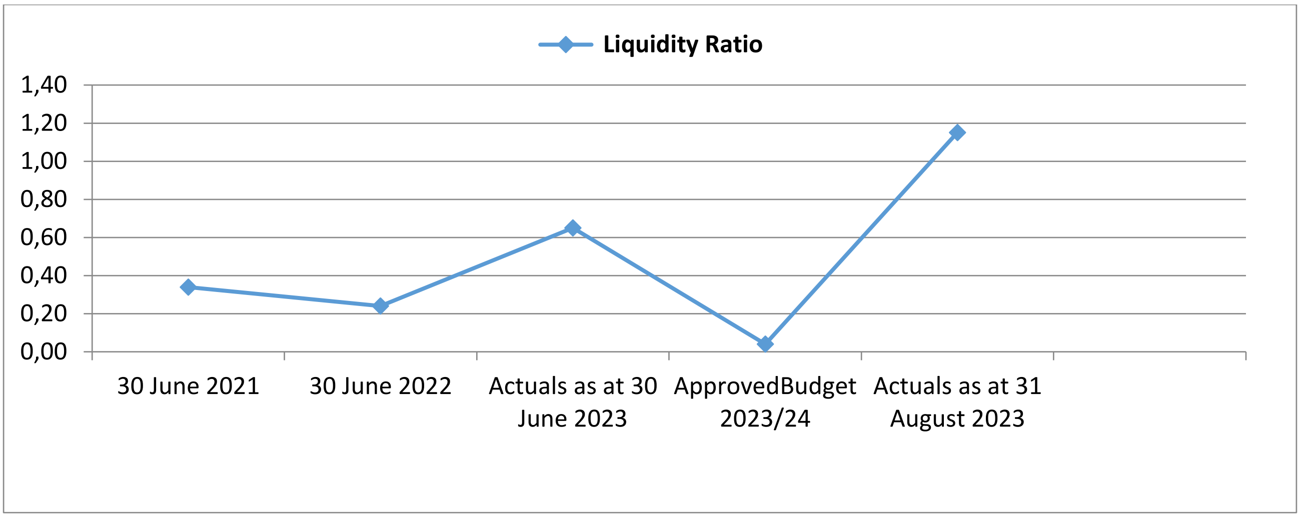
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 August 2023 was 1.15:1, compared to the approved budget ratio of 0.04:1.

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



5.2. Revenue Management

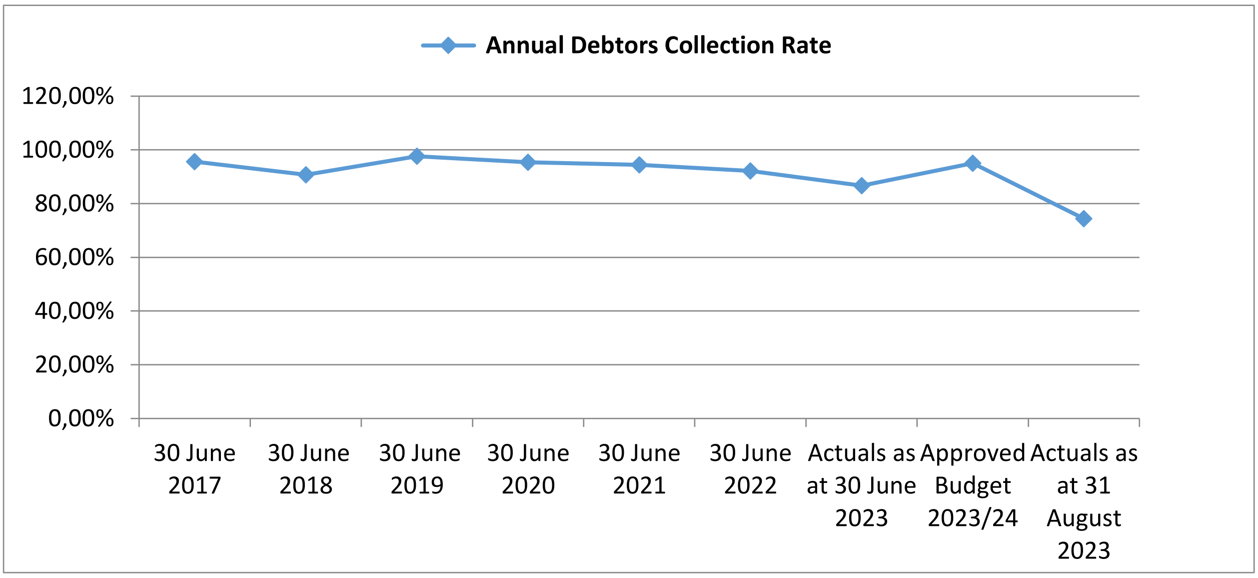
5.2.1. Annual Debtors Collection Rate

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 August 2023 was 74.40%, compared to the approved budget collection rate of 95%. The actual collection rate for August is 120.97%.



5.3. Other indicators

5.3.1. 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.

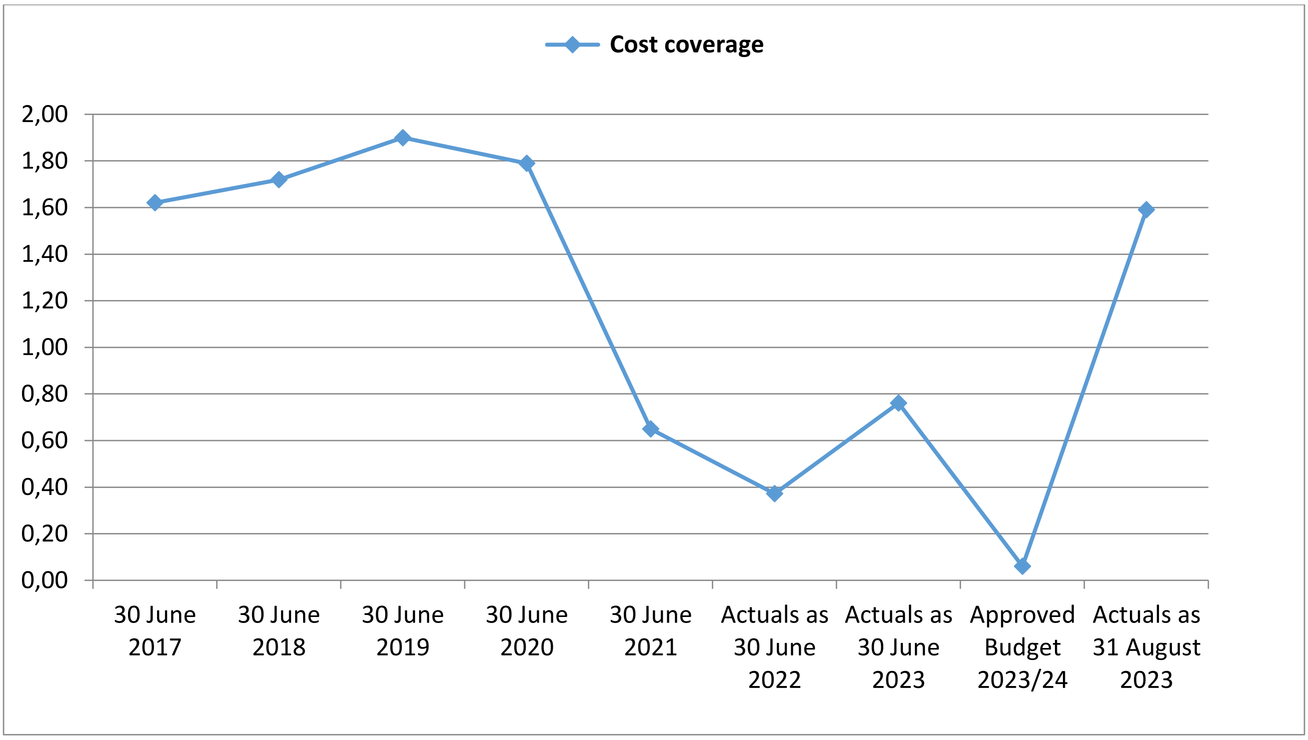
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 August 2023, the Ratio was 1.59 months, compared to the approved budget ratio of 0.06 months.

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



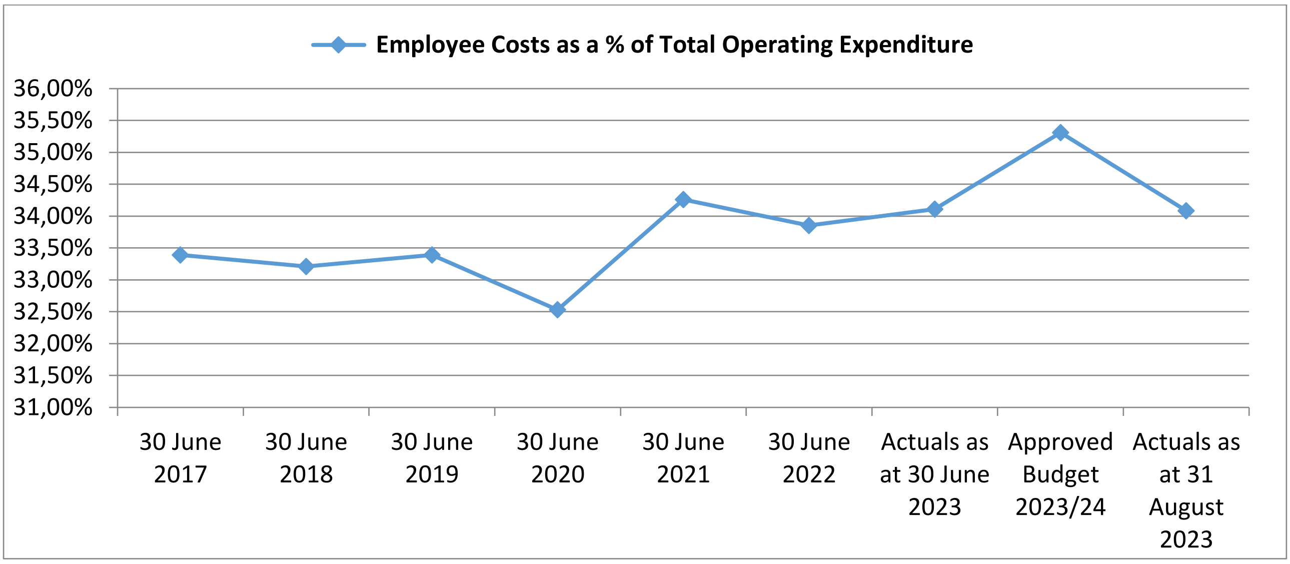
5.3.2. Employee costs as a % of Total Operating Expenditure

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 August 2023, Employee Related Costs constituted 34.08% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



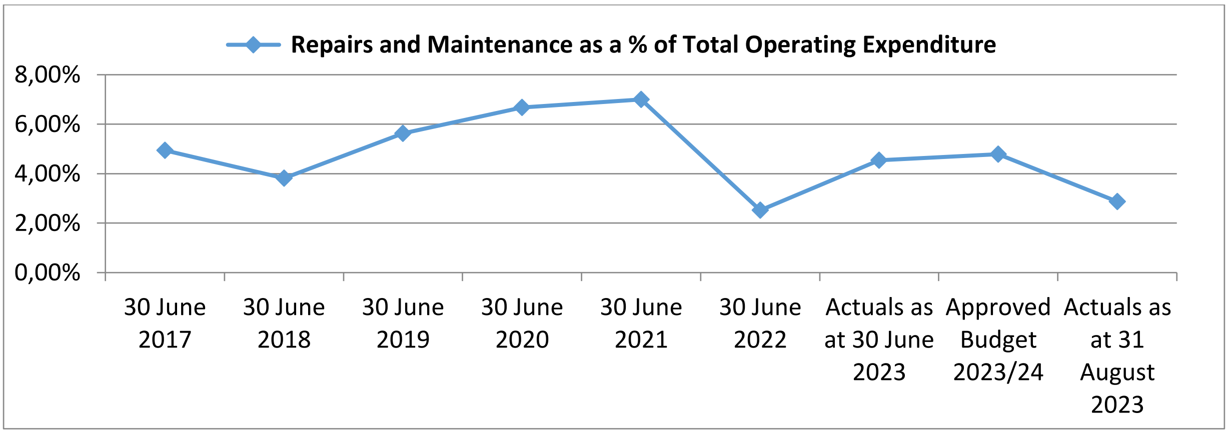
5.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 August 2023, the ratio was 2.87%, compared to the approved budget ratio of 4.79%.



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

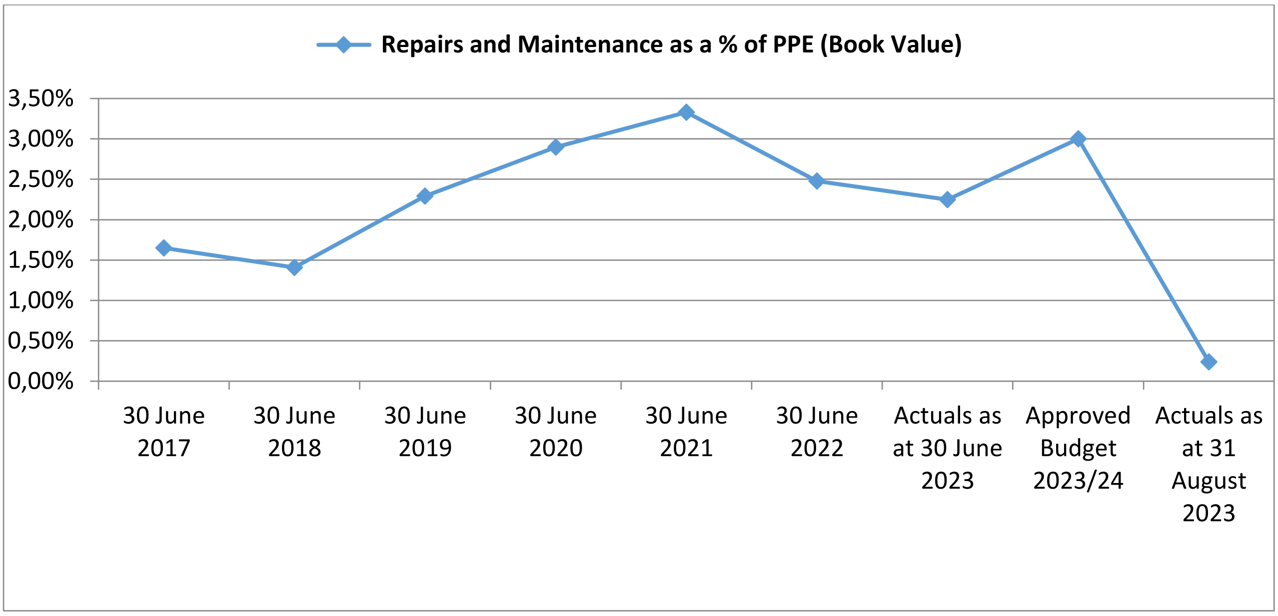
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 August 2023, repairs and maintenance expenditure constituted 0.24% 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%.



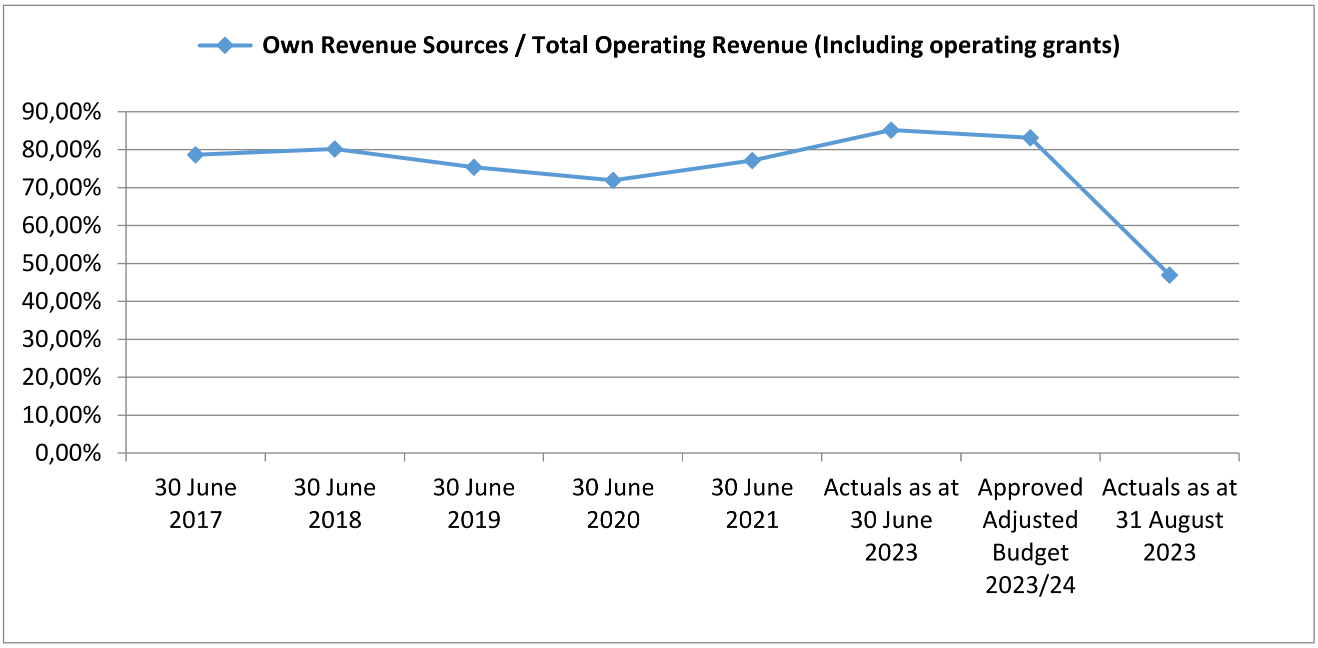
Own Revenue Generation

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 August 2023, the Municipality's own revenue sources constituted 46.97% of its total Operating Income, compared to the approved budget ratio of 83.16%.



5.3.5. 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 August 2023 amounted to 3.18% compared to the approved budget ratio of 95%.