

**KOUGA LOCAL MUNICIPALITY (EC108)**

**ORDINARY COUNCIL MEETING**

**FINANCE**

**DATE: 2023/10/**

**ITEM NO: 2023/FED**

**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2023 TO SEPTEMBER 2023 AND  
FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 SEPTEMBER 2023 (2023/24  
FINANCIAL YEAR)**

**1. Introduction**

The purpose of this report is to comply with Section 71 and 52(d) 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 Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with regulations 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C 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 September 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 368,241 million, whilst operating expenditure amounted to R 288,512 million, resulting in an operating surplus of R 79,729 million.
- Capital expenditure constituted 6.53 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 12,638 million (3.76%) since June 2023.
- An amount of R 48,600 million is owing to creditors, 97.98% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R61,533 (58.66%) since June 2023, from R 104,934,592 to R 166,488,025.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2023
Standard Bank	17,575,390	-	345,562	-		17,920,952
ABSA	17,594,065	-	397,171	-	615	17,990,621
Nedbank	17,580,745	-	361,384	-		17,942,129
RMB	13,004,007	56,784,190	575,033	6,867,413		63,495,817
INVESTEC	17,580,053	-	361,370	-		17,941,423
<b>Total</b>	<b>83,334,260</b>	<b>56,784,190</b>	<b>2,040,520</b>	<b>6,867,413</b>	<b>615</b>	<b>135,290,941</b>
<b>INVESTMENT</b>	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2023
General Account	54,340,431	30,944,315	1,576,845	-	615	86,860,976
Conditional Grants	28,993,829	25,720,000	463,675	6,747,540	-	48,429,964
Housing Funds	-	2	0	-	-	2
<b>Total</b>	<b>83,334,260</b>	<b>56,664,316</b>	<b>2,040,520</b>	<b>6,747,540</b>	<b>615</b>	<b>135,290,941</b>
Cheque Accounts FNB 52540020791	15,413,743			4,514,905		10,898,838
Cheque Accounts FNB 52540033304	3,874,471	13,158,188				17,032,659
Cheque Accounts FNB 62682103591	780	811				1,590
Cheque Accounts FNB 63022194441	2,311,338	952,658				3,263,996
	<b>21,600,332</b>	<b>14,111,657</b>	<b>-</b>	<b>4,514,905</b>	<b>-</b>	<b>31,197,083</b>
<b>Total</b>	<b>104,934,592</b>	<b>70,775,973</b>	<b>2,040,520</b>	<b>11,262,445</b>	<b>615</b>	<b>166,488,025</b>

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

**Cash backed Reserves.**

Bank Balances and Cash	R 31,197,083
Short-term Investment Deposits	R 135,290,941
	<b><u>R 166,488,025</u></b>

**Application of Cash**

Unspent Conditional Grants	R 48,429,934
Operational Commitments	R 7,052,342
Internally Generated Funds (Capital commitments)	R 739,954
Outstanding Creditors Liability	R 48,599,616
	<b><u>R 104,821,845</u></b>

**Cash Reserves in excess of commitments: R 61,666,179**

The cash backed reserves exceed commitments at this stage by an amount of R 61,666 million. It should be noted that the excess of reserves over commitments as at 30 September 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 30 September 2022	Approved Budget 2023/24	Actuals as at 30 September 2023
Current Ratio	1.12:1	1.17:1	1.5:1 to 2:1	1.44:1	0.95:1	1.51:1
Liquidity Ratio	0.24:1	0.65:1		0.68:1	0.04:1	0.94:1
Cost Coverage (Excluding unspent conditional grants)	0:37 Months	0.70 Months	1 Month to 3 Months	0.82 Months	0.06 Months	1.25 Months
Debtors Collection Rate	94.32%	86.71%	95%	78%	95%	77.26%
Capital Expenditure	87.00%	80.10%		24.33%	83.04%	6.53%

4. **Detailed Reports**

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 30 September 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. **Recommendations**

- 5.1 That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.
- 5.2 The Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.
- 5.3 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

6. **Municipal Manager's Quality Certificate**

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.

Print Name \_Charl Du Plessis

Municipal Manager of Kouga Local Municipal



Signature.....

Date.....11 October 2023.....

## Annexure “A1”

### 1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY 2023 TO SEPTEMBER 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
<b>R thousands</b>						
Total Revenue (excluding capital transfers and contributions)	1,158,957	1,158,957	81,392	368,241	289,739	78,501
Total Expenditure	1,268,316	1,271,504	118,259	288,512	318,641	(30,130)
Surplus/(Deficit)	(109,359)	(112,547)	(36,867)	79,729	(18,436)	28,902

The statement of financial performance reflects an operating surplus of R79,729 million. It must be noted that the operating surplus of R 79,729 million is influenced by lower than anticipated operating expenditure, (operating expenditure equates to 22.69% of budgeted amount) and no debt impairment recognised during the first quarter ended 30 September 2023.

#### 1.2 Revenue

##### Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	%
<b>R thousands</b>			%
<b>Revenue</b>			
<b>Exchange Revenue</b>	<b>662,340</b>	<b>170,393</b>	<b>25.73%</b>
Service charges - Electricity	390,731	90,533	23.17%
Service charges - Water	101,425	28,942	28.54%
Service charges - Waste Water Management	63,314	16,057	25.36%
Service charges - Waste management	66,396	17,064	25.70%
Sale of Goods and Rendering of Services	7,790	1,713	21.99%
Agency services	1,000	1,048	104.81%
Interest earned from Receivables	18,595	7,141	38.40%
Interest earned from Current and Non Current Assets	4,598	3,819	83.06%
Rental from Fixed Assets	3,295	760	23.07%
Licence and permits	3,021	664	21.96%
Operational Revenue	2,174	2,652	122.00%
<b>Non-Exchange Revenue</b>	<b>496,618</b>	<b>197,848</b>	<b>39.84%</b>
Property rates	281,488	112,862	40.09%
Fines, penalties and forfeits	10,334	4,650	45.00%
Licence and permits	10,668	2,896	27.14%
Transfer and subsidies - Operational	190,883	76,386	40.02%
Property rates - Interest	3,244	1,054	32.50%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,158,957</b>	<b>368,241</b>	<b>31.77%</b>

## 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 30 September 2023, the municipality has recognised 40.09% 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 R166,488 million. The investment amount of R 166,488 million includes call accounts amounting to R 48,430 million for the unspent conditional grants.

- **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 439,743 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.

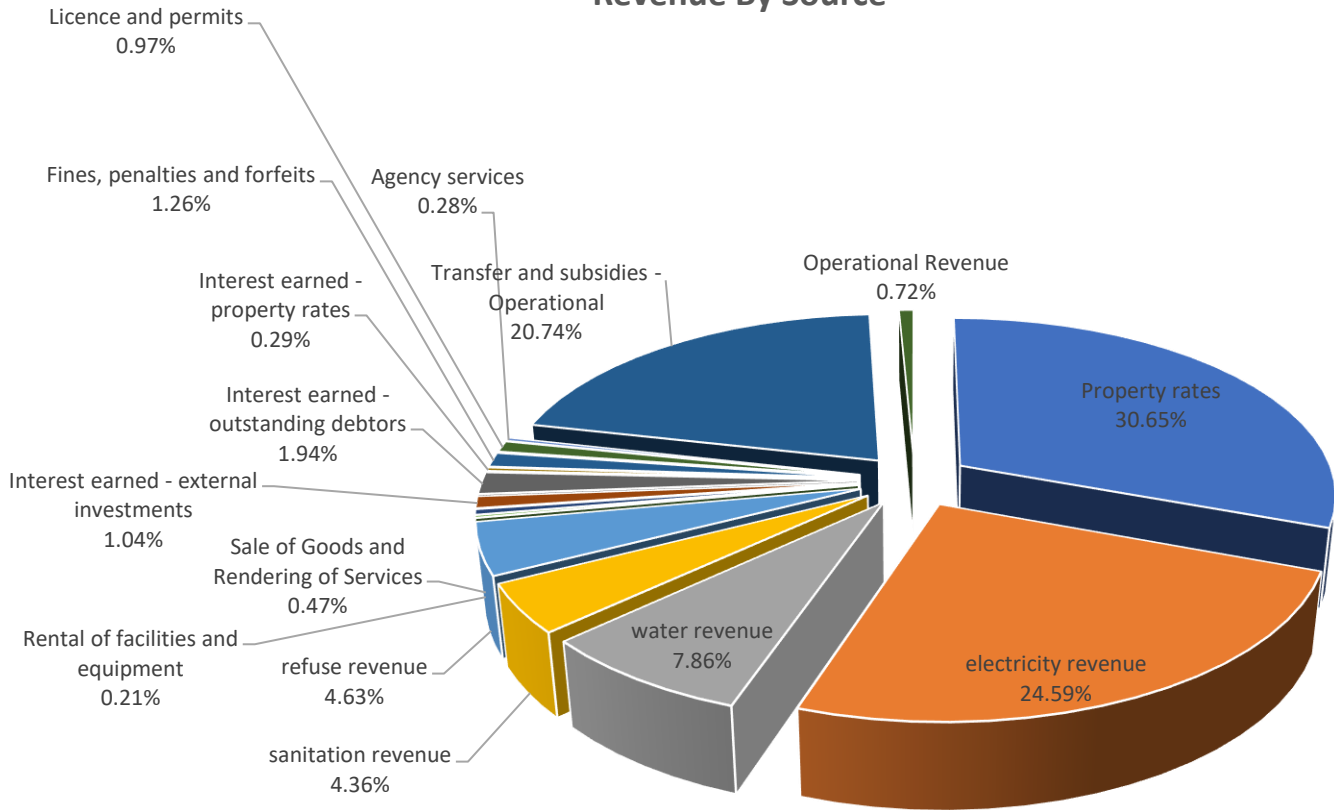
- **Fines, Penalties and Forfeits:**

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.

- **Operational Revenue**

The other revenue is largely influenced by the recognition of R 2,396 million for land sale, which relates to previous financial year. This will be corrected in the next reporting period.

## Revenue By Source



### 1.3 Expenditure

#### Main expenditure types for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
<b>R thousands</b>			<b>%</b>
<b>Revenue</b>			
<b>Expenditure By Type</b>			
Employee related costs	447,813	88,332	19.73%
Remuneration of councillors	15,140	4,114	27.17%
Bulk purchases - electricity	364,280	111,921	30.72%
Inventory consumed	94,275	22,564	23.93%
Debt impairment	28,314	–	0.00%
Depreciation and amortisation	109,663	27,416	25.00%
Interest	2,090	1,462	69.95%
Contracted services	107,450	11,451	10.66%
Transfers and subsidies	924	100	10.82%
Irrecoverable debts written off	7,305	1,941	26.57%
Operational costs	94,248	19,212	20.38%
<b>Total Expenditure</b>	<b>1,271,504</b>	<b>288,512</b>	<b>22.69%</b>

## **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.

- **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.

- **Transfers and subsidies**

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.

- **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:

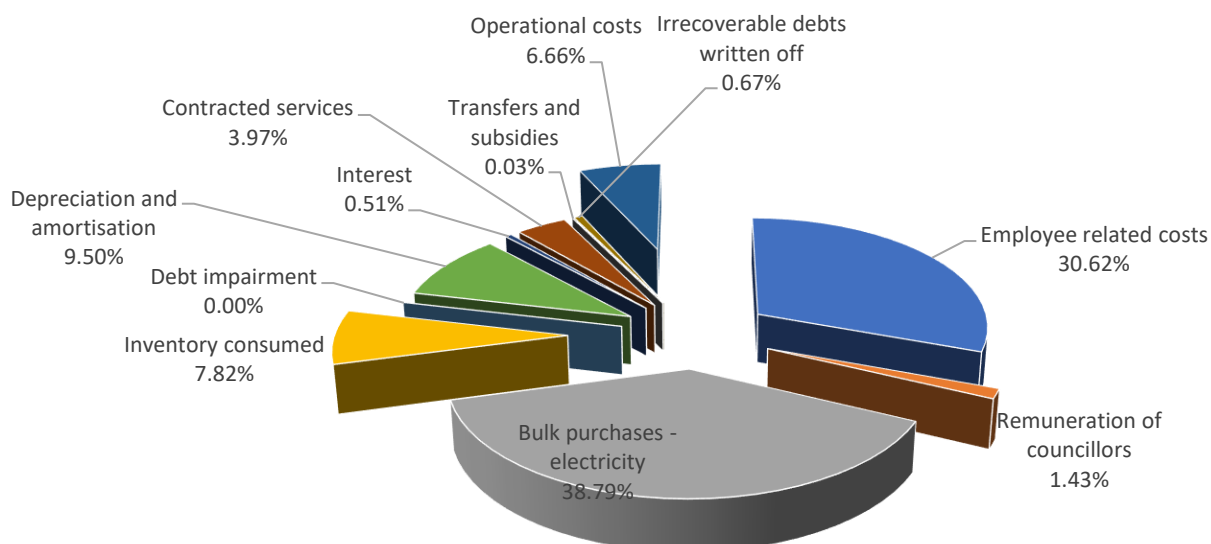
<b>Item Description</b>	<b>Adjusted Budget 2023/24</b>	<b>Actuals as at 30 September 2023</b>	<b>%</b>
Adventure Race World Championship	1,000,000	-	0.00%
Air quality Management	349,227	-	0.00%
Amanzi Challenge National Tournament	300,000	-	0.00%
Animal Care	483,929	-	0.00%
Burial Services	79,492	-	0.00%
Calamari Festival	200,000	200,000	100.00%
Catering Services	1,553,578	278,189	17.91%
Clearing and Grass Cutting Services	1,546,576	50,900	3.29%
Concours Sur Mesure	200,000	-	0.00%
Conducting of feasibility studies (EIA)	300,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	53,366	9.07%
Consultants and Professional Services	5,881,153	655,112	11.14%
Destination Marketing and Promotion	500,000	6,860	1.37%
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	5,022	2.02%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	-	0.00%
ICT CONSULTANTS TENDER (SECURITY)	300,000	-	0.00%
Internal Auditors	130,000	27,800	21.38%
KLTO	300,000	-	0.00%
Laboratory Services:Water	2,372,063	102,449	4.32%
Land Valuations, Surveyor & Planning Services	150,000	12,035	8.02%
Legal Advice and Litigation	6,040,000	336,429	5.57%
Legal Cost:Collection	856,000	227,812	26.61%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	5,610,077	467,516	8.33%
Maintenance of Electrical Infrastructure	5,300,000	874,947	16.51%
Maintenance of Equipment	941,373	65,296	6.94%
Maintenance of Sanitation Infrastructure	7,228,636	313,054	4.33%
Maintenance of Vehicles	8,962,661	983,074	10.97%
Maintenance of Water Infrastructure	931,316	123,945	13.31%
Media Monitoring	250,000	-	0.00%
Occupational Health and Safety	1,018,653	153,500	15.07%
Other Contracted Services	2,288,734	431,885	18.87%
Payroll data cleansing	500,000	47,769	9.55%
Personnel and Labour	15,039,207	1,797,435	11.95%
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	185	0.03%
Revision of SDF	650,000	-	0.00%
Roads Maintenance	10,460,504	-	0.00%
Security Services	3,363,152	940,792	27.97%
Special Rating Area	12,072,328	2,857,236	23.67%
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%
	<b>107,450,138</b>	<b>11,450,939</b>	<b>10.66%</b>

- **Other Expenditure**

The other expenditure is broken down as follows:

<b>Item Description</b>	<b>Adjusted Budget 2023/24</b>	<b>Actuals as at 30 September 2023</b>	<b>%</b>
Achievements and Awards	1,200,000	62,605	5.22%
Advertising, Publicity and Marketing	3,799,949	341,564	8.99%
Bank Charges	1,150,000	328,401	28.56%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	563,850	19.46%
Claims paid to Third Parties	200,000	8,962	4.48%
External Audit Fees	4,500,000	837,191	18.60%
External Computer Service:Internet Charge	4,000,000	1,035,078	25.88%
Hire Charges	12,812,559	1,352,668	10.56%
Insurance Claims	1,200,000	40,277	3.36%
Insurance Underwriting:Premiums	4,199,701	3,877,599	92.33%
Leases:Furniture and Office Equipment	3,128,689	1,004,890	32.12%
Leases:Other Assets	3,963,740	1,324,414	33.41%
Licences:Licence Agency Fees	19,956	-	0.00%
Motor Vehicle Licence and Registrations	1,596,047	206,797	12.96%
Other	1,131,064	118,404	10.47%
Postage/Stamps/Frinking Machines	2,424,405	516,764	21.32%
Printing, Publications and Books	10,000	-	0.00%
Registration Fees:Professional and Regulatory Bodies	257,044	14,552	5.66%
Registration Fees:Seminars, Conferences, Workshops	1,834,108	408,585	22.28%
Remuneration to Ward Committees	2,700,000	523,200	19.38%
Riparian Levies	7,465,557	2,023,711	27.11%
SAMRO Licence	150,000	-	0.00%
Signage	938,459	3,782	0.40%
Skills Development Fund Levy	3,964,204	884,263	22.31%
Software Licences	8,364,691	1,491,916	17.84%
Storage of Files (Archiving)	350,000	2,099	0.60%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	5,340,000	528,704	9.90%
Travel and Subsistence	3,481,937	382,790	10.99%
Uniform and Protective Clothing	3,635,528	593,933	16.34%
Vehicle Tracking	942,637	225,058	23.88%
Workmen's Compensation Fund	2,158,836	510,047	23.63%
	<b>94,247,702</b>	<b>19,212,102</b>	<b>20.38%</b>

## Expenditure By Type



### 1.4 Repairs and Maintenance

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

Item Description	Budget Year 2023/24		
	Adjusted Budget 2023/24	Actuals as at 30 September 2023	%
Maintenance of Equipment	1,275,632	191,325	15.00%
Maintenance of Vehicles	10,855,627	1,743,703	16.06%
Maintenance of Buildings and Facilities	5,681,728	648,923	11.42%
Maintenance of Water Infrastructure	4,989,394	1,141,365	22.88%
Roads Maintenance	14,206,398	1,216,589	8.56%
Sport and Recreation Facilities	349,227	88,796	25.43%
Maintenance of Electrical Infrastructure	10,577,250	2,246,003	21.23%
Maintenance of Sanitation Infrastructure	8,446,061	527,130	6.24%
Hire Charges	4,307,775	64,500	1.50%
<b>Total</b>	<b>60,689,092</b>	<b>7,868,334</b>	<b>12.96%</b>

It is to be noted that actual repairs and maintenance expenditure constituted 12.96% of the 2023/24 Approved Budget.

## 1.5 Trading Services Performance

### 1.5.1. Electricity

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Revenue</b>			
Exchange Revenue			
Service charges - Electricity	390,731	90,533	23.17%
Interest earned from Receivables	1,451	473	32.62%
<b>Total Revenue</b>	<b>392,183</b>	<b>91,007</b>	<b>14.83%</b>
<b>Expenditure By Type</b>			
Employee related costs	16,177	4,204	25.99%
Bulk purchases - electricity	364,280	111,921	30.72%
Inventory consumed	7,353	2,077	28.25%
Debt impairment	14,170	–	0.00%
Depreciation and amortisation	6,944	2,070	29.81%
Contracted services	8,360	900	10.77%
Irrecoverable debts written off	929	112	12.05%
Operational costs	5,806	426	7.33%
<b>Total Expenditure</b>	<b>424,020</b>	<b>121,711</b>	<b>28.70%</b>
<b>Surplus/(Deficit)</b>	<b>(31,837)</b>	<b>(30,704)</b>	

#### 1.5.1.1 Revenue

- The electricity revenue reflects 23.17% of budget as at 30 September 2023, and this is slightly lower than the projected budget ratio of 25% as at 30 September 2023.

#### 1.5.1.2 Expenditure

- the bulk electricity reflects 30.72% of budget expenditure as at 30 September 2023, and this is slightly higher than the projected ratio of 25%.

#### 1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 30,704 million as at 30 September 2023 and the deficit amount equates to 33.74%, compared to the 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	%
<b>R thousands</b>			
<b><u>Revenue</u></b>			
<b>Exchange Revenue</b>			
Service charges - water	101,425	28,942	28.54%
Interest earned from Receivables	7,735	3,329	43.04%
<b>Total Revenue</b>	<b>109,160</b>	<b>32,271</b>	<b>29.56%</b>
<b><u>Expenditure By Type</u></b>			
Employee related costs	27,733	5,567	20.07%
Inventory consumed	47,034	11,355	24.14%
Debt impairment	2,026	–	0.00%
Depreciation and amortisation	16,097	3,750	23.30%
Contracted services	3,745	326	8.71%
Irrecoverable debts written off	2,186	757	34.61%
Operational costs	5,072	650	12.81%
<b>Total Expenditure</b>	<b>103,892</b>	<b>22,405</b>	<b>21.57%</b>
<b>Surplus/(Deficit)</b>	<b>5,268</b>	<b>9,867</b>	

### 1.5.2.1 Revenue

- The water revenue reflects 28.54% of budget as at 30 September 2023, and this is slightly higher than the projected budget ratio of 25% as at 30 September 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 9,341 million (23.62% of budget).

### 1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 9,867 million as at 30 September 2023 and equates to 30.57% of total revenue.

### 1.5.3 Waste Water Management

	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
<b><u>R thousands</u></b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Waste Water Management	63,314	16,057	25.36%
Interest earned from Receivables	3,513	1,299	36.97%
<b>Total Revenue</b>	<b>66,827</b>	<b>17,355</b>	<b>25.97%</b>
<b><u>Expenditure By Type</u></b>			
Employee related costs	24,642	6,256	25.39%
Inventory consumed	12,036	2,510	20.85%
Debt impairment	1,676	–	0.00%
Depreciation and amortisation	28,156	7,008	24.89%
Contracted services	9,669	508	5.25%
Irrecoverable debts written off	897	331	36.90%
Operational costs	7,940	1,498	18.86%
<b>Total Expenditure</b>	<b>85,015</b>	<b>18,110</b>	<b>21.30%</b>
<b>Surplus/(Deficit)</b>	<b>(18,188)</b>	<b>(755)</b>	

#### 1.5.3.1 Revenue

- The waste water revenue reflects 25.36% of budget as at 30 September 2023, and this is slightly higher than the projected budget ratio of 25% as at 30 September 2023.
- Interest earned from receivables reflects 36.97% 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.

#### 1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a deficit of R 0,755 million as at 30 September 2023 and equates to 4.35% 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
<b>R thousands</b>			%
<b><u>Revenue</u></b>			
<b>Exchange Revenue</b>			
Service charges - Waste	66,396	17,064	25.70%
Sale of Goods and Rendering of Services	50	–	0.00%
Interest earned from Receivables	5,666	1,958	34.56%
<b>Total Revenue</b>	<b>72,112</b>	<b>19,022</b>	<b>26.38%</b>
<b><u>Expenditure By Type</u></b>			
Employee related costs	36,715	9,365	25.51%
Inventory consumed	8,229	1,897	23.05%
Debt impairment	1,601	586	21.12%
Depreciation and amortisation	3,195	663	20.74%
Contracted services	17,289	1,844	10.67%
Irrecoverable debts written off	1,174	1,844	157.10%
Operational costs	4,967	1,295	26.08%
<b>Total Expenditure</b>	<b>73,170</b>	<b>17,494</b>	<b>21.39%</b>
<b>Surplus/(Deficit)</b>	<b>(1,058)</b>	<b>1,528</b>	

### 1.5.4.1 Revenue

- The waste revenue reflects 25.70% of budget as at 30 September 2023, and this is slightly higher than the projected budget ratio of 25% as at 30 September 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.

### 1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 3,372 million as at 30 September 2023 and equates to 17.73% 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
<b>R Thousands</b>					
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	11,208	14,219	1,909	3,555	(1,646)
2. Travel claims	3,412	3,482	383	870	(488)
3. Overtime	20,282	20,282	4,268	5,070	(802)
4. Catering Costs	1,489	1,554	278	388	(110)
5. Events, Advertising and sponsorships	5,019	5,076	340	1,269	(929)
6. Attendance of Conferences, Seminars & Workshops	2,054	1,834	409	459	(50)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,441	–	360	(360)
8. Projects /Programme Launches	–	–	–	–	–
9. Essential User Scheme	467	467	467	467	–
<b>Total</b>	<b>45,221</b>	<b>48,354</b>	<b>8,054</b>	<b>12,439</b>	<b>(4,385)</b>

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 4,385 million as at 30 September 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 30 September 2023			
R thousands	Operating budget	Capital Budget	Total Budget per vote	Operating Actuals	Capital Actuals	Total Expenditure per Vote	Unauthorised Expenditure
Civil & Water Services	303,348	68,804	372,151	61,652	5,028	66,680	–
Community Services	243,692	3,000	246,693	48,450	–	48,450	–
Electro & Mechanical Services	434,637	16,477	451,113	124,780	–	124,780	–
Finance and Economic Development	108,717	982	109,699	21,118	–	21,118	–
Office of the DMM	124,981	1,969	126,950	20,060	1,042	21,102	–
Office of the MM	29,901	48	29,949	6,538	19	6,557	–
Planning and Development	26,229	2,000	28,229	5,914	–	5,914	–
<b>Total Expenditure by Vote</b>	<b>1,271,504</b>	<b>93,279</b>	<b>1,364,783</b>	<b>288,512</b>	<b>6,090</b>	<b>294,601</b>	<b>–</b>

The assessment reflects no unauthorised expenditure as at 30 September 2023.

## Annexure “A2”

### CAPITAL BUDGET PERFORMANCE

#### Summary Capital Expenditure and Funding

The capital expenditure as at 30 September 2023, constituted 6.53% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 7.17% of approved adjusted grant funding budget.
- Internally generated funds are 4.58% 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	%
<b>R thousands</b>					
<b><u>Multi-Year expenditure appropriation</u></b>					
Vote 1 - EXECUTIVE COUNCIL	760	1,017	98	98	9.59%
Vote 2 - FINANCIAL SERVICES	–	282	–	–	0.00%
Vote 3 - CORPORATE SERVICES	–	1,000	964	964	96.37%
Vote 4 - COMMUNITY SERVICES	1,362	3,000	–	–	0.00%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	85,280	5,028	5,028	5.90%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	2,700	–	–	0.00%
<b>Total Capital Multi-year expenditure</b>	<b>79,343</b>	<b>93,279</b>	<b>6,090</b>	<b>6,090</b>	<b>6.53%</b>

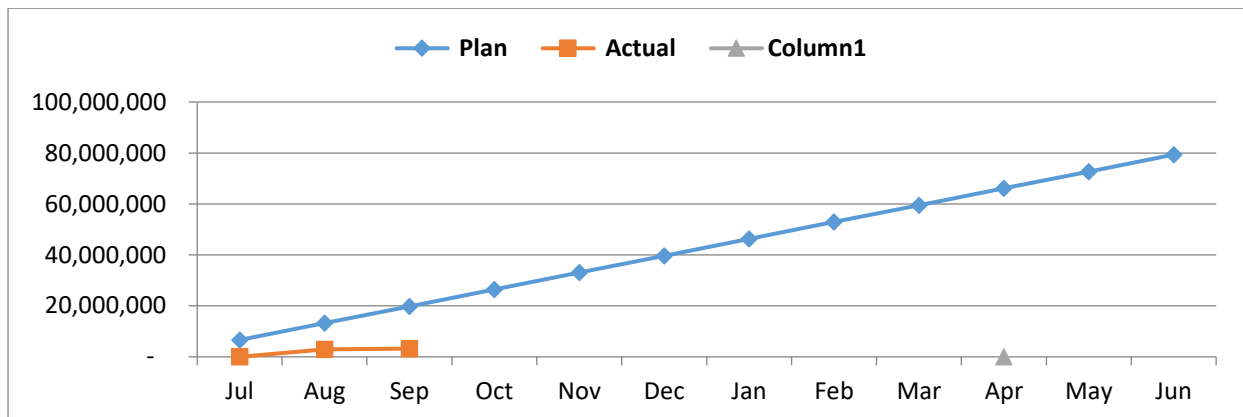
The capital expenditure as at 30 September 2023, constituted 6.53% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 9.59% of R 1.017 million budget.
- Finance is 0% of R 0.282 million budget.
- Corporate Services 96.37% of R 1,000 million budget.
- Community Services is 0% of R 3,000 million budget.
- Infrastructure & Engineering is 5.90% of R 85,280 million of the budget.
- Planning and Development & Tourism is 0% of R 2,700 million budget.

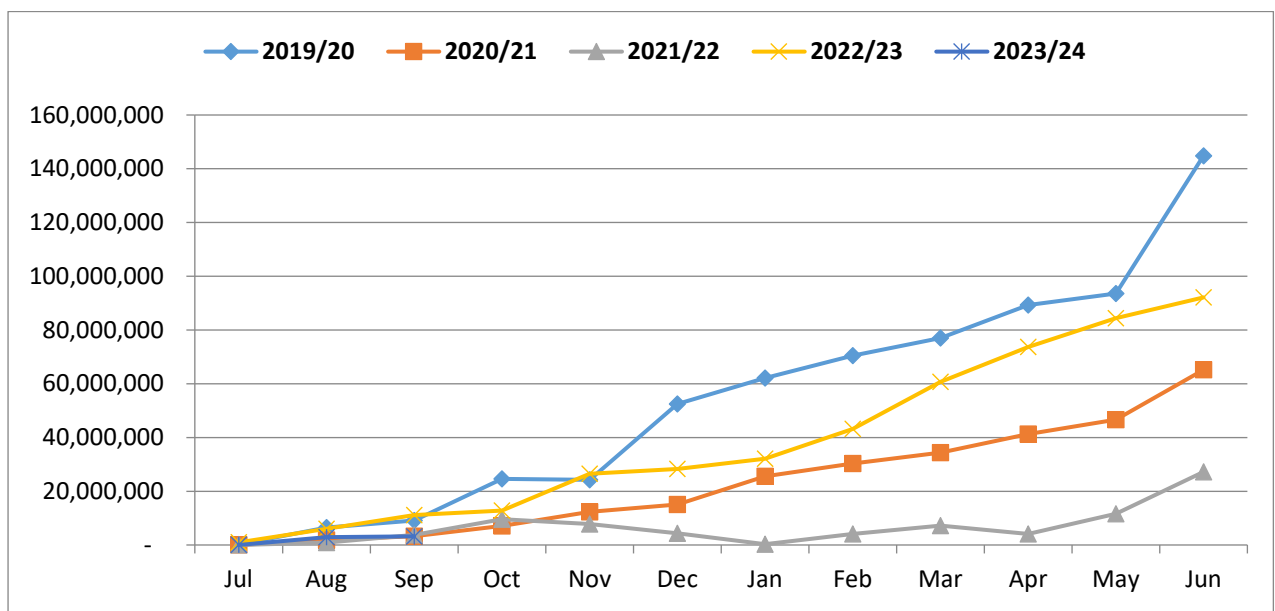
## Monthly capital expenditure

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 30 September 2023.

DIRECTORATES	DEPARTMENT	FUNDING	V202_ITEMDE	PROJECT	Approved Budget 2023/24	Actuals as at 30 September 2023	%
Civil & Water Services	WATER	WSIG	Cost:Acquisitions	PARADISE BEACH WATER TOWER	9,772,639	19,025	0.19%
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 RETIC	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	51,875	24.86%
Civil & Water Services	SEWERAGE	MIG	Cost:Acquisitions	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12,808,470	2,051,842	16.02%
Civil & Water Services	ROADS AND STORMWATER	MIG	Cost:Acquisitions	UPGRADING KOUGA GRAVEL ROADS	3,339,130	1,288,190	38.58%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	MIG	Cost:Acquisitions	UPGRADING LOERIE SPORTS FACILITIES	3,057,474	1,479,170	48.38%
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%
					<b>68,803,618</b>	<b>5,028,390</b>	<b>7.31%</b>
Community & Safety Services	FIRE SERVICES	DISTRICT	Cost:Acquisitions	Fire Services - Vehide (DISTRICT)	3,000,277	-	0.00%
					<b>3,000,277</b>	<b>-</b>	<b>0.00%</b>
Electro & Mechanical	METERING & REVENUE	INEP	Cost:Acquisitions	OCEAN VIEW 1250 ELECTRIFICATION	4,086,956	-	0.00%
Electro & Mechanical	METERING & REVENUE	Internal	Cost:Acquisitions		1,576,840	-	0.00%
Electro & Mechanical	METERING & REVENUE	Internal	Cost:Acquisitions		1,318,112	-	0.00%
Electro & Mechanical	METERING & REVENUE	MIG	Cost:Acquisitions	DESIGN: HIGH MAST LIGHTS	86,957	-	0.00%
Electro & Mechanical	METERING & REVENUE	Internal	Cost:Acquisitions	SOLAR ENERGY PROJECT	5,619,475	-	0.00%
Electro & Mechanical	METERING & REVENUE	EEDSM	Cost:Acquisitions	ENERGY EFFICIENCY PROJECTS	3,478,260	-	0.00%
Electro & Mechanical	FLEET AND WORKSHOP	Internal	Cost:Acquisitions	Generator	310,000	-	0.00%
					<b>16,476,600</b>	<b>-</b>	<b>0.00%</b>
Finance & Economic Development	ASSET MANAGEMENT	Internal	Cost:Acquisitions	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	282,006	-	0.00%
Finance & Economic Development	LOCAL ECONOMIC DEVELOPMENT	Internal	Cost:Acquisitions	Township Economy Support (Agriculture)	100,000	-	0.00%
Finance & Economic Development	TOURISM	Internal	Cost:Acquisitions	Furniture and Equipment	600,000	-	0.00%
					<b>982,006</b>	<b>-</b>	<b>0.00%</b>
Office of the DMM	Finance: IT	Internal	Cost:Acquisitions	Computer Equipment	1,000,000	963,712	96.37%
Office of the DMM	WARD COUNCILLORS	Internal	Cost:Acquisitions	Ward councilors Capital project	750,000	78,300	10.44%
Office of the DMM	MAYOR	Internal	Cost:Acquisitions	Furniture and Equipment - Municipal Court	219,331	-	0.00%
Office of the DMM	INTEGRATED DEVELOPMENT	Internal	Cost:Acquisitions	Furniture and Equipment	10,000	-	0.00%
					<b>1,979,331</b>	<b>1,042,012</b>	<b>52.64%</b>
Office of the MM	MUNICIPAL MANAGER	Internal	Cost:Acquisitions	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	37,632	19,200	51.02%
					<b>37,632</b>	<b>19,200</b>	<b>51.02%</b>
Planning and Development	TOWN AND REGIONAL PLANNING	Internal	Cost:Acquisitions	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	2,000,000	-	0.00%
					<b>2,000,000</b>	<b>-</b>	<b>0.00%</b>
				<b>Total</b>	<b>93,279,464</b>	<b>6,089,602</b>	<b>6.53%</b>

**PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR****Projected Cash Flow Statement as at 30 September 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 – M03 September 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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		490,993	230,449	227,440	25,105	94,731	56,860	37,871	67%	227,440
Service charges		238,396	652,478	628,917	42,900	124,578	157,229	(32,652)	-21%	628,917
Other revenue		22,231	57,445	101,036	10,484	35,925	25,259	10,666	42%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	-	79,066	44,480	34,586	78%	177,920
Transfers and Subsidies - Capital		-	35,734	93,134	-	23,350	23,284	66	0%	93,134
Interest		841,486	2,811	3,057	4,087	11,984	764	11,220	1468%	3,057
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		145,625	(1,219,527)	(1,140,765)	(114,685)	(298,142)	(285,191)	12,951	-5%	(1,140,765)
Interest		-	-	-	(1,087)	(2,935)	-	2,935	0%	-
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1,886,718</b>	<b>(62,691)</b>	<b>90,740</b>	<b>(33,196)</b>	<b>68,556</b>	<b>22,685</b>	<b>(45,871)</b>	<b>-202%</b>	<b>90,740</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(71,169)	(79,343)	(93,279)	(3,693)	(7,003)	23,320	30,323	130%	(93,279)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(71,169)</b>	<b>(79,343)</b>	<b>(93,279)</b>	<b>(3,693)</b>	<b>(7,003)</b>	<b>23,320</b>	<b>30,323</b>	<b>130%</b>	<b>(93,279)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1,815,550</b>	<b>(142,034)</b>	<b>(2,540)</b>	<b>(36,889)</b>	<b>61,553</b>	<b>46,005</b>			<b>(2,540)</b>
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)	6,003		166,488	54,547			102,395

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

**Table C1 Monthly Budget Statement Summary – M03 September 2023**

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	259,514	281,488	281,488	17,842	112,862	70,372	42,490	60%	281,488
Service charges	547,619	621,867	621,867	56,479	152,596	155,467	(2,871)	-2%	621,867
Investment revenue	6,818	4,598	4,598	1,249	3,819	1,150	2,670	232%	4,598
Transfers and subsidies - Operational	177,339	190,883	190,883	673	76,386	47,721	28,665	60%	190,883
Other own revenue	194,387	60,121	60,121	5,150	22,577	15,030	7,547	50%	60,121
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,185,678</b>	<b>1,158,957</b>	<b>1,158,957</b>	<b>81,392</b>	<b>368,241</b>	<b>289,739</b>	<b>78,501</b>	<b>27%</b>	<b>1,158,957</b>
Employee costs	364,911	447,813	447,813	30,305	88,332	111,953	(23,621)	-21%	447,813
Remuneration of Councillors	13,700	15,140	15,140	1,848	4,114	3,785	329	9%	15,140
Depreciation and amortisation	124,787	109,663	109,663	27,416	27,416	27,415	0	0%	109,663
Interest	8,046	2,090	2,090	518	1,462	522	939	180%	2,090
Inventory consumed and bulk purchases	382,970	458,626	458,556	38,916	134,485	114,639	19,846	17%	458,556
Transfers and subsidies	709	924	924	-	100	231	(131)	-57%	924
Other expenditure	284,403	234,060	237,318	19,256	32,604	60,096	(27,492)	-46%	237,318
<b>Total Expenditure</b>	<b>1,179,524</b>	<b>1,268,316</b>	<b>1,271,504</b>	<b>118,259</b>	<b>288,512</b>	<b>318,641</b>	<b>(30,130)</b>	<b>-9%</b>	<b>1,271,504</b>
<b>Surplus/(Deficit)</b>	<b>6,153</b>	<b>(109,359)</b>	<b>(112,547)</b>	<b>(36,867)</b>	<b>79,729</b>	<b>(28,902)</b>	<b>108,631</b>	<b>-376%</b>	<b>(112,547)</b>
Transfers and subsidies - capital (monetary allocations)	96,187	75,561	78,561	2,435	5,993	19,640	(13,648)	-69%	78,561
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>102,340</b>	<b>(33,798)</b>	<b>(33,986)</b>	<b>(34,432)</b>	<b>85,721</b>	<b>(9,262)</b>	<b>94,984</b>	<b>-1026%</b>	<b>(33,986)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>102,340</b>	<b>(33,798)</b>	<b>(33,986)</b>	<b>(34,432)</b>	<b>85,721</b>	<b>(9,262)</b>	<b>94,984</b>	<b>-1026%</b>	<b>(33,986)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>15,328</b>	<b>79,343</b>	<b>93,279</b>	<b>3,212</b>	<b>6,090</b>	<b>23,320</b>	<b>(17,230)</b>	<b>-74%</b>	<b>93,279</b>
Capital transfers recognised	(77,560)	65,883	70,130	2,170	5,028	17,532	(12,504)	-71%	70,130
Borrowing	14,691	-	-	-	-	-	-	-	-
Internally generated funds	78,197	13,460	23,150	1,042	1,061	5,787	(4,726)	-82%	23,150
<b>Total sources of capital funds</b>	<b>15,328</b>	<b>79,343</b>	<b>93,279</b>	<b>3,212</b>	<b>6,090</b>	<b>23,320</b>	<b>(17,230)</b>	<b>-74%</b>	<b>93,279</b>
<b>Financial position</b>									
Total current assets	451,424	154,622	154,622		267,496				154,622
Total non current assets	2,302,439	2,302,442	2,316,379		2,283,926				2,316,379
Total current liabilities	339,251	154,259	154,455		177,733				154,259
Total non current liabilities	245,943	255,035	255,035		147,263				255,035
<b>Community wealth/Equity</b>	<b>2,181,820</b>	<b>2,047,771</b>	<b>2,047,771</b>		<b>2,226,425</b>				<b>2,047,771</b>
<b>Cash flows</b>									
Net cash from (used) operating	1,886,718	(62,691)	90,740	(33,196)	68,556	22,685	(45,871)	-202%	90,740
Net cash from (used) investing	(71,169)	(79,343)	(93,279)	(3,693)	(7,003)	23,320	30,323	130%	(93,279)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>1,843,400</b>	<b>(133,491)</b>	<b>6,003</b>	<b>-</b>	<b>166,488</b>	<b>54,547</b>	<b>(111,941)</b>	<b>-205%</b>	<b>102,395</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	90,983	11,848	9,739	9,778	10,722	9,978	44,348	252,346	439,743
<b>Creditors Age Analysis</b>									
Total Creditors	47,617	98	242	3	12	33	401	194	48,600

## 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) – M03 September 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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>573,291</b>	<b>422,639</b>	<b>422,639</b>	<b>22,703</b>	<b>200,970</b>	<b>105,660</b>	95,310	90%	<b>422,639</b>
Executive and council		2,464	106	106	–	15	26	(11)	-42%	106
Finance and administration		570,827	422,533	422,533	22,703	200,955	105,633	95,322	90%	422,533
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>17,044</b>	<b>16,716</b>	<b>16,716</b>	<b>681</b>	<b>3,217</b>	<b>4,179</b>	(962)	-23%	<b>16,716</b>
Community and social services		2,427	2,437	2,437	26	107	609	(502)	-82%	2,437
Sport and recreation		8,640	10,338	10,338	648	2,816	2,584	231	9%	10,338
Public safety		2,748	1,378	1,378	0	271	345	(74)	-21%	1,378
Housing		–	–	–	–	–	–	–	–	–
Health		3,230	2,563	2,563	7	24	641	(617)	-96%	2,563
<i><b>Economic and environmental services</b></i>		<b>30,911</b>	<b>37,432</b>	<b>40,432</b>	<b>399</b>	<b>9,794</b>	<b>10,108</b>	(314)	-3%	<b>40,432</b>
Planning and development		6,504	8,083	8,083	(1,857)	2,031	2,021	11	1%	8,083
Road transport		7,002	6,910	9,910	833	2,344	2,477	(134)	-5%	9,910
Environmental protection		17,404	22,439	22,439	1,423	5,419	5,610	(191)	-3%	22,439
<i><b>Trading services</b></i>		<b>660,618</b>	<b>757,731</b>	<b>757,731</b>	<b>60,045</b>	<b>160,252</b>	<b>189,433</b>	(29,181)	-15%	<b>757,731</b>
Energy sources		313,432	408,372	408,372	32,829	91,007	102,093	(11,086)	-11%	408,372
Water management		195,377	161,300	161,300	14,948	32,293	40,325	(8,032)	-20%	161,300
Waste water management		99,252	113,711	113,711	7,569	22,897	28,428	(5,531)	-19%	113,711
Waste management		52,557	74,347	74,347	4,699	14,055	18,587	(4,532)	-24%	74,347
<i><b>Other</b></i>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1,281,864</b>	<b>1,234,518</b>	<b>1,237,518</b>	<b>83,828</b>	<b>374,233</b>	<b>309,379</b>	<b>64,854</b>	<b>21%</b>	<b>1,237,518</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>373,656</b>	<b>306,226</b>	<b>306,224</b>	<b>25,252</b>	<b>58,383</b>	<b>76,323</b>	(17,940)	-24%	<b>306,224</b>
Executive and council		54,922	64,558	64,556	5,304	12,231	16,138	(3,907)	-24%	64,556
Finance and administration		318,660	241,417	241,417	19,920	46,123	60,124	(14,001)	-23%	241,417
Internal audit		73	251	251	28	29	61	(32)	-52%	251
<i><b>Community and public safety</b></i>		<b>98,311</b>	<b>121,818</b>	<b>121,668</b>	<b>9,063</b>	<b>22,905</b>	<b>30,416</b>	(7,511)	-25%	<b>121,668</b>
Community and social services		8,235	12,897	12,877	777	2,072	3,219	(1,147)	-36%	12,877
Sport and recreation		50,609	63,813	63,813	4,468	10,984	15,953	(4,969)	-31%	63,813
Public safety		26,931	30,247	30,267	2,239	6,318	7,567	(1,249)	-17%	30,267
Housing		5,390	7,037	6,887	993	1,889	1,722	168	10%	6,887
Health		7,146	7,824	7,824	587	1,642	1,956	(314)	-16%	7,824
<i><b>Economic and environmental services</b></i>		<b>121,915</b>	<b>158,670</b>	<b>162,210</b>	<b>18,608</b>	<b>30,878</b>	<b>41,552</b>	(10,674)	-26%	<b>162,210</b>
Planning and development		24,223	31,432	31,584	2,171	6,241	7,896	(1,655)	-21%	31,584
Road transport		86,259	118,681	118,681	15,129	22,305	30,670	(8,365)	-27%	118,681
Environmental protection		11,434	8,556	11,944	1,308	2,332	2,986	(654)	-22%	11,944
<i><b>Trading services</b></i>		<b>579,406</b>	<b>674,375</b>	<b>674,175</b>	<b>64,818</b>	<b>175,544</b>	<b>168,544</b>	7,000	4%	<b>674,175</b>
Energy sources		332,376	424,020	424,020	36,301	121,711	106,005	15,706	15%	424,020
Water management		107,549	103,892	103,892	11,630	22,405	25,973	(3,568)	-14%	103,892
Waste water management		80,321	85,015	85,015	11,484	18,110	21,254	(3,143)	-15%	85,015
Waste management		59,160	61,449	61,249	5,402	13,318	15,312	(1,994)	-13%	61,249
<i><b>Other</b></i>	<b>3</b>	<b>6,236</b>	<b>7,227</b>	<b>7,227</b>	<b>518</b>	<b>803</b>	<b>1,807</b>	<b>(1,004)</b>	<b>-56%</b>	<b>7,227</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1,179,524</b>	<b>1,268,316</b>	<b>1,271,504</b>	<b>118,259</b>	<b>288,512</b>	<b>318,641</b>	<b>(30,130)</b>	<b>-9%</b>	<b>1,271,504</b>
<b>Surplus/ (Deficit) for the year</b>		<b>102,340</b>	<b>(33,798)</b>	<b>(33,986)</b>	<b>(34,432)</b>	<b>85,721</b>	<b>(9,262)</b>	<b>94,984</b>	<b>-1026%</b>	<b>(33,986)</b>

**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 – M03 September 2023**

Vote 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										
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		2,471	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		435,870	410,736	410,736	22,410	196,259	102,684	93,575	91.1%	410,736
Vote 3 - CORPORATE SERVICES		835	1,194	1,194	–	129	299	(170)	-56.8%	1,194
Vote 4 - COMMUNITY SERVICES		225,170	127,808	127,808	7,754	29,109	31,952	(2,843)	-8.9%	127,808
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,641	688,565	691,565	53,333	147,299	172,891	(25,592)	-14.8%	691,565
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		5,980	6,215	6,215	331	1,438	1,554	(116)	-7.5%	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	83,828	374,233	309,379	64,854	21.0%	1,237,518
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,200	70,802	70,802	5,733	12,817	17,693	(4,876)	-27.6%	70,802
Vote 2 - FINANCIAL SERVICES		201,201	115,941	115,941	10,997	24,492	28,975	(4,483)	-15.5%	115,941
Vote 3 - CORPORATE SERVICES		52,563	62,930	62,930	2,514	8,717	15,517	(6,800)	-43.8%	62,930
Vote 4 - COMMUNITY SERVICES		215,566	240,505	243,692	19,314	48,450	60,922	(12,472)	-20.5%	243,692
Vote 5 - INFRASTRUCTURE AND ENGINEERING		619,771	739,091	739,091	76,644	186,836	185,772	1,063	0.6%	739,091
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	38,427	3,052	7,193	9,607	(2,414)	-25.1%	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	118,254	288,506	318,487	(29,981)	-9.4%	1,270,884
Surplus/ (Deficit) for the year	2	102,458	(33,178)	(33,366)	(34,426)	85,727	(9,107)	94,834	-1041.3%	(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) – M03 September 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										
Revenue										
Exchange Revenue		593,638	662,340	662,340	61,443	170,393	165,585	4,808	3%	662,340
Service charges - Electricity		306,477	390,731	390,731	32,672	90,533	97,683	(7,149)	-7%	390,731
Service charges - Water		117,400	101,425	101,425	13,785	28,942	25,356	3,586	14%	101,425
Service charges - Waste Water Management		61,797	63,314	63,314	4,698	16,057	15,829	228	1%	63,314
Service charges - Waste management		61,945	66,396	66,396	5,323	17,064	16,599	465	3%	66,396
Sale of Goods and Rendering of Services		9,189	7,790	7,790	433	1,713	1,947	(234)	-12%	7,790
Agency services		2,678	1,000	1,000	381	1,048	250	798	319%	1,000
Interest		—	—	—	—	—	—	—	—	—
Interest earned from Receivables		20,845	18,595	18,595	2,449	7,141	4,649	2,492	54%	18,595
Interest earned from Current and Non Current Assets		6,818	4,598	4,598	1,249	3,819	1,150	2,670	232%	4,598
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		2,613	3,295	3,295	(2,231)	760	824	(64)	-8%	3,295
Licence and permits		2,677	3,021	3,021	225	664	755	(92)	-12%	3,021
Operational Revenue		1,200	2,174	2,174	2,458	2,652	543	2,109	388%	2,174
Non-Exchange Revenue		592,039	496,618	496,618	19,949	197,848	124,154	73,693	59%	496,618
Property rates		259,514	281,488	281,488	17,842	112,862	70,372	42,490	60%	281,488
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		132,727	10,334	10,334	297	4,650	2,583	2,066	80%	10,334
Licence and permits		7,195	10,668	10,668	752	2,896	2,667	228	9%	10,668
Transfer and subsidies - Operational		177,339	190,883	190,883	673	76,386	47,721	28,665	60%	190,883
Interest		3,729	3,244	3,244	385	1,054	811	243	30%	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	81,392	368,241	289,739	78,501	27%	1,158,957
Expenditure By Type										
Employee related costs		364,911	447,813	447,813	30,305	88,332	111,953	(23,621)	-21%	447,813
Remuneration of councillors		13,700	15,140	15,140	1,848	4,114	3,785	329	9%	15,140
Bulk purchases - electricity		291,888	364,280	364,280	31,047	111,921	91,070	20,851	23%	364,280
Inventory consumed		91,082	94,345	94,275	7,870	22,564	23,569	(1,005)	-4%	94,275
Debt impairment		31,285	28,314	28,314	—	—	7,079	(7,079)	-100%	28,314
Depreciation and amortisation		124,787	109,663	109,663	27,416	27,416	27,415	0	0%	109,663
Interest		8,046	2,090	2,090	518	1,462	522	939	180%	2,090
Contracted services		87,363	104,476	107,450	7,094	11,451	27,849	(16,398)	-59%	107,450
Transfers and subsidies		709	924	924	—	100	231	(131)	-57%	924
Irrecoverable debts written off		87,459	7,305	7,305	1,941	1,941	1,826	115	6%	7,305
Operational costs		76,926	93,964	94,248	10,221	19,212	23,342	(4,130)	-18%	94,248
Losses on Disposal of Assets		1,345	—	—	—	—	—	—	—	—
Other Losses		25	—	—	—	—	—	—	—	—
Total Expenditure		1,179,524	1,268,316	1,271,504	118,259	288,512	318,641	(30,130)	-9%	1,271,504
Surplus/(Deficit)		6,153	(109,359)	(112,547)	(36,867)	79,729	(28,902)	108,631	(0)	(112,547)
Transfers and subsidies - capital (monetary allocations)		96,187	75,561	78,561	2,435	5,993	19,640	(13,648)	(0)	78,561
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions		102,340	(33,798)	(33,986)	(34,432)	85,721	(9,262)			(33,986)
Income Tax		—	—	—	—	—	—	—		—
Surplus/(Deficit) after income tax		102,340	(33,798)	(33,986)	(34,432)	85,721	(9,262)			(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)	(34,432)	85,721	(9,262)			(33,986)
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—			—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		102,340	(33,798)	(33,986)	(34,432)	85,721	(9,262)			(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) – M03 September 2023**

Vote 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
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - EXECUTIVE COUNCIL		307	760	1,017	78	98	254	(157)	-62%	1,017
Vote 2 - FINANCIAL SERVICES		8,823	—	1,282	964	964	320	643	201%	1,282
Vote 3 - CORPORATE SERVICES		10	—	—	—	—	—	—	—	—
Vote 4 - COMMUNITY SERVICES		10,992	1,362	3,000	—	—	750	(750)	-100%	3,000
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(4,916)	76,521	82,896	2,170	5,028	20,724	(15,695)	-76%	82,896
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	2,700	—	—	675	(675)	-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]		—	—	—	—	—	—	—	—	—
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>15,235</b>	<b>79,343</b>	<b>90,895</b>	<b>3,212</b>	<b>6,090</b>	<b>22,724</b>	<b>(16,634)</b>	<b>-73%</b>	<b>90,895</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - EXECUTIVE COUNCIL		23	—	—	—	—	—	—	—	—
Vote 2 - FINANCIAL SERVICES		56	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE SERVICES		—	—	—	—	—	—	—	—	—
Vote 4 - COMMUNITY SERVICES		—	—	—	—	—	—	—	—	—
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	—	2,385	—	—	596	(596)	-100%	2,385
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]		—	—	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>93</b>	<b>—</b>	<b>2,385</b>	<b>—</b>	<b>—</b>	<b>596</b>	<b>(596)</b>	<b>-100%</b>	<b>2,385</b>
<b>Total Capital Expenditure</b>	<b>3</b>	<b>15,328</b>	<b>79,343</b>	<b>93,279</b>	<b>3,212</b>	<b>6,090</b>	<b>23,320</b>	<b>(17,230)</b>	<b>-74%</b>	<b>93,279</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>9,605</b>	<b>760</b>	<b>2,609</b>	<b>1,042</b>	<b>1,061</b>	<b>652</b>	<b>409</b>	<b>63%</b>	<b>2,609</b>
Executive and council		307	760	1,017	78	98	254	(157)	-62%	1,017
Finance and administration		9,275	—	1,592	964	964	398	566	142%	1,592
Internal audit		23	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>1,999</b>	<b>1,362</b>	<b>3,901</b>	<b>—</b>	<b>—</b>	<b>975</b>	<b>(975)</b>	<b>-100%</b>	<b>3,901</b>
Community and social services		—	—	—	—	—	—	—	—	—
Sport and recreation		1,999	—	900	—	—	225	(225)	-100%	900
Public safety		—	1,362	3,000	—	—	750	(750)	-100%	3,000
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>17,138</b>	<b>6,497</b>	<b>12,305</b>	<b>937</b>	<b>2,906</b>	<b>3,076</b>	<b>(171)</b>	<b>-6%</b>	<b>12,305</b>
Planning and development		3,897	3,157	5,557	779	1,479	1,389	90	6%	5,557
Road transport		13,241	3,339	6,748	158	1,426	1,687	(260)	-15%	6,748
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>(13,415)</b>	<b>70,124</b>	<b>73,865</b>	<b>1,233</b>	<b>2,123</b>	<b>18,466</b>	<b>(16,343)</b>	<b>-89%</b>	<b>73,865</b>
Energy sources		1,390	19,652	16,167	—	—	4,042	(4,042)	-100%	16,167
Water management		(26,991)	26,087	26,180	8	19	6,545	(6,526)	-100%	26,180
Waste water management		3,400	24,385	31,518	1,225	2,104	7,879	(5,776)	-73%	31,518
Waste management		8,786	—	—	—	—	—	—	—	—
<b>Other</b>		<b>—</b>	<b>600</b>	<b>600</b>	<b>—</b>	<b>—</b>	<b>150</b>	<b>(150)</b>	<b>-100%</b>	<b>600</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>15,328</b>	<b>79,343</b>	<b>93,279</b>	<b>3,212</b>	<b>6,090</b>	<b>23,320</b>	<b>(17,230)</b>	<b>-74%</b>	<b>93,279</b>
<b>Funded by:</b>										
National Government		(77,560)	64,521	67,129	2,170	5,028	16,782	(11,754)	-70%	67,129
Provincial Government		—	—	—	—	—	—	—	—	—
District Municipality		—	1,362	3,000	—	—	750	(750)	-100%	3,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		—	—	—	—	—	—	—	—	—
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—
<b>Transfers recognised - capital</b>		<b>(77,560)</b>	<b>65,883</b>	<b>70,130</b>	<b>2,170</b>	<b>5,028</b>	<b>17,532</b>	<b>(12,504)</b>	<b>-71%</b>	<b>70,130</b>
<b>Borrowing</b>	<b>6</b>	<b>14,691</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>	<b>7</b>	<b>78,197</b>	<b>13,460</b>	<b>23,150</b>	<b>1,042</b>	<b>1,061</b>	<b>5,787</b>	<b>(4,726)</b>	<b>-82%</b>	<b>23,150</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>15,328</b>	<b>79,343</b>	<b>93,279</b>	<b>3,212</b>	<b>6,090</b>	<b>23,320</b>	<b>(17,230)</b>	<b>-74%</b>	<b>93,279</b>

## 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 – M03 September 2023**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		104,930	5,596	5,596	166,488	5,596
Trade and other receivables from exchange transactions		153,889	55,239	55,239	58,994	55,239
Receivables from non-exchange transactions		36,548	24,619	24,619	24,810	24,619
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,984	17,110	17,110	17,203	17,110
VAT		134,488	50,443	50,443	–	50,443
Other current assets		2,586	1,616	1,616	–	1,616
<b>Total current assets</b>		<b>451,424</b>	<b>154,622</b>	<b>154,622</b>	<b>267,496</b>	<b>154,622</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,039,228	2,039,424	2,053,361	2,020,850	2,053,361
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	410	467	410
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>2,302,439</b>	<b>2,302,442</b>	<b>2,316,379</b>	<b>2,283,926</b>	<b>2,316,379</b>
<b>TOTAL ASSETS</b>		<b>2,753,863</b>	<b>2,457,064</b>	<b>2,471,001</b>	<b>2,551,421</b>	<b>2,471,001</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,079	9,484	9,484	9,234	9,484
Consumer deposits		29,060	23,673	23,673	29,704	23,673
Trade and other payables from exchange transactions		127,138	77,412	77,608	97,030	77,412
Trade and other payables from non-exchange transactions		26,181	–	–	–	–
Provision		53,931	43,689	43,689	41,765	40,426
VAT		91,862	–	0	–	–
Other current liabilities		–	–	–	–	3,263
<b>Total current liabilities</b>		<b>339,251</b>	<b>154,259</b>	<b>154,455</b>	<b>177,733</b>	<b>154,259</b>
<b>Non current liabilities</b>						
Financial liabilities		24,452	8,637	8,637	32,609	8,637
Provision		129,459	126,686	126,686	114,654	126,738
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92,032	119,711	119,711	–	119,659
<b>Total non current liabilities</b>		<b>245,943</b>	<b>255,035</b>	<b>255,035</b>	<b>147,263</b>	<b>255,035</b>
<b>TOTAL LIABILITIES</b>		<b>585,195</b>	<b>409,293</b>	<b>409,490</b>	<b>324,996</b>	<b>409,293</b>
<b>NET ASSETS</b>	<b>2</b>	<b>2,168,669</b>	<b>2,047,771</b>	<b>2,061,511</b>	<b>2,226,425</b>	<b>2,061,707</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		2,181,820	2,047,771	2,047,771	2,226,425	2,047,771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>2,181,820</b>	<b>2,047,771</b>	<b>2,047,771</b>	<b>2,226,425</b>	<b>2,047,771</b>

**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 – M03 September 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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		490,993	230,449	227,440	25,105	94,731	56,860	37,871	67%	227,440
Service charges		238,396	652,478	628,917	42,900	124,578	157,229	(32,652)	-21%	628,917
Other revenue		22,231	57,445	101,036	10,484	35,925	25,259	10,666	42%	101,036
Transfers and Subsidies - Operational		147,988	177,920	177,920	–	79,066	44,480	34,586	78%	177,920
Transfers and Subsidies - Capital		–	35,734	93,134	–	23,350	23,284	66	0%	93,134
Interest		841,486	2,811	3,057	4,087	11,984	764	11,220	1468%	3,057
Dividends		–	–	–	–	–	–	–		–
<b>Payments</b>										
Suppliers and employees		145,625	(1,219,527)	(1,140,765)	(114,685)	(298,142)	(285,191)	12,951	-5%	(1,140,765)
Interest		–	–	–	(1,087)	(2,935)	–	2,935	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1,886,718</b>	<b>(62,691)</b>	<b>90,740</b>	<b>(33,196)</b>	<b>68,556</b>	<b>22,685</b>	<b>(45,871)</b>	<b>-202%</b>	<b>90,740</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
<b>Payments</b>										
Capital assets		(71,169)	(79,343)	(93,279)	(3,693)	(7,003)	23,320	30,323	130%	(93,279)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(71,169)</b>	<b>(79,343)</b>	<b>(93,279)</b>	<b>(3,693)</b>	<b>(7,003)</b>	<b>23,320</b>	<b>30,323</b>	<b>130%</b>	<b>(93,279)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1,815,550</b>	<b>(142,034)</b>	<b>(2,540)</b>	<b>(36,889)</b>	<b>61,553</b>	<b>46,005</b>			<b>(2,540)</b>
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)	6,003		166,488	54,547			102,395

**Explanatory notes to Table C7 – Budgeted Cash Flow Statement**

- i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

## ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

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

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

Description	Budget Year 2023/24								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	34,245	4,652	3,675	4,644	5,768	5,340	20,020	69,405	147,750
Trade and Other Receivables from Exchange Transactions - Electricity	30,406	1,364	899	688	592	541	2,486	12,152	49,127
Receivables from Non-exchange Transactions - Property Rates	36,714	1,983	1,774	1,029	1,007	823	3,580	28,939	75,848
Receivables from Exchange Transactions - Waste Water Management	9,002	1,607	1,480	1,485	1,362	1,313	6,316	31,584	54,150
Receivables from Exchange Transactions - Waste Management	6,319	1,432	1,273	1,233	1,190	1,166	6,633	42,034	61,280
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	954	253	276	359	473	482	3,269	51,235	57,300
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(26,656)	558	362	340	330	314	2,045	16,997	(5,711)
<b>Total By Income Source</b>	<b>90,983</b>	<b>11,848</b>	<b>9,739</b>	<b>9,778</b>	<b>10,722</b>	<b>9,978</b>	<b>44,348</b>	<b>252,346</b>	<b>439,743</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	3,269	638	441	218	188	139	792	6,969	12,654
Commercial	11,614	436	460	239	230	204	1,043	5,906	20,133
Households	76,098	10,773	8,837	9,321	10,303	9,635	42,509	239,471	406,946
Other	2	1	1	1	1	1	4	–	10
<b>Total By Customer Group</b>	<b>90,983</b>	<b>11,848</b>	<b>9,739</b>	<b>9,778</b>	<b>10,722</b>	<b>9,978</b>	<b>44,348</b>	<b>252,346</b>	<b>439,743</b>

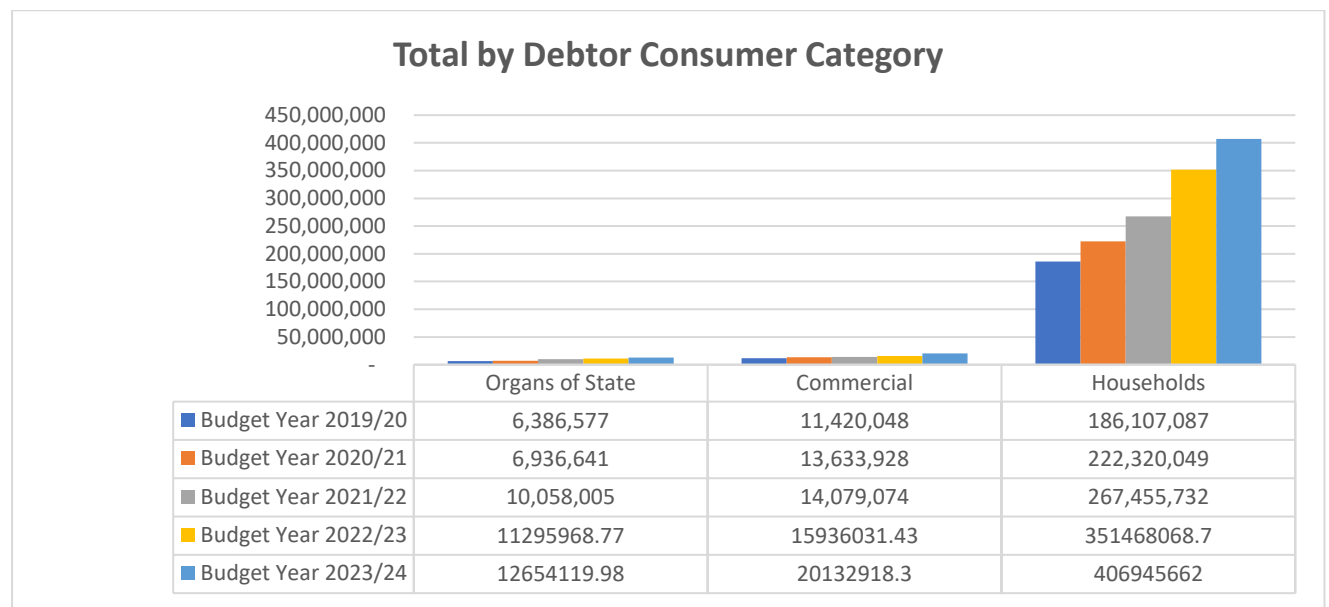
#### Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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
<b>Debtors Age Analysis By Income Source</b>									
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)
<b>Total By Income Source</b>	<b>42,578</b>	<b>13,678</b>	<b>11,810</b>	<b>8,076</b>	<b>11,006</b>	<b>8,294</b>	<b>50,164</b>	<b>233,095</b>	<b>378,699</b>
<b>2020/21 - totals only</b>									–
<b>Debtors Age Analysis By Customer Group</b>									
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)
<b>Total By Customer Group</b>	<b>42,578</b>	<b>13,678</b>	<b>11,810</b>	<b>8,076</b>	<b>11,006</b>	<b>8,294</b>	<b>50,164</b>	<b>233,095</b>	<b>378,699</b>

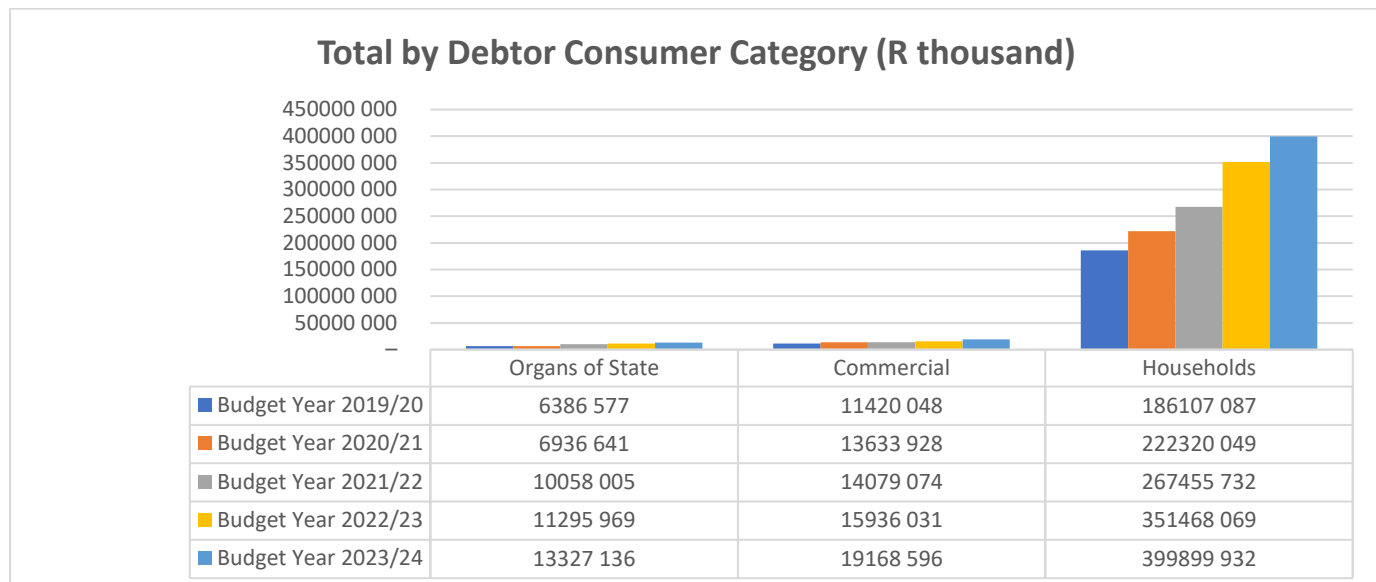
The aforementioned analysis indicates that from 30 June 2022 to 30 September 2023, the overdue debts have increased by R 12,638 million from R 336,122 million to R 348,760million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	30-Jun-23	30-Sep-23	DIFFERENCE
Trade and Other Receivables from Exchange Transactions - Water	108,222	113,505	5,282
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	18,722	(757)
Receivables from Non-exchange Transactions - Property Rates	40,157	39,134	(1,022)
Receivables from Exchange Transactions - Waste Water Management	43,229	45,147	1,918
Receivables from Exchange Transactions - Waste Management	53,040	54,961	1,921
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	56,346	5,019
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	20,945	277
<b>Total By Income Source</b>	<b>336,122</b>	<b>348,760</b>	<b>12,638</b>
Debtors Age Analysis By Customer Group			
Organs of State	10,365	9,385	(980)
Commercial	8,845	8,519	(326)
Households	316,912	330,848	13,936
Other	–	8	8
<b>Total By Customer Group</b>	<b>336,122</b>	<b>348,760</b>	<b>12,638</b>

## Graphical Analysis of consumer debtors



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



## 2. Overview of Creditors position

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

Description	Budget Year 2023/24								
	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
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	35,536	(1)	24	(60)	-	-	-	-	35,498
Bulk Water	3,333	13	219	10	12	33	95	(1,555)	2,160
PAYE deductions	5,436								5,436
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	3,312	86	-	53	-	-	306	1,748	5,504
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>47,617</b>	<b>98</b>	<b>242</b>	<b>3</b>	<b>12</b>	<b>33</b>	<b>401</b>	<b>194</b>	<b>48,600</b>

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

Eskom	R 35,498 million
NMBM	R 2,160 million
SARS: PAYE	R 5,436 million
Other Creditors	<u>R 5,504 million</u>
<b>Total</b>	<b><u>R 48,600 million</u></b>

It is to be noted that the Eskom amount of R 35,536 million, represents the current account for September 2023, which will be fully paid on 23 October 2023.



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

#### Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M03 September 2023.

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

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
National Government:	186,552	186,552	-	78,195	78,195	-	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	-	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	-	1,720	1,720	-	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	-	650	650	-	1,868
Provincial Government:	2,050	2,050	-	-	-	-	2,050
Library grant	2,050	2,050	-	-	-	-	2,050
District Municipality:	3,542	3,542	-	113	113	-	3,001
Environmental health subsidy	2,888	2,888	-	-	-	-	2,888
Skills Development subsidy	654	654		113	113		113
Total Operating Transfers and Grants	192,144	192,144	-	78,308	78,308	-	191,604
<b>Capital Transfers and Grants</b>							
National Government:	76,067	76,067	-	23,350	23,350	-	72,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	-	1,000	1,000		
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	-	1,000	1,000	-	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	-	12,350	12,350	-	37,367
Water Services Infrastructure Grant	30,000	30,000	-	9,000	9,000	-	30,000
District Municipality:	1,362	3,000	-	-	3,000	-	1,362
Fire Services Subsidy	1,362	3,000	-	-	3,000	-	1,362
Total Capital Transfers and Grants	77,429	79,067	-	23,350	26,350	-	73,429
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	271,211	-	101,658	104,659	-	265,033

**Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M03 September 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								
<b>EXPENDITURE</b>								
<b>Operating expenditure of Transfers and Grants</b>								
National Government:	186,552	186,552	673	76,386	76,723	337	0	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	272	615	342	56%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	399	489	430	(59)	-14%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	138	414	467	53	11%	1,868
Provincial Government:	2,050	2,050	–	–	2,050	2,050	0	2,050
Library grant	2,050	2,050	–	–	2,050	2,050	100%	2,050
District Municipality:	3,542	3,542	–	113	3,051	2,938	–	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888		0%	2,888
Skills Development subsidy	654	654	–	113	163			654
<b>Total operating expenditure of Transfers and Grants:</b>	<b>192,144</b>	<b>192,144</b>	<b>673</b>	<b>76,499</b>	<b>81,824</b>	<b>5,325</b>	<b>153%</b>	<b>192,144</b>
<b>Capital expenditure of Transfers and Grants</b>								
National Government:	79,067	79,067	2,435	5,723	19,767	–	–	79,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	–	–	1,000			4,000
Municipal Disaster Relief Grant	3,000	3,000	–	159	750			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	–	–	1,175		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	2,427	5,542	9,342	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	9	22	7,500	–	0%	30,000
District Municipality:	1,362	3,000	–	–	750	–	–	3,000
Fire Services Subsidy	1,362	3,000	–	–	750	–	0%	3,000
<b>Total capital expenditure of Transfers and Grants</b>	<b>80,429</b>	<b>82,067</b>	<b>2,435</b>	<b>5,723</b>	<b>20,517</b>	<b>–</b>	<b>0%</b>	<b>82,067</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>272,573</b>	<b>274,211</b>	<b>3,109</b>	<b>82,222</b>	<b>102,341</b>	<b>5,325</b>	<b>5%</b>	<b>274,211</b>

**Note:** The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

## **Grants received from National Government.**

### **DORA Operating Grants**

#### **Financial Management Grant (FMG)**

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

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 488,699
Unspent as at 30 September 2023:	R 1,231,301

The spending of the grant amounted to 28.41% as at 30 September 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 272,376
Unspent as at 30 September 2023:	R 341,624

The spending of the grant amounted to 44.36% as at 30 September 2023, compared to the amount of the grant received.

### **DORA Capital Grants**

#### **Municipal Infrastructure Grant (MIG)**

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 37,367,000
Amount of Grant Received:	R 13,000,000
Expenditure to date:	R 5,955,910
Unspent as at 30 September 2023:	R 7,044,090

The spending of the grant amounted to 45.81% as at 30 September 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
Prior year unspent amount	R 2,894,953
Current Year Receipts:	R 1,000,000
Expenditure to date:	R 0.00
Unspent as at 30 September 2023:	R 3,894,953

The spending of the grant amounted to 0% as at 30 September 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 21,879
Unspent as at 30 September 2023:	R 8,978,121

The spending of the grant amounted to 0.24% as at 30 September 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 30 September 2023:	R 1,000,000

The spending of the grant amounted to 0% as at 30 September 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 30 September 2023:	R 2,840,968

The spending of the grant amounted to 5.30 % as at 30 September 2023, compared to the amount of the grant received.

## Other Conditional Grants

Unspent conditional grants include the following:

<b>Conditional Grant</b>	<b>Amount Received</b>	<b>Amount Spent</b>	<b>Unspent Amount</b>
DEAT	5,000,000	1,741,857	3,258,143
Human Settlement	25,689,286	5,848,553	19,840,733
<b>Total</b>	<b>30,689,286</b>	<b>7,590,410</b>	<b>23,098,876</b>

#### 4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

**Table SC8 Monthly Budget Statement – Councillor and staff benefits – M03 September 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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		9,305	10,101	10,101	1,222	2,738	2,525	213	8%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	10	30	–	30		–
Motor Vehicle Allowance		3,066	3,407	3,407	408	914	852	62	7%	3,407
Cellphone Allowance		1,328	1,632	1,632	209	432	408	24	6%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
<b>Sub Total - Councillors</b>		<b>13,700</b>	<b>15,140</b>	<b>15,140</b>	<b>1,848</b>	<b>4,114</b>	<b>3,785</b>	<b>329</b>	<b>9%</b>	<b>15,140</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		5,096	7,675	7,675	376	1,145	1,919	(774)	-40%	7,675
Pension and UIF Contributions		61	117	117	5	16	29	(13)	-44%	117
Medical Aid Contributions		31	52	52	3	8	13	(5)	-40%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	–	382	(382)	-100%	1,528
Motor Vehicle Allowance		490	2,072	2,072	35	105	518	(413)	-80%	2,072
Cellphone Allowance		10	10	10	1	2	3	(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	576	1,091	1,186	(95)	-8%	4,743
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
<b>Sub Total - Senior Managers of Municipality</b>		<b>10,211</b>	<b>16,202</b>	<b>16,202</b>	<b>997</b>	<b>2,368</b>	<b>4,050</b>	<b>(1,683)</b>	<b>-42%</b>	<b>16,202</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		214,514	275,744	275,654	19,474	57,702	68,913	(11,211)	-16%	275,654
Pension and UIF Contributions		33,322	36,936	36,786	2,953	8,892	9,196	(304)	-3%	36,786
Medical Aid Contributions		17,746	18,588	18,588	1,503	4,589	4,647	(58)	-1%	18,588
Overtime		27,987	29,013	29,013	2,505	6,480	7,253	(774)	-11%	29,013
Performance Bonus		23	25	25	–	–	6	(6)	-100%	25
Motor Vehicle Allowance		10,408	11,356	11,446	949	2,784	2,862	(78)	-3%	11,446
Cellphone Allowance		21	56	56	1	4	14	(10)	-70%	56
Housing Allowances		722	1,234	1,234	80	205	309	(104)	-34%	1,234
Other benefits and allowances		32,223	34,740	34,890	1,686	4,842	8,722	(3,881)	-44%	34,890
Post-retirement benefit obligations	2	15,967	20,887	20,887	–	–	5,222	(5,222)	-100%	20,887
<b>Sub Total - Other Staff of Entities</b>		<b>354,700</b>	<b>431,612</b>	<b>431,612</b>	<b>29,308</b>	<b>85,964</b>	<b>107,902</b>	<b>(21,938)</b>	<b>(0)</b>	<b>431,612</b>
<b>Total Municipal Entities</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>378,611</b>	<b>462,953</b>	<b>462,953</b>	<b>32,153</b>	<b>92,445</b>	<b>115,738</b>	<b>(23,293)</b>	<b>-20%</b>	<b>462,953</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>364,911</b>	<b>447,813</b>	<b>447,813</b>	<b>30,305</b>	<b>88,332</b>	<b>111,953</b>	<b>(23,621)</b>	<b>-21%</b>	<b>447,813</b>

## 5. Key performance indicators

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

		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 September 2022	Approved Budget 2023/24	Actuals as at 30 September 2023
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	0.67%	1.39%	0%	1.00%	1.09%
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
<b>Liquidity</b>							
Current Ratio	Current assets / current liabilities	2.61	1.12	1.17	1.44	1:1	1.51:1
Liquidity Ratio	Monetary assets / current liabilities	0.45	0.24	0.65	0.68	0.04:1	0.94:1
<b>Revenue Management</b>							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	78%	95%	77.26%

Other indicators		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 September 2022	Approved Budget 2023/24	Actuals as at 30 September 2023
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.62	0.37	0.70	0.82	0.06 Months	1.25 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.26%	33.86%	34.11%	32.03%	35.31%	30.62%
Capital Expenditure	Capital Expenditure / Capital Budget	76.92%	87%	80.10%	24.33%	83.04%	6.53%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	7.00%	5.32%	4.54%	2.96%	4.79%	2.73%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2.52%	2.25%	0.37%	2.80%	0.39%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.11%	83.67%	85.18%	79.92%	83.16%	58.69%



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 1.09% as at 30 September 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 30 September 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:

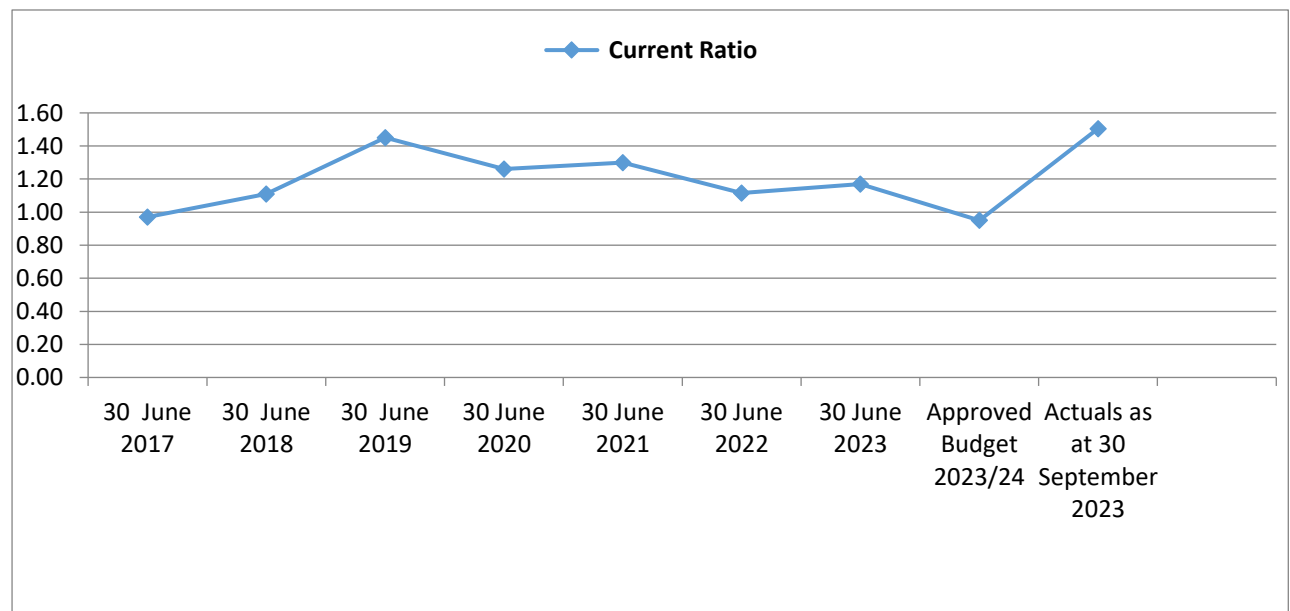
#### **Current assets/Current liabilities**

The ratio as at 30 September 2023 was 1.51:1, 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

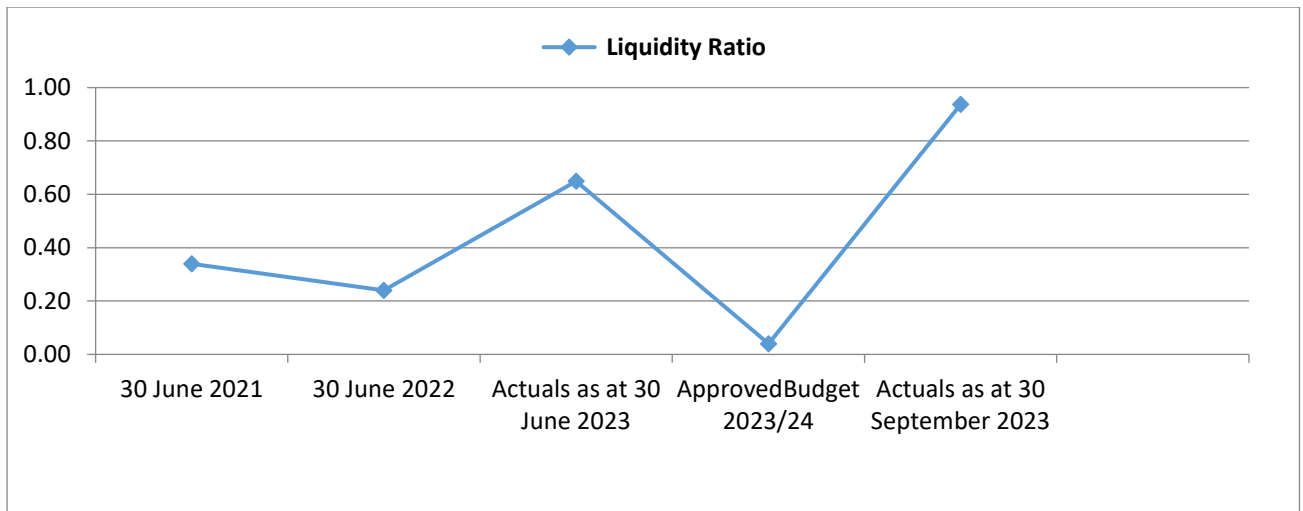
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

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

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 September 2023 was 1.94:1, 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

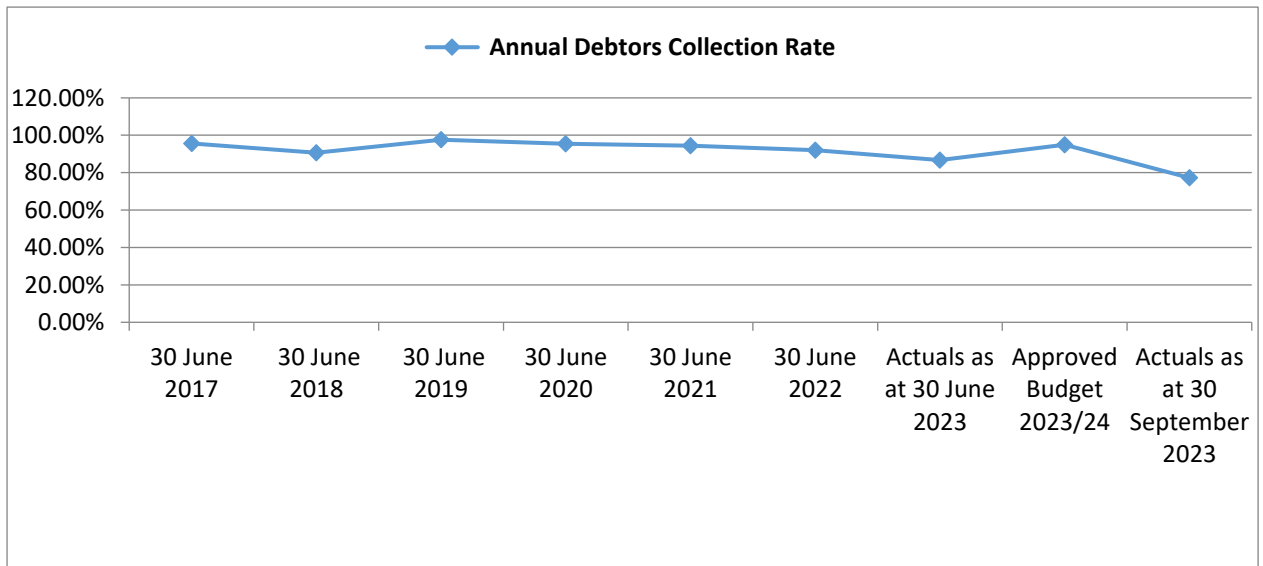
### 5.2.1. Annual Debtors Collection Rate

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 30 September 2023 was 77.26%, compared to the approved budget collection rate of 95%. The actual collection rate for September is 84.98%.



### 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.

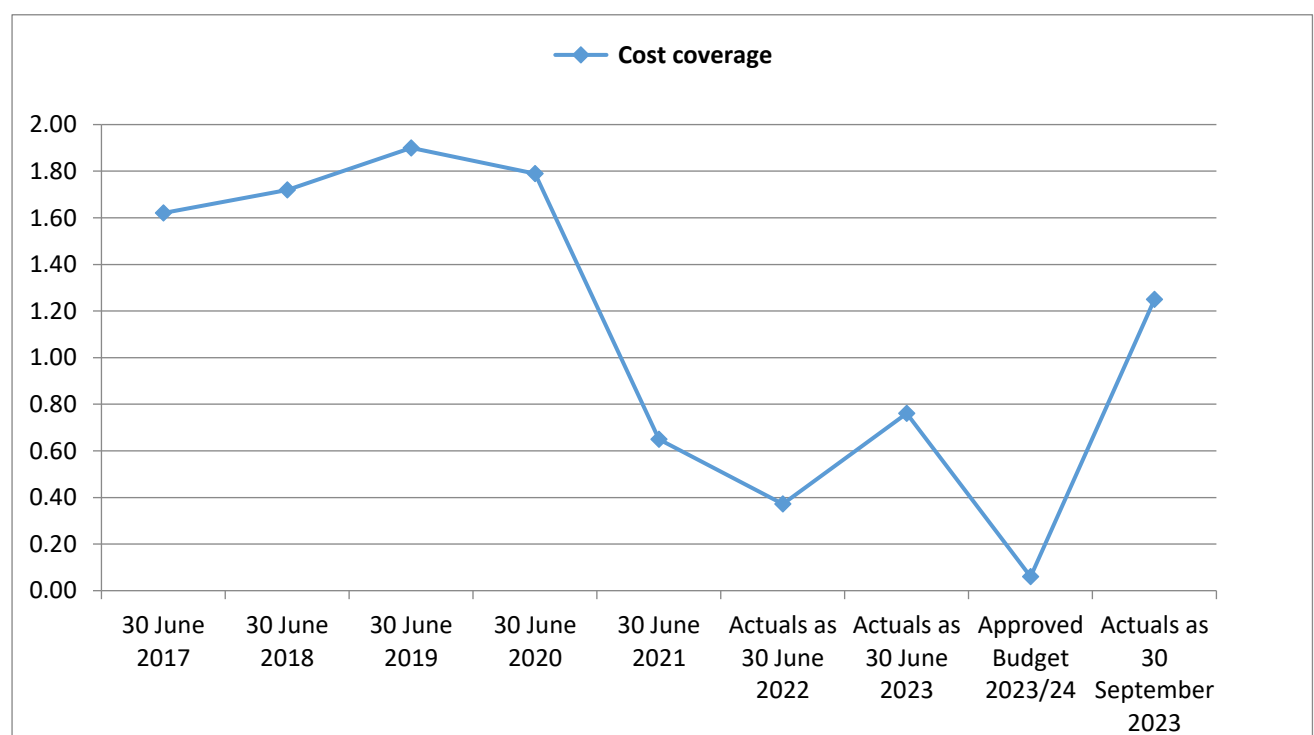
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 September 2023, the Ratio was 1.25 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.



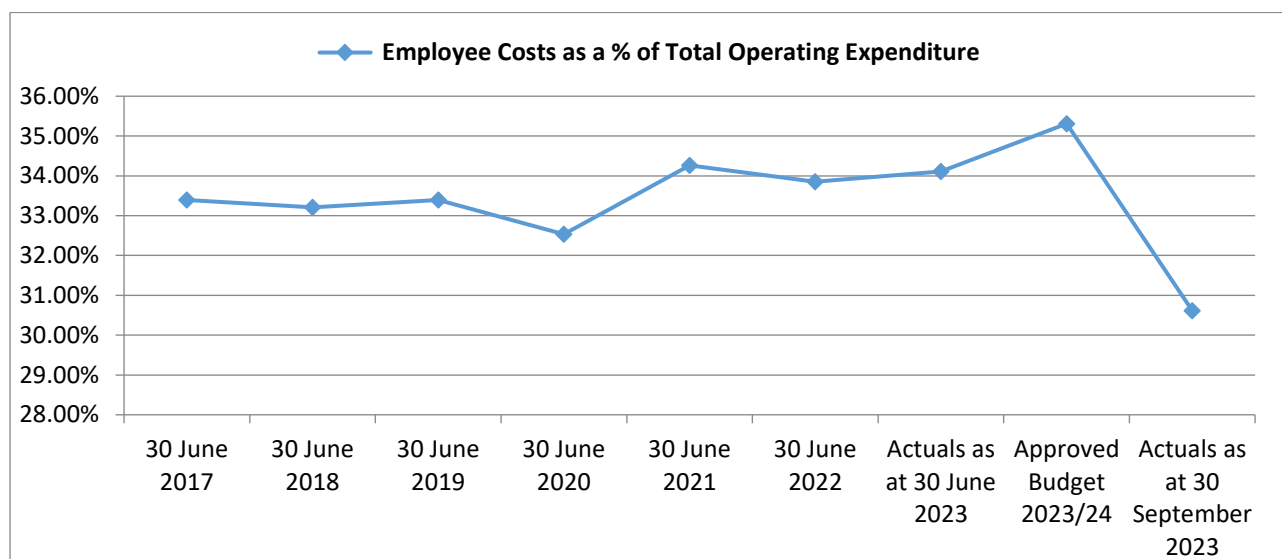
### 5.3.2. Employee costs as a % of Total Operating Expenditure

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 30 September 2023, Employee Related Costs constituted 30.62% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



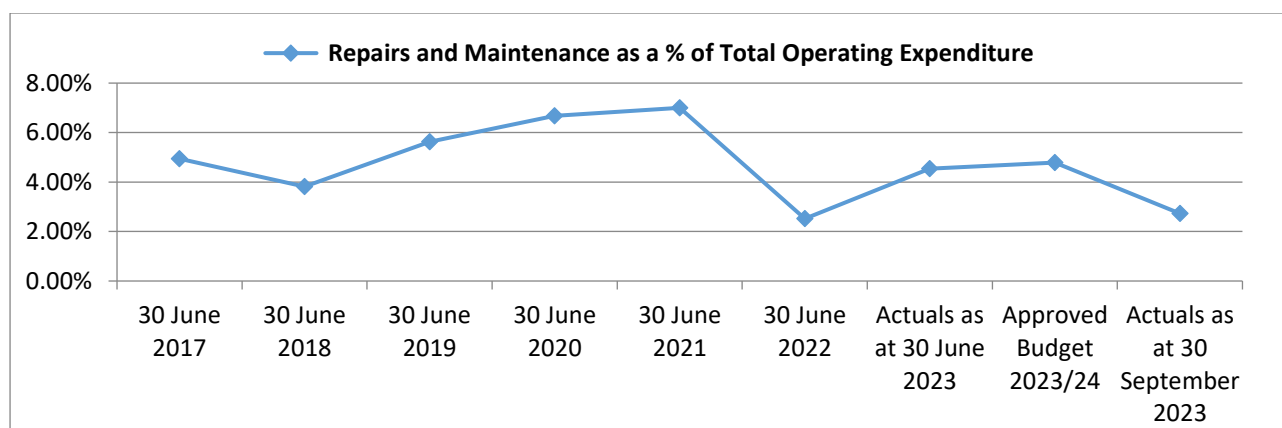
### 5.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 September 2023, the ratio was 2.73%, 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)

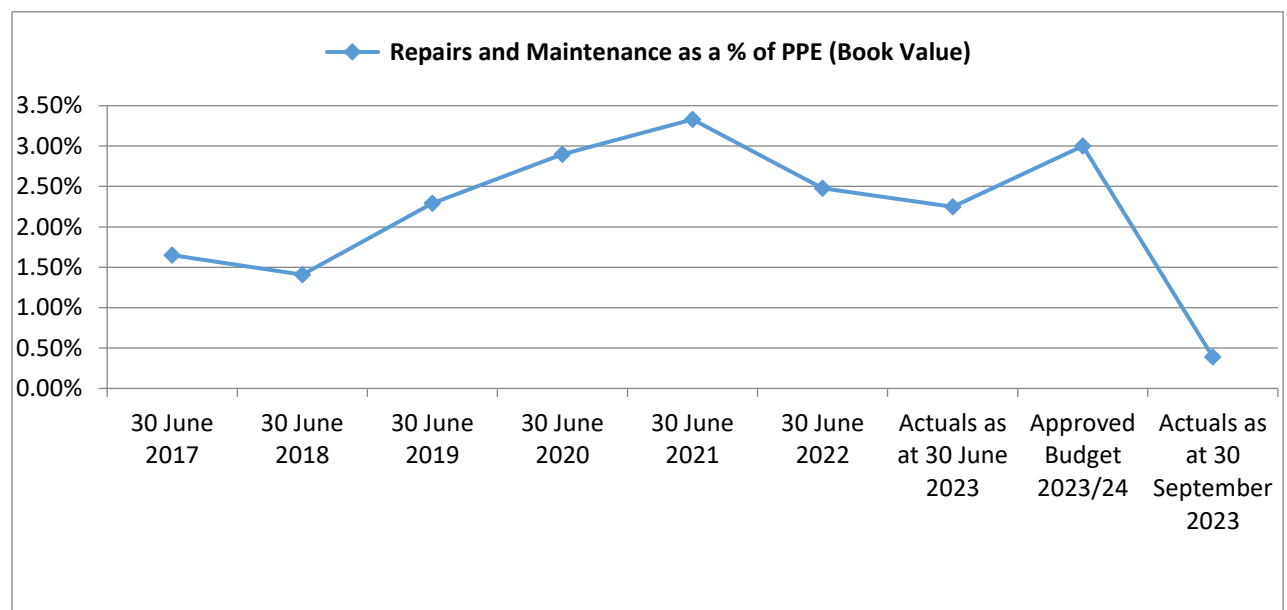
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 September 2023, repairs and maintenance expenditure constituted 0.39% 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%.



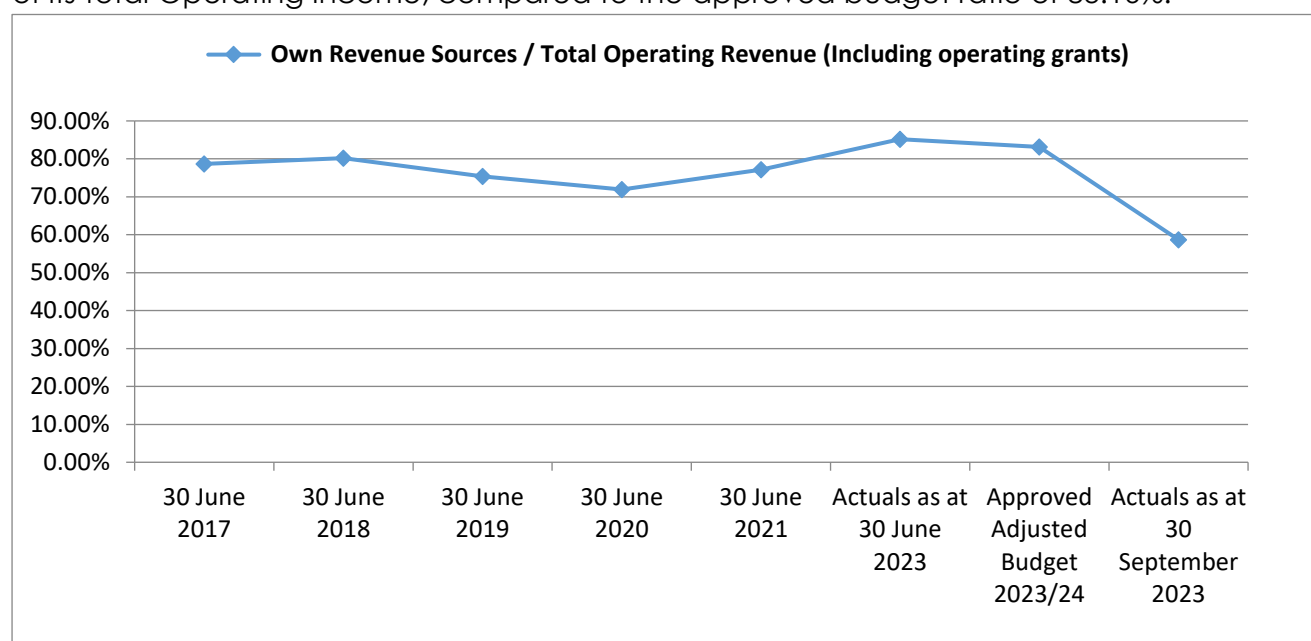
### Own Revenue Generation

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 30 September 2023, the Municipality's own revenue sources constituted 58.69% 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:

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

The actual spending as at 30 September 2023 amounted to 6.53% compared to the approved budget ratio of 95%.

