KOUGA LOCAL MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE

FINANCE

DATE: **ITEM NO:**

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

1. Introduction

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

2. Background

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

In accordance with Section 71(1) of the MFMA, the Accounting Officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with regulations 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C and include all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act".

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the months of October 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 433,857 million, whilst operating expenditure amounted to R 378,101 million, resulting in an operating surplus of R 55,756 million.
- Capital expenditure constituted 19.71% of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 33,694 million (10.02%) since June 2023.
- An amount of R 44,683 million is owing to creditors, 98.03% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by 51,392 (48.98%) since June 2023, from R 104,934,592 to R 156,326,666.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 October 2023
Standard Bank	17,575,390	-	463,521	-		18,038,911
ABSA	17,594,065	-	532,999	-	1,375	18,125,689
Nedbank	17,580,745	-	484,816	-		18,065,561
RMB	13,004,007	65,994,185	1,001,936	12,045,031		67,955,098
INVESTEC	17,580,053	-	484,797	-		18,064,850
Total	**83,334,260**	**65,994,185**	**2,968,070**	**12,045,031**	**1,375**	**140,250,109**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 October 2023**
General Account	75,741,531	31,274,185	2,117,902	-	1,375	109,132,244
Conditional Grants	7,592,727	34,720,000	850,168	12,045,031	-	31,117,863
Housing Funds	2	-	0	-	-	2
Total	**83,334,260**	**65,994,185**	**2,968,070**	**12,045,031**	**1,375**	**140,250,109**
Cheque Accounts FNB 52540020791	15,413,743			12,859,173		2,554,571
Cheque Accounts FNB 52540033304	3,874,471	6,194,099				10,068,570
Cheque Accounts FNB 62682103591	780	673				1,452
Cheque Accounts FNB 63022194441	2,311,338	1,140,627				3,451,965
	21,600,332	**7,335,398**	**-**	**12,859,173**	**-**	**16,076,557**
Total	**104,934,592**	**73,329,583**	**2,968,070**	**24,904,204**	**1,375**	**156,326,666**

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

Cash backed Reserves.

Bank Balances and Cash	R 16,076,557
Short-term Investment Deposits	R 140,250,109
	R 156,326,666

Application of Cash

Unspent Conditional Grants	R 47,601,891
Operational Commitments	R 12,353,587
Internally Generated Funds (Capital commitments)	R 609,351
Outstanding Creditors Liability	R 44,683,317
	R 105,248,146
Cash Reserves in excess of commitments:	**R 51,078,520**

The cash backed reserves exceed commitments at this stage by an amount of R 51,079 million. It should be noted that the excess of reserves over commitments as at 31 October 2023, is mainly due to an amount of R75,211 million in respect of the equitable share allocation received on 05 July 2023, but not yet fully spent. These funds are already committed towards spending in the 2023/24 operating budget.

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

Ratio	Actuals as at 30 June 2022	Actuals as at 30 June 2023	MFMA Circular 71 Norms	Actuals as at 31 October 2022	Approved Budget 2023/24	Actuals as at 31 October 2023
Current Ratio	1.12:1	1.17:1	1.5:1 to 2:1	1.27:1	0.95:1	1.39:1
Liquidity Ratio	0.24:1	0.65:1		0.61:1	0.04:1	0.85:1
Cost Coverage (Excluding unspent conditional grants)	0:37 Months	0.70 Months	1 Month to 3 Months	0.62 Months	0.06 Months	1.15 Months
Debtors Collection Rate	94.32%	86.71%	95%	84%	95%	77.83%
Capital Expenditure	87.00%	80.10%		28.07%	83.04%	19.71%

4. **<u>Detailed Reports</u>**

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 October 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 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…………13 November 2023…………..

Annexure "A1"

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2023/24					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1,158,957	1,158,957	65,617	433,857	386,319	47,538
Total Expenditure	1,268,316	1,271,504	89,589	378,101	424,186	(11,825)
Surplus/(Deficit)	(109,359)	(112,547)	(23,973)	55,756	(37,867)	93,624

The statement of financial performance reflects an operating surplus of R55,756 million. It must be noted that the operating surplus of R 55,756 million is influenced by lower than anticipated operating expenditure, (operating expenditure equates to 29.74% of budgeted amount) and debt impairment is only recognised at the end of the financial year.

1.2 Revenue

Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Exchange Revenue	**662,340**	**215,042**	**32.47%**
Service charges - Electricity	390,731	107,019	27.39%
Service charges - Water	101,425	43,857	43.24%
Service charges - Waste Water Management	63,314	21,205	33.49%
Service charges - Waste management	66,396	22,393	33.73%
Sale of Goods and Rendering of Services	7,790	2,255	28.94%
Agency services	1,000	1,409	140.91%
Interest earned from Receivables	18,595	9,794	52.67%
Interest earned from Current and Non Current Assets	4,598	5,036	109.51%
Rental from Fixed Assets	3,295	899	27.30%
Licence and permits	3,021	889	29.42%
Operational Revenue	2,174	287	13.21%
Non-Exchange Revenue	**496,618**	**218,816**	**44.06%**
Property rates	281,488	131,034	46.55%
Fines, penalties and forfeits	10,334	4,777	46.23%
Licence and permits	10,668	3,526	33.05%
Transfer and subsidies - Operational	190,883	77,844	40.78%
Interest – Property rates	3,244	1,634	50.38%

Total Revenue (excluding capital transfers and contributions)	**1,158,957**	**433,857**	**37.44%**

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

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

- **Property Rates**
  As at 31 October 2023, the municipality has recognised 46.55% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2023.

- **Service charges – water**
  As at 31 October 2023, the municipality has recognised 43.24% of service charges water revenue, compared to the budget. This is influenced by the step tariffs implementation on water consumption charges.

- **Interest earned – external investments.**
  The interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R156,327 million.
  The investment amount of R 156,327 million includes call accounts amounting to R 47,602 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.

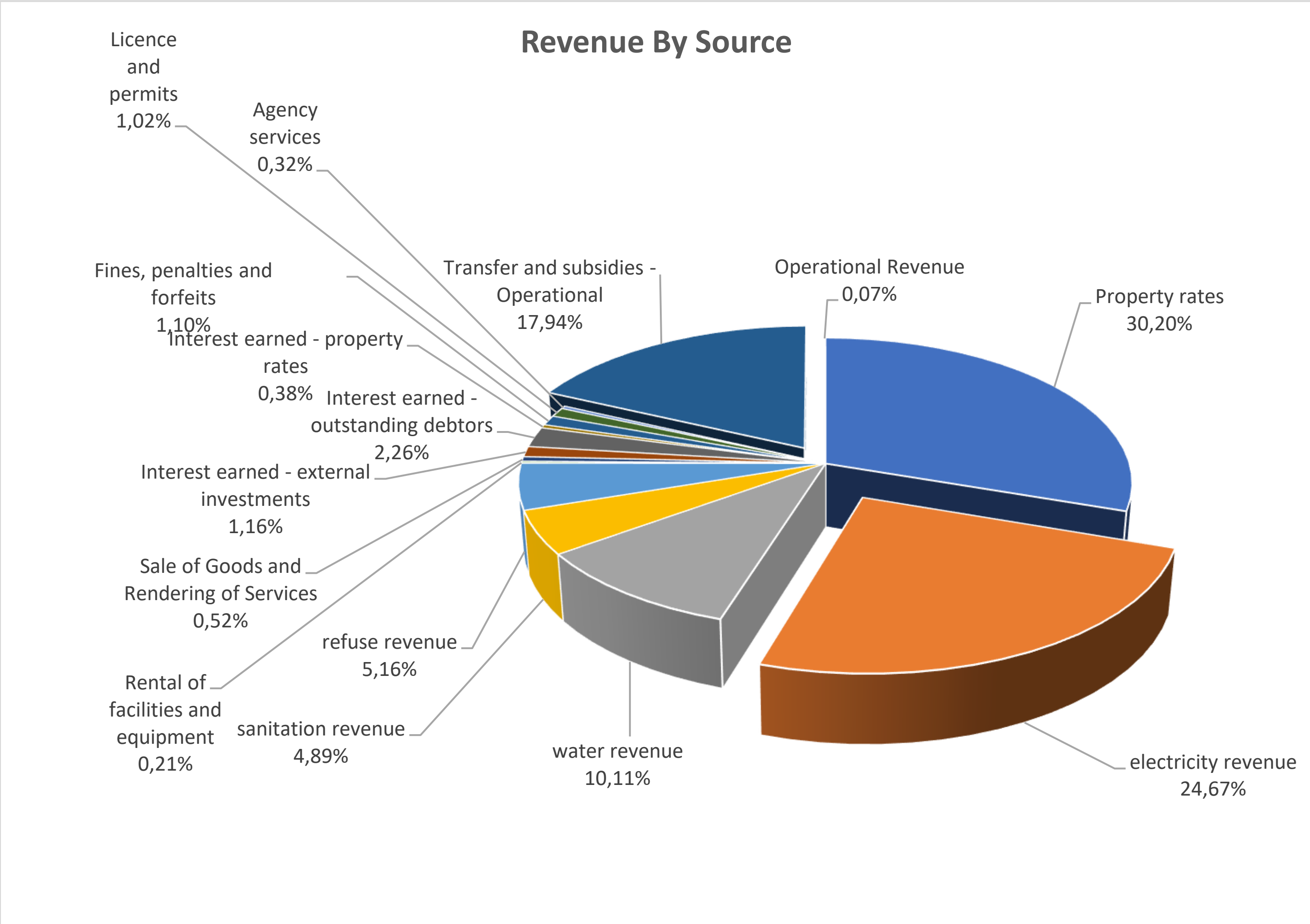
- **Interest earned from Receivables.**
  Interest earned from receivables is mainly influenced by the municipality's overdue consumer debts, which amounts to R 461,183 million.

- **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**

As at 31 October 2023, the municipality has recognised 13.21% of operational revenue, compared to the budget. This is largely influenced by the insurance refund budget amount to R 1 million, not yet materialised.



1.3 Expenditure

Main expenditure types for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue			
Expenditure By Type			
Employee related costs	447,813	117,591	26.26%
Remuneration of councillors	15,140	5,330	35.20%
Bulk purchases - electricity	364,280	142,058	39.00%
Inventory consumed	94,425	27,368	28.98%
Debt impairment	28,314	–	0.00%
Depreciation and amortisation	109,663	36,554	33.33%
Interest	2,090	1,937	92.67%
Contracted services	106,963	19,293	18.04%
Transfers and subsidies	924	100	10.82%

Irrecoverable debts written off	7,305	1,941	26.57%
Operational costs	94,584	25,930	27.41%
Total Expenditure	**1,271,504**	**378,101**	**29.74%**

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.

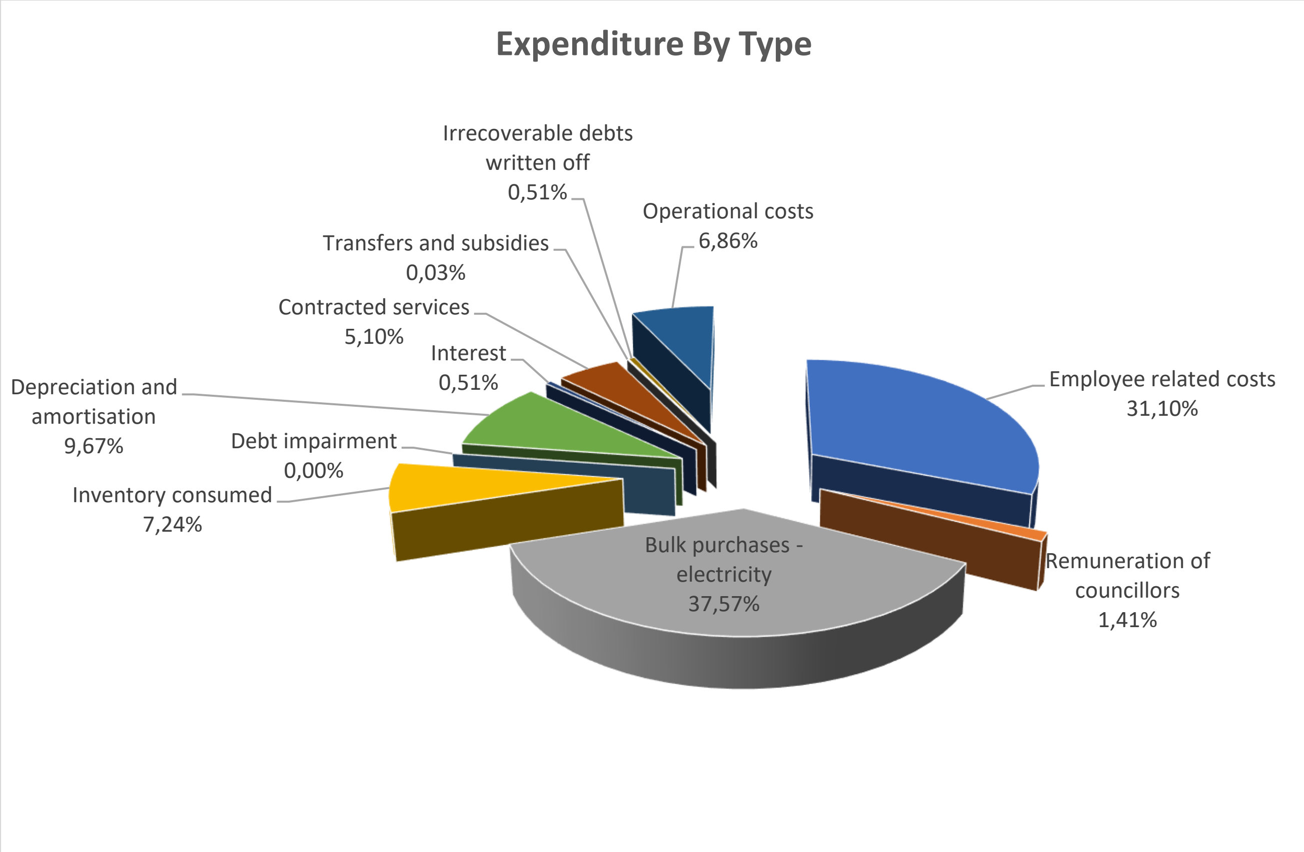
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 October 2023	%
Adventure Race World Championship	1,000,000	1,000,000	100.00%
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	367,313	23.64%
Clearing and Grass Cutting Services	1,546,576	154,927	10.02%
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	962,316	16.36%
Destination Marketing and Promotion	500,000	13,985	2.80%
Drivers Licence Cards	598,675	151,127	25.24%
Dune Stabilisation	1,100,000	84,800	7.71%
Electricity Generation Project	2,000,000	272,000	13.60%
Employee Wellness	249,200	5,022	2.02%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	895	0.89%
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	163,744	6.90%
Land Valuations, Surveyor & Planning Services	150,000	18,260	12.17%
Legal Advice and Litigation	6,040,000	706,762	11.70%
Legal Cost:Collection	856,000	334,832	39.12%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	5,440,077	854,557	15.71%
Maintenance of Electrical Infrastructure	5,300,000	1,583,470	29.88%
Maintenance of Equipment	941,373	81,644	8.67%
Maintenance of Sanitation Infrastructure	7,228,636	324,898	4.49%
Maintenance of Vehicles	8,962,661	1,492,062	16.65%
Maintenance of Water Infrastructure	868,316	123,945	14.27%
Media Monitoring	200,000	-	0.00%
Occupational Health and Safety	1,018,653	194,897	19.13%
Other Contracted Services	2,288,734	669,488	29.25%
Payroll data cleansing	500,000	94,689	18.94%
Personnel and Labour	15,039,207	2,803,841	18.64%
PM: Special Projects	36,360	-	0.00%
Private Plots_Alien Vegetation Control	380,550	-	0.00%
Qualification Verification	350,000	169,475	48.42%
Restricted Water Flow	588,300	185	0.03%
Revision of SDF	650,000	-	0.00%
Roads Maintenance	10,460,504	1,177,889	11.26%
Security Services	3,363,152	1,657,272	49.28%
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	8,500	2.14%
Valuer	400,000	395,052	98.76%
Water Quality	199,558	61,417	30.78%
Winterfest	1,500,000	225,000	15.00%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
	106,963,498	**19,292,664**	**18.04%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 October 2023	%
Achievements and Awards	1,200,000	176,721	14.73%
Advertising, Publicity and Marketing	3,849,949	665,259	17.28%
Bank Charges	1,150,000	427,319	37.16%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	712,451	24.59%
Claims paid to Third Parties	200,000	100,091	50.05%
External Audit Fees	4,500,000	1,532,204	34.05%
External Computer Service:Internet Charge	4,000,000	1,449,517	36.24%
Hire Charges	12,812,559	2,031,384	15.85%
Insurance Claims	1,200,000	53,698	4.47%
Insurance Underwriting:Premiums	4,199,701	3,877,599	92.33%
Leases:Furniture and Office Equipment	3,128,689	1,332,433	42.59%
Leases:Other Assets	3,963,740	1,654,337	41.74%
Licences:Licence Agency Fees	19,956	-	0.00%
Motor Vehicle Licence and Registrations	1,596,047	255,375	16.00%
Other	1,131,064	134,049	11.85%
Postage/Stamps/Franking Machines	2,424,405	646,601	26.67%
Printing, Publications and Books	10,000	-	0.00%
Registration Fees:Professional and Regulatory Bodies	277,044	14,552	5.25%
Registration Fees:Seminars, Conferences, Workshops	1,897,108	676,835	35.68%
Remuneration to Ward Committees	2,700,000	702,000	26.00%
Riparian Levies	7,465,557	3,109,111	41.65%
SAMRO Licence	150,000	-	0.00%
Signage	938,459	140,789	15.00%
Skills Development Fund Levy	3,964,204	1,176,449	29.68%
Software Licences	8,398,331	1,595,221	18.99%
Storage of Files (Archiving)	350,000	8,607	2.46%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	5,340,000	928,324	17.38%
Travel and Subsistence	3,651,937	702,503	19.24%
Uniform and Protective Clothing	3,635,528	859,771	23.65%
Vehicle Tracking	942,637	299,847	31.81%
Workmen's Compensation Fund	2,158,836	666,926	30.89%
	94,584,342	**25,929,972**	**27.41%**



1.4 Repairs and Maintenance

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

	Budget Year 2023/24		
Item Description	**Adjusted Budget 2023/24**	**Actuals as at 31 October 2023**	**%**
Maintenance of Equipment	1,275,632	221,097	17.33%
Maintenance of Vehicles	10,855,627	2,447,875	22.55%
Maintenance of Buildings and Facilities	5,661,728	1,171,274	20.69%
Maintenance of Water Infrastructure	4,926,394	1,481,264	30.07%
Roads Maintenance	14,206,398	2,423,215	17.06%
Sport and Recreation Facilities	349,227	132,117	37.83%
Maintenance of Electrical Infrastructure	10,577,250	3,381,935	31.97%
Maintenance of Sanitation Infrastructure	8,446,061	586,790	6.95%
Hire Charges	4,307,775	81,266	1.89%
Total	**60,606,092**	**11,926,832**	**19.68%**

It is to be noted that actual repairs and maintenance expenditure constituted 19.68% of the 2023/24 Approved Budget.

1.5 Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	390,731	107,019	27.39%
Interest earned from Receivables	1,451	679	46.77%
Total Revenue	**392,183**	**107,698**	**14.83%**
Expenditure By Type			
Employee related costs	16,177	5,477	33.86%
Bulk purchases - electricity	364,280	142,058	39.00%
Inventory consumed	7,353	2,676	36.40%
Debt impairment	14,170	–	0.00%
Depreciation and amortisation	6,944	2,760	39.75%
Contracted services	8,360	1,904	22.78%
Irrecoverable debts written off	929	112	12.05%
Operational costs	5,806	793	13.66%
Total Expenditure	**424,020**	**155,781**	**36.74%**
Surplus/(Deficit)	**(31,837)**	**(48,083)**	

1.5.1.1 Revenue

- The electricity revenue reflects 27.39% of budget as at 31 October 2023, and this is slightly lower than the projected budget ratio of 33.33% as at 31 October 2023.

1.5.1.2 Expenditure

- the bulk electricity reflects 39% of budget expenditure as at 31 October 2023, and this is slightly higher than the projected ratio of 33.33%.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 48,083 million as at 31 October 2023 and the deficit amount equates to 44.65%, 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	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - water	101,425	43,857	43.24%
Interest earned from Receivables	7,735	4,608	59.57%
Total Revenue	**109,160**	**48,464**	**44.40%**
Expenditure By Type			
Employee related costs	27,733	7,589	27.36%
Inventory consumed	47,034	12,755	27.12%
Debt impairment	2,026	–	0.00%
Depreciation and amortisation	16,097	5,000	31.06%
Contracted services	3,745	460	12.30%
Irrecoverable debts written off	2,186	757	34.61%
Operational costs	5,072	711	14.02%
Total Expenditure	**103,892**	**27,273**	**26.25%**
Surplus/(Deficit)	**5,268**	**21,191**	

1.5.2.1 Revenue

- The water revenue reflects 43.24% of budget as at 31 October 2023, and this is slightly higher than the projected budget ratio of 33.33% as at 31 October 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 10,062 million (25.44% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 21,191 million as at 31 October 2023 and equates to 43.73% of total revenue.

1.5.3 Waste Water Management

	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	63,314	21,205	33.49%
Interest earned from Receivables	3,513	1,754	49.93%
Total Revenue	**66,827**	**22,959**	**34.36%**
Expenditure By Type			
Employee related costs	24,642	8,268	33.55%
Inventory consumed	12,036	3,318	27.57%
Debt impairment	1,676	–	0.00%
Depreciation and amortisation	28,156	9,344	33.19%
Contracted services	9,669	563	5.82%
Irrecoverable debts written off	897	331	36.90%
Operational costs	7,940	2,273	28.62%
Total Expenditure	**85,015**	**24,095**	**28.34%**
Surplus/(Deficit)	**(18,188)**	**(1,137)**	

1.5.3.1 Revenue

- The waste water revenue reflects 33.49% of budget as at 31 October 2023, and this is slightly higher than the projected budget ratio of 33.33% as at 31 October 2023.
- Interest earned from receivables reflects 49.93% 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 1,137 million as at 31 October 2023 and equates to 4.95% of total revenue.
  Council approved a deficit budget of R 18,188 million for the 2023/24 financial year.

1.5.4 Waste Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	66,396	22,393	33.73%
Sale of Goods and Rendering of Services	50	1	1.83%
Interest earned from Receivables	5,666	2,644	46.67%
Total Revenue	**72,112**	**25,038**	**34.72%**
Expenditure By Type			
Employee related costs	36,715	12,450	27.66%
Inventory consumed	8,379	2,358	28.14%
Debt impairment	1,601	-	0%
Depreciation and amortisation	3,195	884	27.66%
Contracted services	17,139	3,029	17.67%
Irrecoverable debts written off	1,174	586	49.91%
Operational costs	4,967	1,464	29.48%
Total Expenditure	**73,170**	**20,771**	**28.39%**
Surplus/(Deficit)	**(1,058)**	**4,267**	

1.5.4.1 Revenue

- The waste revenue reflects 33.73% of budget as at 31 October 2023, and this is slightly higher than the projected budget ratio of 33.33% as at 31 October 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 4,267 million as at 31 October 2023 and equates to 17.04% of total revenue. Council approved a deficit budget of R 1,058 million for the 2023/24 financial year.

1.6 Cost Containment Measures

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

Description	Budget Year 2023/24				
	Original Budget	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands					
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	11,208	14,219	2,926	4,740	(1,814)
2. Travel claims	3,412	3,452	703	1,151	(448)
4. Overtime	20,282	20,282	5,903	6,761	(857)
5. Catering Costs	1,489	1,554	367	518	(151)
6. Events, Advertising and sponsorships	5,019	5,126	939	1,709	(770)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,897	677	632	44
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,441	–	480	(480)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	–	–	–	–	–
Total	**44,754**	**47,970**	**11,515**	**15,990**	**(4,475)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 4,475 million as at 31 October 2023.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2023/24			Actuals as at 31 October 2023			
R thousands	Approved Adjusted Budget - Operating	Approved Adjusted Budget - Capital	Approved Adjusted Budget 2022/23	Operating Expenditure Actuals	Capital Actuals	Total Actual Expenditure	Unauthorised Expenditure
Expenditure by Vote							
CIVIL & WATER SERVICES	303,348	68,804	372,151	80,016	13,591	93,607	–
COMMUNITY SERVICES	244,029	3,000	247,029	65,948	1,507	67,455	–
ELECTRO/ MECHANICAL SERVICES	434,637	16,477	451,113	159,828	2,073	161,901	–
FINANCE AND ECONOMIC DEVELOPMENT	108,717	982	109,699	28,210	–	28,210	–
OFFICE OF THE DMM	124,644	1,969	126,614	27,191	1,194	28,385	–
OFFICE OF THE MM	29,901	48	29,949	9,368	19	9,387	–
PLANNING AND DEVELOPMENT	26,229	2,000	28,229	7,541	–	7,541	–
Total Expenditure by Vote	**1,271,504**	**93,279**	**1,364,783**	**378,101**	**18,384**	**396,485**	–

The assessment reflects no unauthorised expenditure as at 31 October 202

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 31 October 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	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	760	1,017	129	227	22.29%
Vote 2 - FINANCIAL SERVICES	–	282	–	–	0.00%
Vote 3 - CORPORATE SERVICES	–	1,000	22	986	98.61%
Vote 4 - COMMUNITY SERVICES	1,362	3,000	1,507	1,507	50.23%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	85,280	10,635	15,664	18.37%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	2,700	–	–	0.00%
Total Capital Multi-year expenditure	**79,343**	**93,279**	**12,294**	**18,384**	**19.71%**

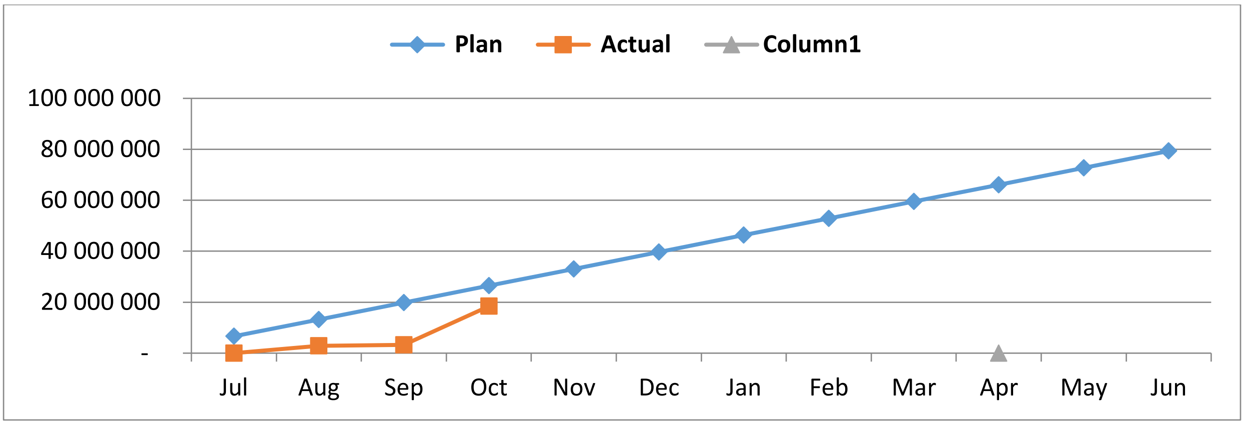
The capital expenditure as at 31 October 2023, constituted 19.71% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 22.29% of R 1.017 million budget.
- Finance is 0% of R 0.282 million budget.
- Corporate Services 98.61% of R 1,000 million budget.
- Community Services is 50.23% of R 3,000 million budget.
- Infrastructure& Engineering is 18.37% of R 85,280 million of the budget.
- Planning and Development & Tourism is 0% of R 2,700 million budget.

Monthly capital expenditure

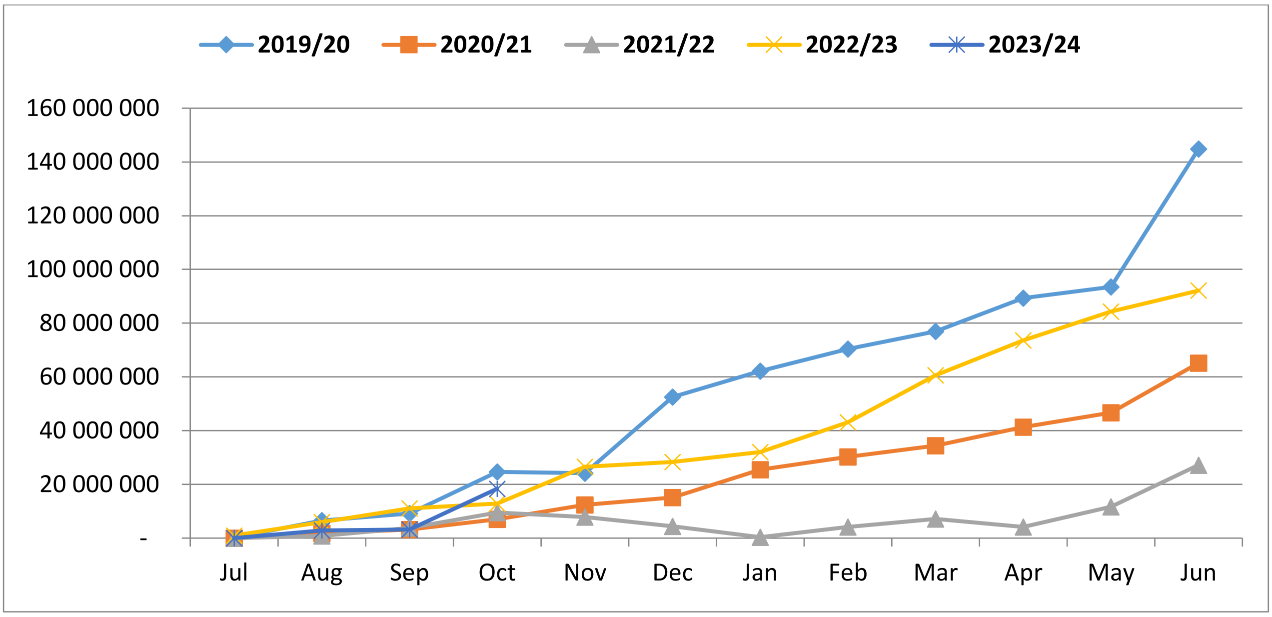
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2023/24 current budget.



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 31 October 2023.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECT	Approved Budget 2023/24	Monthly Actuals	Actuals as at 31 October 2023	%
Civil & Water Services	WATER	WSIG	PARADISE BEACH WATER TOWER	9,772,639	-	19,025	0.19%
Civil & Water Services	WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	16,314,317	2,013,998	2,013,998	12.34%
Civil & Water Services	SEWERAGE	MIG	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICUL	430,645	-	-	0.00%
Civil & Water Services	SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	304,347	-	-	0.00%
Civil & Water Services	SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	10,632,672	-	-	0.00%
Civil & Water Services	SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	208,695	-	51,875	24.86%
Civil & Water Services	SEWERAGE	MIG	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12,808,470	3,434,358	5,486,200	42.83%
Civil & Water Services	ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	3,339,130	1,269,754	2,557,944	76.61%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADING LOERIE SPORTS FACILITIES	3,057,474	1,511,956	2,991,126	97.83%
Civil & Water Services	Water	Internal	Replace 250mm Water Main Canal Road St Francis Ba	10,717	-	-	0.00%
Civil & Water Services	Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	82,500	-	-	0.00%
Civil & Water Services	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	323,486	-	-	0.00%
Civil & Water Services	Sewerage	Internal	Piped Reticulation - St Francis Bay	72,500	-	-	0.00%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within K	900,243	-	-	0.00%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	400,000	-	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Solid Waste Infrastructure:Waste Transfer Stations	300,000	-	-	0.00%
Civil & Water Services	SEWERAGE	Internal	Solid Waste Infrastructure:Waste Processing Facili	56,562	-	-	0.00%
Civil & Water Services	SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	1,224,891	-	-	0.00%
Civil & Water Services	SEWERAGE	Internal	HANKEY WWTW	5,155,634	-	-	0.00%
Civil & Water Services	ROADS AND STORMWATER	MDRG	ST FRANCIS CANAL BRIDGE	2,608,696	332,874	471,162	18.06%
Civil & Water Services	ROADS AND STORMWATER	Internal	UPGRADING KOUGA GRAVEL ROADS	800,000	-	-	0.00%
				68,803,618	**8,562,940**	**13,591,330**	**19.75%**
Community & Safety Services	FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	3,000,277	1,507,017	1,507,017	50.23%
				3,000,277	**1,507,017**	**1,507,017**	**50.23%**
Electro & Mechanical	METERING & REVENUE	INEP	OCEAN VIEW 1250 ELECTRIFICATION	4,086,956	1,041,962	1,041,962	25.49%
Electro & Mechanical	METERING & REVENUE	Internal		1,576,840	-	-	0.00%
Electro & Mechanical	METERING & REVENUE	Internal		1,318,112	764,140	764,140	57.97%
Electro & Mechanical	METERING & REVENUE	MIG	DESIGN: HIGH MAST LIGHTS	86,957	-	-	0.00%
Electro & Mechanical	METERING & REVENUE	Internal	SOLAR ENERGY PROJECT	5,619,475	-	-	0.00%
Electro & Mechanical	METERING & REVENUE	EEDSM	ENERGY EFFICIENCY PROJECTS	3,478,260	-	-	0.00%
Electro & Mechanical	FLEET AND WORKSHOP	Internal	Generator	310,000	266,435	266,435	85.95%
				16,476,600	**2,072,537**	**2,072,537**	**12.58%**
Finance & Economic Development	ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	282,006	-	-	0.00%
Finance & Economic Development	LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100,000	-	-	0.00%
Finance & Economic Development	TOURISM	Internal	Furniture and Equipment	600,000	-	-	0.00%
				982,006	**-**	**-**	**0.00%**
Office of the DMM	Finance: IT	Internal	Computer Equipment	1,000,000	22,345	986,056	98.61%
Office of the DMM	WARD COUNCILLORS	Internal	Ward councilors Capital project	750,000	112,379	190,679	25.42%
Office of the DMM	MAYOR	Internal	Furniture and Equipment - Municipal Court	219,331	16,805	16,805	7.66%
Office of the DMM	INTEGRATED DEVELOPMENT	Internal	Furniture and Equipment	10,000	-	-	0.00%
				1,979,331	**151,529**	**1,193,540**	**60.30%**
Office of the MM	MUNICIPAL MANAGER	Internal	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	37,632	-	19,200	51.02%
				37,632	**-**	**19,200**	**51.02%**
Planning and Development	TOWN AND REGIONAL PLANNING	Internal	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	2,000,000	-	-	0.00%
				2,000,000	**-**	**-**	**0.00%**
			Total	**93,279,464**	**12,294,022**	**18,383,624**	**19.71%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 October 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 – M04 October 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	270,495	270,495	14,510	109,240	90,165	19,075	21%	270,495
Service charges		238,396	697,055	697,055	25,100	149,677	232,352	(82,674)	-36%	697,055
Other revenue		22,231	67,422	67,422	54,548	81,473	22,474	58,999	263%	67,422
Transfers and Subsidies - Operational		147,988	190,883	190,883	–	79,066	63,628	15,438	24%	190,883
Transfers and Subsidies - Capital		–	75,561	75,561	–	32,350	25,187	7,163	28%	75,561
Interest		841,486	4,598	4,598	4,600	16,584	1,533	15,051	982%	4,598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,219,527)	(93,785)	(391,927)	(406,509)	(14,582)	4%	(1,219,527)
Interest		–	–	–	(995)	(3,929)	–	3,929	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**86,487**	**86,487**	**3,978**	**72,533**	**28,829**	**(43,704)**	**-152%**	**86,487**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(71,169)	(79,343)	(79,343)	(14,138)	(21,141)	(26,448)	(5,306)	20%	(79,343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(79,343)**	**(14,138)**	**(21,141)**	**(26,448)**	**(5,306)**	**20%**	**(79,343)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(10,091)	(10,091)	–	–	(3,364)	(3,364)	100%	(10,091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(10,091)**	**–**	**–**	**(3,364)**	**(3,364)**	**100%**	**(10,091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(2,947)**	**(2,947)**	**(10,161)**	**51,392**	**(982)**			**(2,947)**
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	5,596	5,596		156,327	7,560			101,988

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

Table C1 Monthly Budget Statement Summary – M04 October 2023

Description	2022/23	Budget Year 2023/24							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	259,514	281,488	281,488	18,172	131,034	93,829	37,205	40%	281,488
Service charges	547,619	621,867	621,867	41,878	194,473	207,289	(12,816)	-6%	621,867
Investment revenue	6,824	4,598	4,598	1,216	5,036	1,533	3,503	229%	4,598
Transfers and subsidies - Operational	177,339	190,883	190,883	1,459	77,844	63,628	14,217	22%	190,883
Other own revenue	189,229	60,121	60,121	2,892	25,469	20,040	5,429	27%	60,121
Total Revenue (excluding capital transfers and contributions)	**1,180,525**	**1,158,957**	**1,158,957**	**65,617**	**433,857**	**386,319**	**47,538**	**12%**	**1,158,957**
Employee costs	361,931	447,813	447,813	29,259	117,591	149,270	(31,680)	-21%	447,813
Remuneration of Councillors	13,700	15,140	15,140	1,216	5,330	5,047	283	6%	15,140
Depreciation and amortisation	124,787	109,663	109,663	9,139	36,554	36,554	0	0%	109,663
Interest	8,059	2,090	2,090	475	1,937	697	1,240	178%	2,090
Inventory consumed and bulk purchases	382,970	458,626	458,706	34,941	169,426	152,902	16,525	11%	458,706
Transfers and subsidies	709	924	924	–	100	308	(208)	-68%	924
Other expenditure	373,435	234,060	237,168	14,560	47,164	79,409	(32,246)	-41%	237,168
Total Expenditure	**1,265,590**	**1,268,316**	**1,271,504**	**89,589**	**378,101**	**424,186**	**(46,085)**	**-11%**	**1,271,504**
Surplus/(Deficit)	**(85,065)**	**(109,359)**	**(112,547)**	**(23,973)**	**55,756**	**(37,867)**	**93,624**	**-247%**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)	96,374	75,561	78,561	8,370	14,362	26,187	(11,825)	-45%	78,561
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**	**81,799**	**-700%**	**(33,986)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**	**81,799**	**-700%**	**(33,986)**
Capital expenditure & funds sources									
Capital expenditure	**108,880**	**79,343**	**93,279**	**12,294**	**18,384**	**31,093**	**(12,709)**	**-41%**	**93,279**
Capital transfers recognised	64,491	65,883	70,130	11,112	16,140	23,376	(7,236)	-31%	70,130
Borrowing	8,786	–	–	–	–	–	–		–
Internally generated funds	35,603	13,460	23,150	1,182	2,243	7,717	(5,473)	-71%	23,150
Total sources of capital funds	**108,880**	**79,343**	**93,279**	**12,294**	**18,384**	**31,093**	**(12,709)**	**-41%**	**93,279**
Financial position									
Total current assets	350,251	154,622	154,622		255,784				154,622
Total non current assets	2,304,273	2,302,442	2,302,442		2,286,102				2,302,442
Total current liabilities	341,431	154,259	154,259		184,542				154,259
Total non current liabilities	245,943	255,035	255,035		161,074				255,035
Community wealth/Equity	**2,079,254**	**2,047,771**	**2,047,771**		**2,196,271**				**2,047,771**
Cash flows									
Net cash from (used) operating	1,886,718	86,487	86,487	3,978	72,533	28,829	(43,704)	-152%	86,487
Net cash from (used) investing	(71,169)	(79,343)	(79,343)	(14,138)	(21,141)	(26,448)	(5,306)	20%	(79,343)
Net cash from (used) financing	–	(10,091)	(10,091)	–	–	(3,364)	(3,364)	100%	(10,091)
Cash/cash equivalents at the month/year end	**1,843,400**	**5,596**	**5,596**	**–**	**156,327**	**7,560**	**(148,767)**	**-1968%**	**101,988**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	91,367	27,643	10,565	9,020	9,283	10,375	46,684	256,246	461,183
Creditors Age Analysis									
Total Creditors	43,803	333	20	243	(50)	12	114	208	44,683

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) – M04 October 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**568,182**	**422,639**	**422,639**	**17,762**	**218,732**	**140,880**	77,853	55%	**422,639**
Executive and council		2,464	106	106	–	15	35	(20)	-56%	106
Finance and administration		565,718	422,533	422,533	17,762	218,717	140,844	77,872	55%	422,533
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**17,044**	**16,716**	**16,716**	**594**	**3,811**	**5,572**	(1,761)	-32%	**16,716**
Community and social services		2,427	2,437	2,437	29	136	812	(677)	-83%	2,437
Sport and recreation		8,640	10,338	10,338	523	3,339	3,446	(107)	-3%	10,338
Public safety		2,748	1,378	1,378	35	305	459	(154)	-34%	1,378
Housing		–	–	–	–	–	–	–		–
Health		3,230	2,563	2,563	8	31	854	(823)	-96%	2,563
Economic and environmental services		**30,867**	**37,432**	**40,432**	**4,328**	**14,122**	**13,477**	645	5%	**40,432**
Planning and development		6,461	8,083	8,083	731	2,763	2,694	68	3%	8,083
Road transport		7,002	6,910	9,910	1,045	3,388	3,303	85	3%	9,910
Environmental protection		17,404	22,439	22,439	2,552	7,971	7,480	491	7%	22,439
Trading services		**660,805**	**757,731**	**757,731**	**51,302**	**211,554**	**252,577**	(41,023)	-16%	**757,731**
Energy sources		313,432	408,372	408,372	17,889	108,896	136,124	(27,228)	-20%	408,372
Water management		195,564	161,300	161,300	16,193	48,486	53,766	(5,280)	-10%	161,300
Waste water management		99,252	113,711	113,711	12,496	35,393	37,904	(2,510)	-7%	113,711
Waste management		52,557	74,347	74,347	4,724	18,778	24,782	(6,004)	-24%	74,347
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,276,899**	**1,234,518**	**1,237,518**	**73,986**	**448,219**	**412,506**	**35,713**	**9%**	**1,237,518**
Expenditure - Functional										
Governance and administration		**380,475**	**306,226**	**306,257**	**19,701**	**78,083**	**101,872**	(23,789)	-23%	**306,257**
Executive and council		54,922	64,558	64,589	4,885	17,116	21,528	(4,412)	-20%	64,589
Finance and administration		325,480	241,417	241,417	14,811	60,934	80,263	(19,328)	-24%	241,417
Internal audit		73	251	251	4	33	81	(48)	-59%	251
Community and public safety		**98,265**	**121,818**	**121,668**	**8,548**	**31,453**	**40,555**	(9,102)	-22%	**121,668**
Community and social services		8,235	12,897	12,877	781	2,853	4,292	(1,439)	-34%	12,877
Sport and recreation		50,563	63,813	63,813	4,460	15,444	21,271	(5,827)	-27%	63,813
Public safety		26,931	30,247	30,267	2,254	8,572	10,089	(1,517)	-15%	30,267
Housing		5,390	7,037	6,887	424	2,314	2,296	18	1%	6,887
Health		7,146	7,824	7,824	630	2,272	2,608	(336)	-13%	7,824
Economic and environmental services		**121,915**	**158,670**	**162,177**	**10,703**	**41,581**	**54,625**	(13,044)	-24%	**162,177**
Planning and development		24,223	31,432	31,614	2,114	8,355	10,538	(2,183)	-21%	31,614
Road transport		86,259	118,681	118,618	7,874	30,179	40,106	(9,927)	-25%	118,618
Environmental protection		11,434	8,556	11,944	715	3,047	3,981	(935)	-23%	11,944
Trading services		**658,698**	**674,375**	**674,175**	**49,330**	**224,873**	**224,725**	149	0%	**674,175**
Energy sources		335,071	424,020	424,020	34,070	155,781	141,340	14,441	10%	424,020
Water management		155,036	103,892	103,892	4,868	27,273	34,631	(7,358)	-21%	103,892
Waste water management		92,866	85,015	85,015	5,985	24,095	28,338	(4,243)	-15%	85,015
Waste management		75,724	61,449	61,249	4,406	17,724	20,416	(2,692)	-13%	61,249
Other		**6,236**	**7,227**	**7,227**	**1,307**	**2,110**	**2,409**	**(299)**	**-12%**	**7,227**
Total Expenditure - Functional	3	**1,265,590**	**1,268,316**	**1,271,504**	**89,589**	**378,101**	**424,186**	**(46,085)**	**-11%**	**1,271,504**
Surplus/ (Deficit) for the year		**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**	**81,799**	**-700%**	**(33,986)**

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M04 October 2023

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		2,471	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		424,372	410,736	410,736	17,672	213,931	136,912	77,019	56.3%	410,736
Vote 3 - CORPORATE SERVICES		9,373	1,194	1,194	–	129	398	(269)	-67.6%	1,194
Vote 4 - COMMUNITY SERVICES		223,021	127,808	127,808	8,581	37,690	42,603	(4,913)	-11.5%	127,808
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,785	688,565	691,565	47,213	194,512	230,522	(36,009)	-15.6%	691,565
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		5,980	6,215	6,215	520	1,958	2,072	(114)	-5.5%	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	**1,277,003**	**1,234,518**	**1,237,518**	**73,986**	**448,219**	**412,506**	**35,713**	**8.7%**	**1,237,518**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,200	70,802	70,732	5,385	18,202	23,569	(5,367)	-22.8%	70,732
Vote 2 - FINANCIAL SERVICES		211,001	115,941	115,941	6,667	31,159	38,635	(7,476)	-19.3%	115,941
Vote 3 - CORPORATE SERVICES		49,583	62,930	63,000	3,202	11,919	20,808	(8,889)	-42.7%	63,000
Vote 4 - COMMUNITY SERVICES		232,085	240,505	243,692	17,497	65,948	81,230	(15,282)	-18.8%	243,692
Vote 5 - INFRASTRUCTURE AND ENGINEERING		682,498	739,091	739,091	53,605	240,441	246,930	(6,489)	-2.6%	739,091
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	38,427	3,234	10,427	12,809	(2,382)	-18.6%	38,427
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1,265,576**	**1,267,696**	**1,270,884**	**89,589**	**378,095**	**423,980**	**(45,884)**	**-10.8%**	**1,270,884**
Surplus/ (Deficit) for the year	2	**11,427**	**(33,178)**	**(33,366)**	**(15,603)**	**70,124**	**(11,474)**	**81,598**	**-711.2%**	**(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) – M04 October 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		593,601	662,340	662,340	44,649	215,042	220,780	(5,738)	-3%	662,340
Service charges - Electricity		306,477	390,731	390,731	16,486	107,019	130,244	(23,224)	-18%	390,731
Service charges - Water		117,400	101,425	101,425	14,915	43,857	33,808	10,048	30%	101,425
Service charges - Waste Water Management		61,797	63,314	63,314	5,148	21,205	21,105	100	0%	63,314
Service charges - Waste management		61,945	66,396	66,396	5,329	22,393	22,132	261	1%	66,396
Sale of Goods and Rendering of Services		9,189	7,790	7,790	541	2,255	2,597	(342)	-13%	7,790
Agency services		2,678	1,000	1,000	361	1,409	333	1,076	323%	1,000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	18,595	2,653	9,794	6,198	3,595	58%	18,595
Interest earned from Current and Non Current Assets		6,824	4,598	4,598	1,216	5,036	1,533	3,503	229%	4,598
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,570	3,295	3,295	139	899	1,098	(199)	-18%	3,295
Licence and permits		2,677	3,021	3,021	225	889	1,007	(118)	-12%	3,021
Operational Revenue		1,200	2,174	2,174	(2,365)	287	725	(437)	-60%	2,174
Non-Exchange Revenue		586,924	496,618	496,618	20,968	218,816	165,539	53,276	32%	496,618
Property rates		259,514	281,488	281,488	18,172	131,034	93,829	37,205	40%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		130,578	10,334	10,334	127	4,777	3,445	1,332	39%	10,334
Licence and permits		7,195	10,668	10,668	630	3,526	3,556	(31)	-1%	10,668
Transfer and subsidies - Operational		177,339	190,883	190,883	1,459	77,844	63,628	14,217	22%	190,883
Interest		3,729	3,244	3,244	580	1,634	1,081	553	51%	3,244
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		31	–	(0)	–	–	–	–		(0)
Other Gains		8,538	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1,180,525**	**1,158,957**	**1,158,957**	**65,617**	**433,857**	**386,319**	**47,538**	**12%**	**1,158,957**
Expenditure By Type										
Employee related costs		361,931	447,813	447,813	29,259	117,591	149,270	(31,680)	-21%	447,813
Remuneration of councillors		13,700	15,140	15,140	1,216	5,330	5,047	283	6%	15,140
Bulk purchases - electricity		291,888	364,280	364,280	30,137	142,058	121,427	20,631	17%	364,280
Inventory consumed		91,082	94,345	94,425	4,804	27,368	31,475	(4,106)	-13%	94,425
Debt impairment		119,944	28,314	28,314	–	–	9,438	(9,438)	-100%	28,314
Depreciation and amortisation		124,787	109,663	109,663	9,139	36,554	36,554	0	0%	109,663
Interest		8,059	2,090	2,090	475	1,937	697	1,240	178%	2,090
Contracted services		87,336	104,476	106,963	7,842	19,293	36,206	(16,913)	-47%	106,963
Transfers and subsidies		709	924	924	–	100	308	(208)	-68%	924
Irrecoverable debts written off		87,459	7,305	7,305	–	1,941	2,435	(494)	-20%	7,305
Operational costs		76,926	93,964	94,584	6,718	25,930	31,330	(5,400)	-17%	94,584
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1,265,590**	**1,268,316**	**1,271,504**	**89,589**	**378,101**	**424,186**	**(46,085)**	**-11%**	**1,271,504**
Surplus/(Deficit)		**(85,065)**	**(109,359)**	**(112,547)**	**(23,973)**	**55,756**	**(37,867)**	**93,624**	**(0)**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)		96,374	75,561	78,561	8,370	14,362	26,187	(11,825)	**(0)**	78,561
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**			**(33,986)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**			**(33,986)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**			**(33,986)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**11,309**	**(33,798)**	**(33,986)**	**(15,603)**	**70,118**	**(11,680)**			**(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) – M04 October 2023

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		307	760	1,017	129	227	339	(112)	-33%	1,017
Vote 2 - FINANCIAL SERVICES		1,802	–	1,282	22	986	427	559	131%	1,282
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	3,000	1,507	1,507	1,000	507	51%	3,000
Vote 5 - INFRASTRUCTURE AND ENGINEERING		88,465	76,521	82,896	9,605	14,633	27,632	(12,999)	-47%	82,896
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	2,700	–	–	900	(900)	-100%	2,700
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**108,787**	**79,343**	**90,895**	**11,263**	**17,353**	**30,298**	**(12,945)**	**-43%**	**90,895**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		56	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	2,385	1,031	1,031	795	236	30%	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]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	93	–	2,385	1,031	1,031	795	**236**	**30%**	2,385
Total Capital Expenditure	3	**108,880**	**79,343**	**93,279**	**12,294**	**18,384**	**31,093**	**(12,709)**	**-41%**	**93,279**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**2,609**	**418**	**1,479**	**870**	610	70%	**2,609**
Executive and council		307	760	1,017	129	227	339	(112)	-33%	1,017
Finance and administration		11,106	–	1,592	289	1,252	531	722	136%	1,592
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**339**	**1,362**	**3,901**	**1,507**	**1,507**	**1,300**	207	16%	**3,901**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	900	–	–	300	(300)	-100%	900
Public safety		–	1,362	3,000	1,507	1,507	1,000	507	51%	3,000
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**12,305**	**3,115**	**6,020**	**4,102**	1,918	47%	**12,305**
Planning and development		(161)	3,157	5,557	1,512	2,991	1,852	1,139	61%	5,557
Road transport		13,241	3,339	6,748	1,603	3,029	2,249	780	35%	6,748
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**84,025**	**70,124**	**73,865**	**7,254**	**9,377**	**24,622**	(15,244)	-62%	**73,865**
Energy sources		(47,280)	19,652	16,167	1,806	1,806	5,389	(3,583)	-66%	16,167
Water management		119,118	26,087	26,180	2,014	2,033	8,727	(6,694)	-77%	26,180
Waste water management		3,400	24,385	31,518	3,434	5,538	10,506	(4,968)	-47%	31,518
Waste management		8,786	–	–	–	–	–	–		–
Other		–	600	600	–	–	200	(200)	-100%	600
Total Capital Expenditure - Functional Classification	3	**108,880**	**79,343**	**93,279**	**12,294**	**18,384**	**31,093**	**(12,709)**	**-41%**	**93,279**
Funded by:										
National Government		64,491	64,521	67,129	9,605	14,633	22,376	(7,743)	-35%	67,129
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	1,362	3,000	1,507	1,507	1,000	507	51%	3,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**64,491**	**65,883**	**70,130**	**11,112**	**16,140**	**23,376**	**(7,236)**	**-31%**	**70,130**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		35,603	13,460	23,150	1,182	2,243	7,717	(5,473)	-71%	23,150
Total Capital Funding	7	**108,880**	**79,343**	**93,279**	**12,294**	**18,384**	**31,093**	**(12,709)**	**-41%**	**93,279**

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 – M04 October 2023

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104,935	5,596	5,596	156,327	5,596
Trade and other receivables from exchange transactions		73,873	55,239	55,239	59,611	55,239
Receivables from non-exchange transactions		15,536	24,619	24,619	22,866	24,619
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,598	17,110	17,110	16,981	17,110
VAT		134,766	50,443	50,443	–	50,443
Other current assets		2,542	1,616	1,616	–	1,616
Total current assets		**350,251**	**154,622**	**154,622**	**255,784**	**154,622**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,041,062	2,039,424	2,039,424	2,023,072	2,039,424
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	410	422	410
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2,304,273**	**2,302,442**	**2,302,442**	**2,286,102**	**2,302,442**
TOTAL ASSETS		**2,654,524**	**2,457,064**	**2,457,064**	**2,541,887**	**2,457,064**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,342	9,484	9,484	8,239	9,484
Consumer deposits		29,060	23,673	23,673	30,086	23,673
Trade and other payables from exchange transactions		126,241	77,412	77,412	92,285	77,412
Trade and other payables from non-exchange transactions		28,994	–	–	–	–
Provision		53,931	43,689	43,689	53,931	43,689
VAT		91,862	–	–	–	–
Other current liabilities		–	–	–	–	–
Total current liabilities		**341,431**	**154,259**	**154,259**	**184,542**	**154,259**
Non current liabilities						
Financial liabilities		24,452	8,637	8,637	31,615	8,637
Provision		129,459	126,686	126,686	129,459	126,686
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92,032	119,711	119,711	–	119,711
Total non current liabilities		**245,943**	**255,035**	**255,035**	**161,074**	**255,035**
TOTAL LIABILITIES		**587,374**	**409,293**	**409,293**	**345,615**	**409,293**
NET ASSETS	2	**2,067,149**	**2,047,771**	**2,047,771**	**2,196,271**	**2,047,771**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,079,254	2,047,771	2,047,771	2,196,271	2,047,771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,079,254**	**2,047,771**	**2,047,771**	**2,196,271**	**2,047,771**

Explanatory notes to Table C6 – Budgeted Financial Position

i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.
For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.
Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M04 October 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	270,495	270,495	14,510	109,240	90,165	19,075	21%	270,495
Service charges		238,396	697,055	697,055	25,100	149,677	232,352	(82,674)	-36%	697,055
Other revenue		22,231	67,422	67,422	54,548	81,473	22,474	58,999	263%	67,422
Transfers and Subsidies - Operational		147,988	190,883	190,883	–	79,066	63,628	15,438	24%	190,883
Transfers and Subsidies - Capital		–	75,561	75,561	–	32,350	25,187	7,163	28%	75,561
Interest		841,486	4,598	4,598	4,600	16,584	1,533	15,051	982%	4,598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,219,527)	(93,785)	(391,927)	(406,509)	(14,582)	4%	(1,219,527)
Interest		–	–	–	(995)	(3,929)	–	3,929	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**86,487**	**86,487**	**3,978**	**72,533**	**28,829**	**(43,704)**	**-152%**	**86,487**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(71,169)	(79,343)	(79,343)	(14,138)	(21,141)	(26,448)	(5,306)	20%	(79,343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(79,343)**	**(14,138)**	**(21,141)**	**(26,448)**	**(5,306)**	**20%**	**(79,343)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(10,091)	(10,091)	–	–	(3,364)	(3,364)	100%	(10,091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(10,091)**	**–**	**–**	**(3,364)**	**(3,364)**	**100%**	**(10,091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(2,947)**	**(2,947)**	**(10,161)**	**51,392**	**(982)**			**(2,947)**
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	5,596	5,596		156,327	7,560			101,988

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

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

ANALYSIS OF THE MUNICIPALITY’S STATEMENT OF FINANCIAL POSITION

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

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

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

Debtors’ Age Analysis (Inclusive of VAT) as at 31 October 2023

Description	Budget Year 2023/24								
R thousands	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	54,895	6,656	4,272	3,451	4,456	5,643	22,120	71,527	173,020
Trade and Other Receivables from Exchange Transactions - Electricity	26,120	2,411	1,102	788	594	524	2,413	12,109	46,061
Receivables from Non-exchange Transactions - Property Rates	20,812	13,768	1,569	1,486	883	866	3,565	26,956	69,904
Receivables from Exchange Transactions - Waste Water Management	8,791	2,008	1,454	1,397	1,415	1,315	6,483	32,267	55,130
Receivables from Exchange Transactions - Waste Management	6,479	1,425	1,343	1,226	1,193	1,165	6,638	42,973	62,442
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,185	386	313	329	417	545	3,454	53,249	59,878
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(26,915)	989	513	343	324	318	2,011	17,165	(5,252)
Total By Income Source	**91,367**	**27,643**	**10,565**	**9,020**	**9,283**	**10,375**	**46,684**	**256,246**	**461,183**
Debtors Age Analysis By Customer Group									
Organs of State	2,843	2,412	540	412	194	161	676	5,603	12,842
Commercial	8,850	823	375	427	223	219	1,055	5,958	17,931
Households	79,672	24,407	9,649	8,179	8,866	9,994	44,948	244,685	430,399
Other	2	1	1	1	1	1	4	0	11
Total By Customer Group	**91,367**	**27,643**	**10,565**	**9,020**	**9,283**	**10,375**	**46,684**	**256,246**	**461,183**

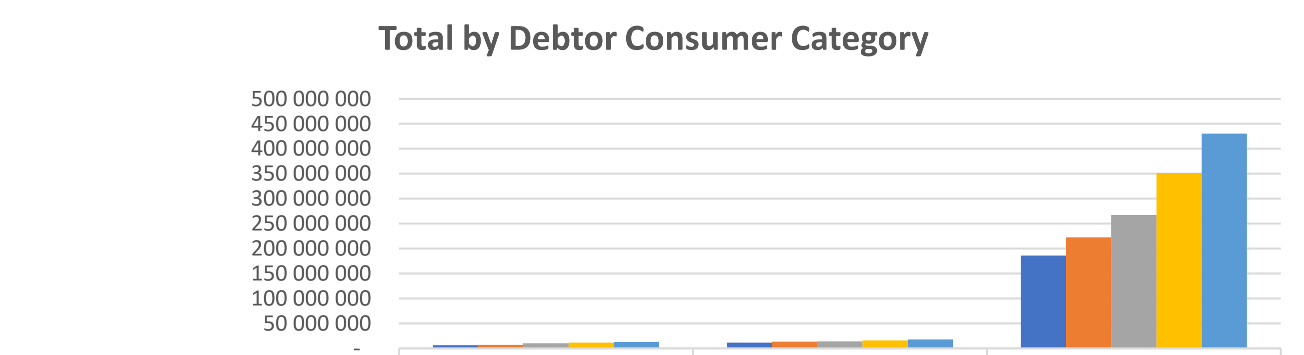
Debtors’ Age Analysis (Inclusive of VAT) as at 30 June 2023

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

The aforementioned analysis indicates that from 30 June 2022 to 31 October 2023, the overdue debts have increased by R 12,638 million from R 336,122 million to R 348,760million, as follows:

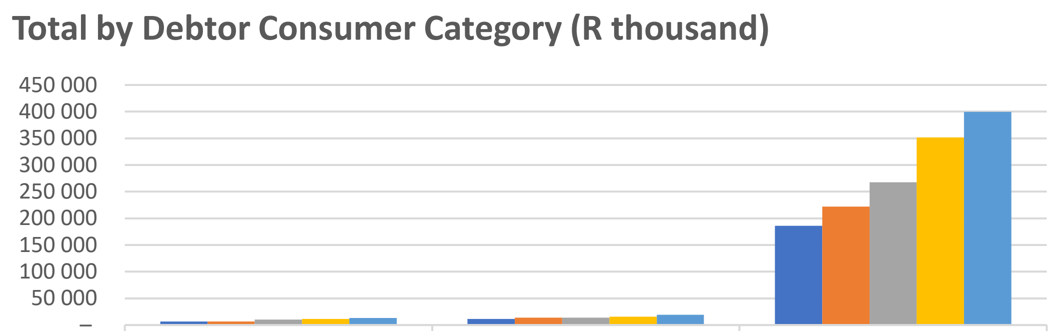
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-Oct-23**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	118,125	9,902
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	19,941	462
Receivables from Non-exchange Transactions - Property Rates	40,157	49,091	8,935
Receivables from Exchange Transactions - Waste Water Management	43,229	46,340	3,110
Receivables from Exchange Transactions - Waste Management	53,040	55,963	2,923
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	58,693	7,366
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,663	994
Total By Income Source	**336,122**	**369,815**	**33,694**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	9,999	(366)
Commercial	8,845	9,081	236
Households	316,912	350,727	33,815
Other	–	9	9
Total By Customer Group	**336,122**	**369,815**	**33,694**

Graphical Analysis of consumer debtors



	Organs of State	Commercial	Households
Budget Year 2019/20	6 386 577	11 420 048	186 107 087
Budget Year 2020/21	6 936 641	13 633 928	222 320 049
Budget Year 2021/22	10 058 005	14 079 074	267 455 732
Budget Year 2022/23	11295968,77	15936031,43	351468068,7
Budget Year 2023/24	12841503,15	17930846,39	430399096

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



	Organs of State	Commercial	Households
Budget Year 2019/20	6 387	11 420	186 107
Budget Year 2020/21	6 937	13 634	222 320
Budget Year 2021/22	10 058	14 079	267 456
Budget Year 2022/23	11 296	15 936	351 468
Budget Year 2023/24	13 327	19 169	399 900

2. Overview of Creditors position

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

Description	Budget Year 2023/24								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	34,478	(210)	(1)	24	(60)	–	–	–	**34,232**
Bulk Water	616	78	13	219	10	12	114	(1,541)	**(478)**
PAYE deductions	4,968								**4,968**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	3,741	465	7	1	(0)	–	–	1,748	**5,962**
Auditor General									**–**
Other									**–**
Total By Customer Type	**43,803**	**333**	**20**	**243**	**(50)**	**12**	**114**	**208**	**44,683**

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

Eskom	R 34,232 million
NMBM	R - 0,478 million
SARS: PAYE	R 4,968 million
Other Creditors	R 5,962 million
Total	**R 44,683 million**

It is to be noted that the Eskom amount of R 34,478 million, represents the current account for October 2023, which will be fully paid on 23 November 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M04 October 2023.

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

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	186,552	186,552	–	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	–	3,542
Environmental health subsidy	2,888	2,888	–	–	–	-	2,888
Skills Development subsidy	654	654		113	113		654
Total Operating Transfers and Grants	192,144	192,144	–	78,308	78,308	–	192,144
Capital Transfers and Grants							
National Government:	76,067	76,067	9,000	32,350	32,350	–	76,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	–	1,000	1,000		4,000
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	18,000	18,000	-	30,000
District Municipality:	1,362	3,000	–	–	3,000	–	3,000
Fire Services Subsidy	1,362	3,000	–	–	3,000	-	3,000
Total Capital Transfers and Grants	77,429	79,067	9,000	32,350	35,350	–	79,067
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	271,211	9,000	110,658	113,659	–	271,211

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M04 October 2023.

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	186,552	186,552	313	76,699	77,226	528	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	133	405	819	414	51%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	43	531	573	42	7%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	137	551	623	72	12%	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	3,106	2,992	–	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888		0%	2,888
Skills Development subsidy	654	654	–	113	218			654
Total operating expenditure of Transfers and Grants:	192,144	192,144	313	76,812	82,382	5,570	169%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	79,067	8,370	14,093	25,456	–	–	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	279	438	1,000			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	1,198	1,198	1,000		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	6,893	12,435	12,456	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	–	22	10,000	–	0%	30,000
District Municipality:	1,362	3,000	1,507	1,507	1,000	–	–	3,000
Fire Services Subsidy	1,362	3,000	1,507	1,507	1,000	–	0%	3,000
Total capital expenditure of Transfers and Grants	80,429	82,067	9,877	15,600	26,456	–	0%	82,067
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	274,211	10,189	92,412	108,838	5,570	5%	274,211

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 531,488
Unspent as at 31 October 2023:	R 1,188,512

The spending of the grant amounted to 30.90% as at 31 October 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 405,341
Unspent as at 31 October 2023:	R 208,659

The spending of the grant amounted to 66.02% as at 31 October 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 12,985,512
Unspent as at 31 October 2023:	R 14,488

The spending of the grant amounted to 99.89% as at 31 October 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
2022/23 approved rollover	R 2,894,953
Current Year Receipts:	R 1,000,000
Total Receipts:	**R 3,894,953**
Expenditure to date:	R 1,198,256
Unspent as at 31 October 2023:	R 2,696,697

The spending of the grant amounted to 30.76% as at 31 October 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 18,000,000
Expenditure to date:	R 21,879
Unspent as at 31 October 2023:	R 17,978,121

The spending of the grant amounted to 0.12% as at 31 October 2023, compared to the amount of the grant received.

Energy Efficiency and Demand Side Management Grant

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

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

The spending of the grant amounted to 0% as at 31 October 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 437,624
Unspent as at 31 October 2023:	R 2,562,376

The spending of the grant amounted to 14.59% as at 31 October 2023, compared to the amount of the grant received.

Other Conditional Grants

Unspent conditional grants include the following:

Conditional Grant	Amount Received	Amount Spent	Unspent Amount
DEAT	5,000,000	2,887,695	2,112,305
Human Settlement	25,689,286	5,848,553	19,840,733
Total	**30,689,286**	**8,736,248**	**21,953,038**

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M04 October 2023.

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,305	10,101	10,101	817	3,554	3,367	187	6%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	10	40	–	40	#DIV/0!	–
Motor Vehicle Allowance		3,066	3,407	3,407	272	1,186	1,136	50	4%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	549	544	5	1%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,216**	**5,330**	**5,047**	**283**	**6%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	9,445	936	2,081	3,148	(1,067)	-34%	7,675
Pension and UIF Contributions		61	117	117	5	22	39	(17)	-45%	117
Medical Aid Contributions		31	52	52	3	11	17	(7)	-40%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	–	509	(509)	-100%	1,528
Motor Vehicle Allowance		490	2,072	2,072	67	172	690	(518)	-75%	2,072
Cellphone Allowance		10	10	10	1	3	3	(0)	-5%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	2	(1)	-88%	5
Payments in lieu of leave		4,195	4,743	4,743	210	1,301	1,581	(280)	-18%	4,743
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**10,211**	**16,202**	**17,972**	**1,222**	**3,590**	**5,991**	**(2,400)**	**-40%**	**16,202**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	273,714	18,586	76,288	91,238	(14,950)	-16%	275,654
Pension and UIF Contributions		33,322	36,936	36,786	2,951	11,843	12,262	(419)	-3%	36,936
Medical Aid Contributions		17,746	18,588	18,588	1,423	6,012	6,196	(184)	-3%	18,588
Overtime		27,987	29,013	29,013	2,407	8,887	9,671	(784)	-8%	29,013
Performance Bonus		23	25	25	–	–	8	(8)	-100%	25
Motor Vehicle Allowance		10,408	11,356	11,446	931	3,715	3,815	(101)	-3%	11,446
Cellphone Allowance		21	56	56	1	5	19	(14)	-73%	56
Housing Allowances		722	1,234	1,234	59	264	411	(147)	-36%	1,234
Other benefits and allowances		32,223	34,740	35,060	1,510	6,352	11,687	(5,335)	-46%	34,740
Post-retirement benefit obligations	2	12,987	20,887	20,887	–	–	6,962	(6,962)	-100%	20,887
Sub Total - Other Staff of Entities		**351,720**	**431,612**	**429,841**	**28,037**	**114,001**	**143,280**	**(29,279)**	**-20%**	**431,612**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**375,631**	**462,953**	**462,953**	**30,475**	**122,920**	**154,317**	**(31,396)**	**-20%**	**462,953**
TOTAL MANAGERS AND STAFF		**361,931**	**447,813**	**447,813**	**29,259**	**117,591**	**149,270**	**(31,680)**	**-21%**	**447,813**

5. Key performance indicators

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

Borrowing Management		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 31 October 2022	Approved Budget 2023/24	Actuals as at 31 October 2023
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	0.67%	1.39%	0%	1.00%	0.55%
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%
Liquidity							
Current Ratio	Current assets / current liabilities	2.61	1.12	1.17	1.27	1:1	1.39:1
Liquidity Ratio	Monetary assets / current liabilities	0.45	0.24	0.65	0.61	0.04:1	0.85:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	84%	95%	77.83%

Other indicators		**Actuals as at 30 June 2021**	**Actuals as at 30 June 2022**	**Actuals as at 30 June 2023**	**Actuals as at 31 October 2022**	**Approved Budget 2023/24**	**Actuals as at 31 October 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	0.62 Months	0.06 Months	1.15 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.26%	33.86%	34.11%	31.50%	35.31%	31.10%
Capital Expenditure	Capital Expenditure / Capital Budget	76.92%	87%	80.10%	28.07%	83.04%	19.71%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	7.00%	5.32%	4.54%	2.99%	4.79%	3.15%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2.52%	2.25%	0.50%	2.80%	0.59%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.11%	83.67%	85.18%	83.10%	83.16%	64.94%

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 0.55% as at 31 October 2023, compared to the approved budget ratio of 1.00%.

Borrowed funding of capital expenditure.

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2023/24 Operating Budget.

5.1.2. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 October 2023, the ratio indicates 0%, compared to the approved budget of 0%.

5.1.3. Current ratio

The Ratio assesses the Municipality’s ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

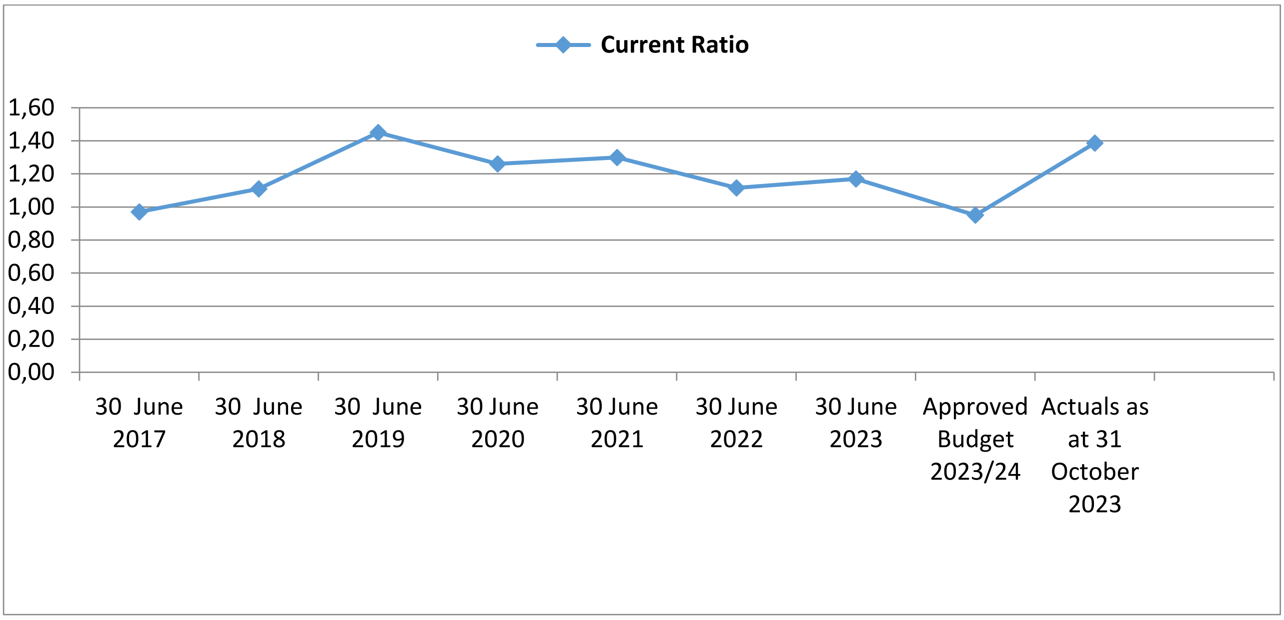
Current assets/Current liabilities

The ratio as at 31 October 2023 was 1.39:1, compared to the approved budget ratio of 1:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



5.1.4. Liquidity Ratio

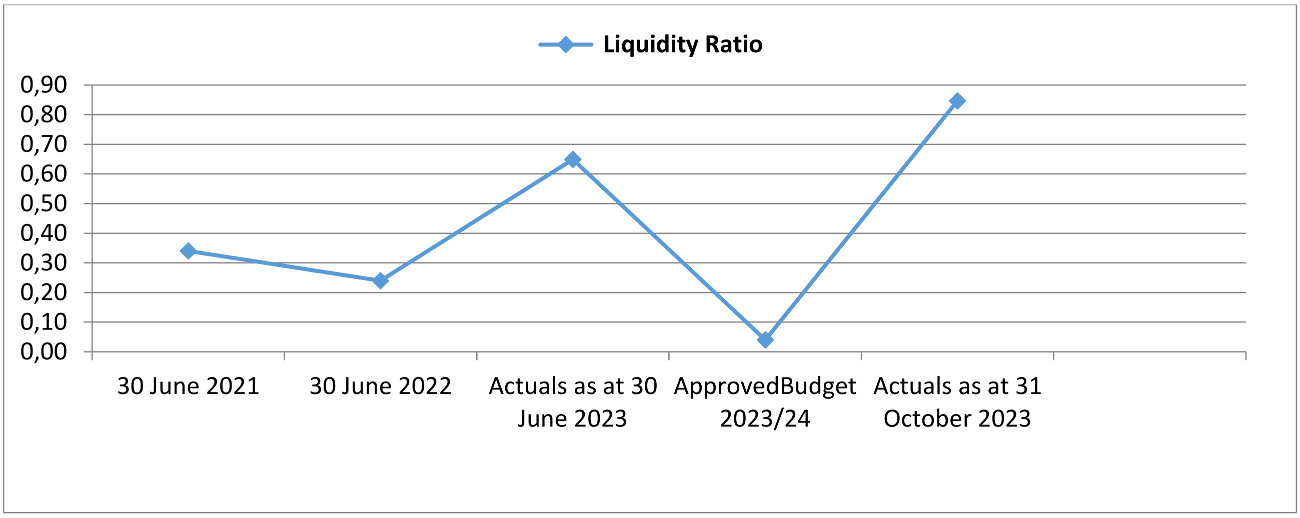
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 October 2023 was 0.85:1, compared to the approved budget ratio of 0.04:1.

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



5.2. Revenue Management

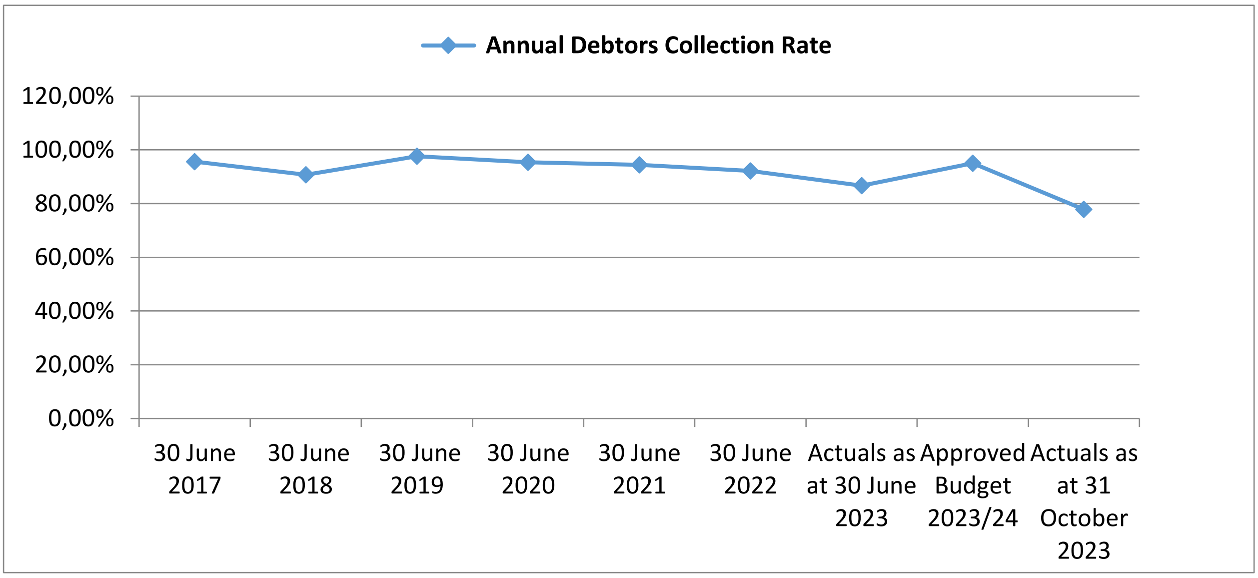
5.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 31 October 2023 was 77.83%, compared to the approved budget collection rate of 95%. The actual collection rate for October is 77.20%.



5.3. Other indicators

5.3.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

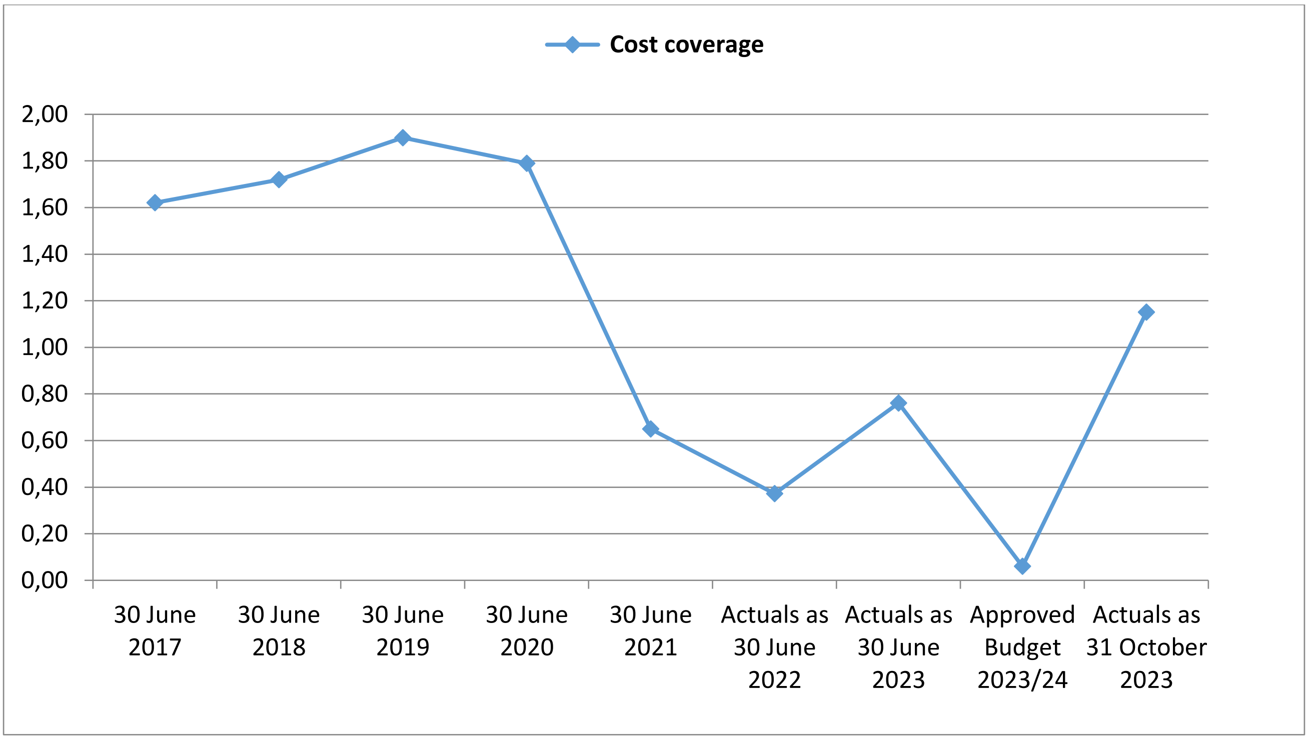
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 October 2023, the Ratio was 1.15 months, compared to the approved budget ratio of 0.06 months.

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



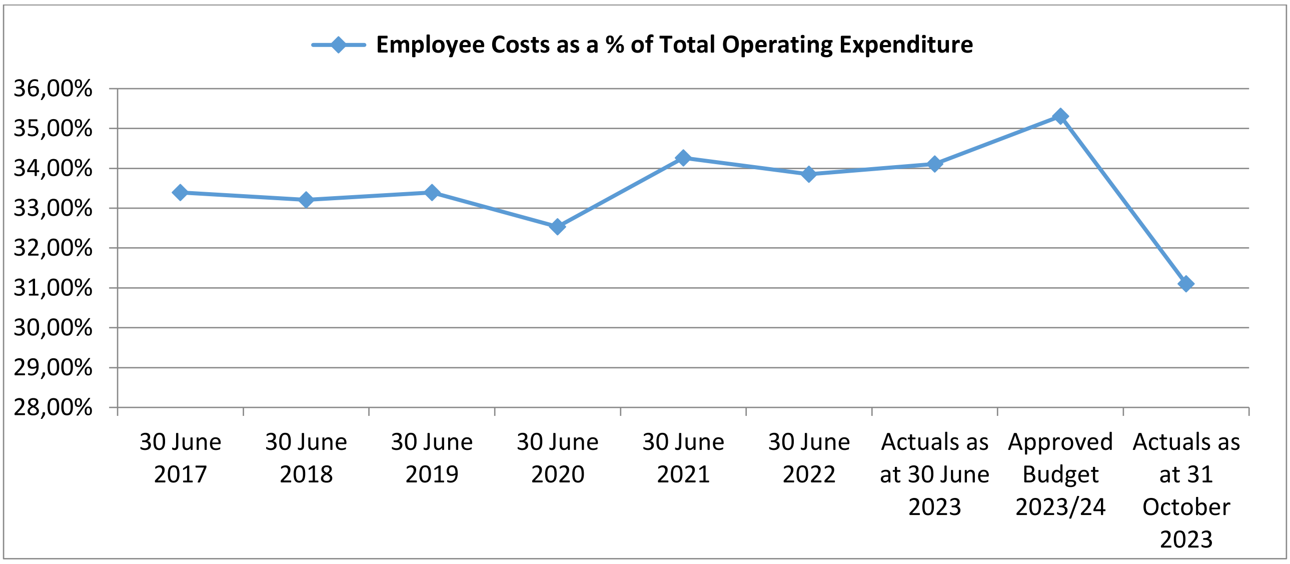
5.3.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 October 2023, Employee Related Costs constituted 31.10% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



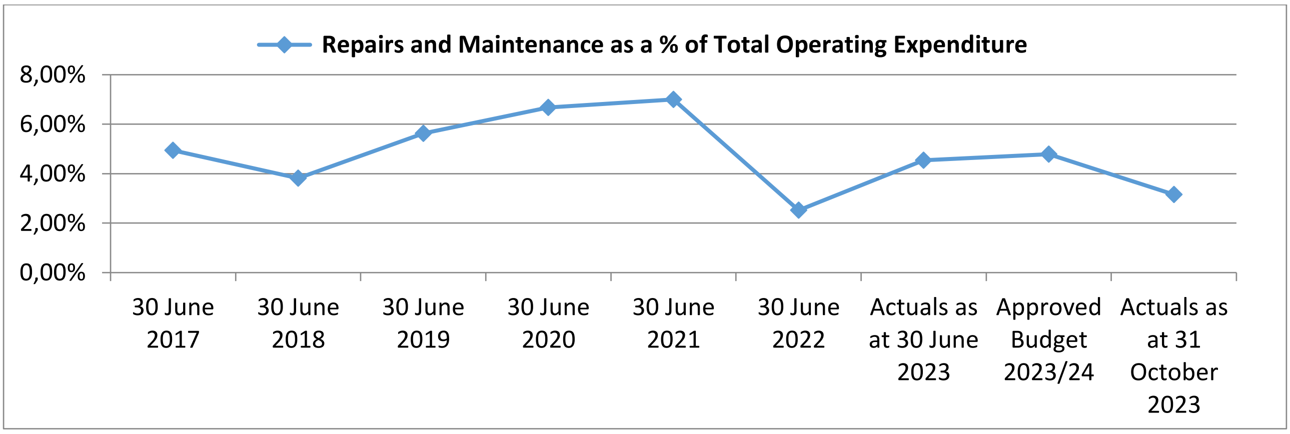
5.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 31 October 2023, the ratio was 3.15%, compared to the approved budget ratio of 4.79%.



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

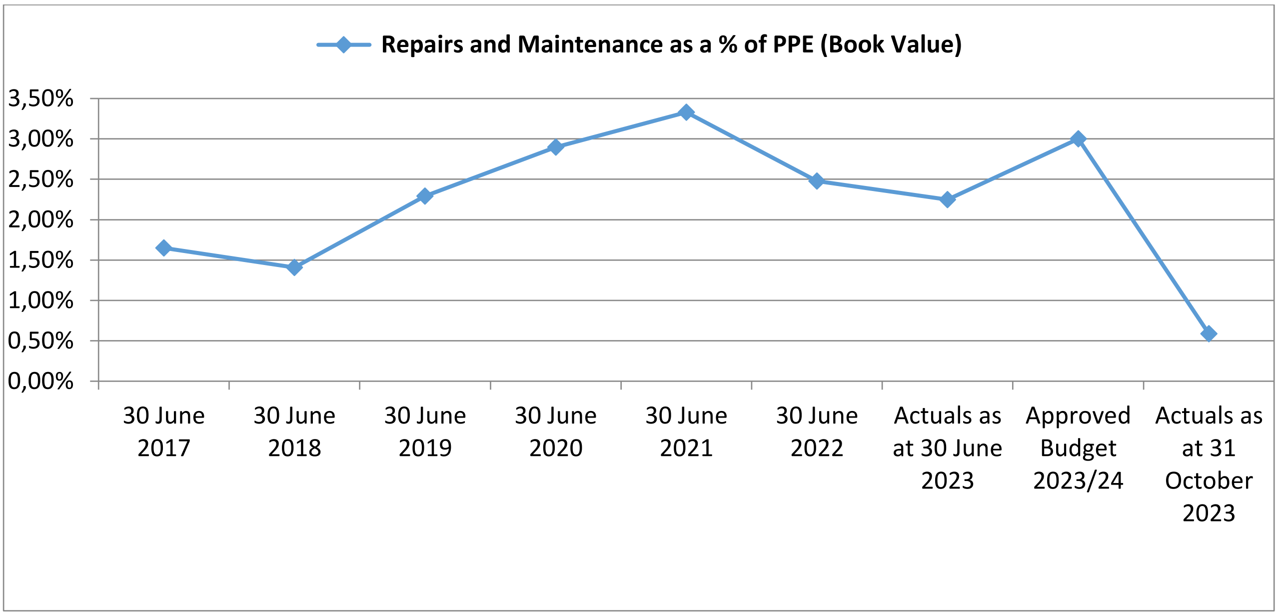
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 October 2023, repairs and maintenance expenditure constituted 0.59% of the book value of PPE, compared to the approved budget ratio of 3.00%.

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



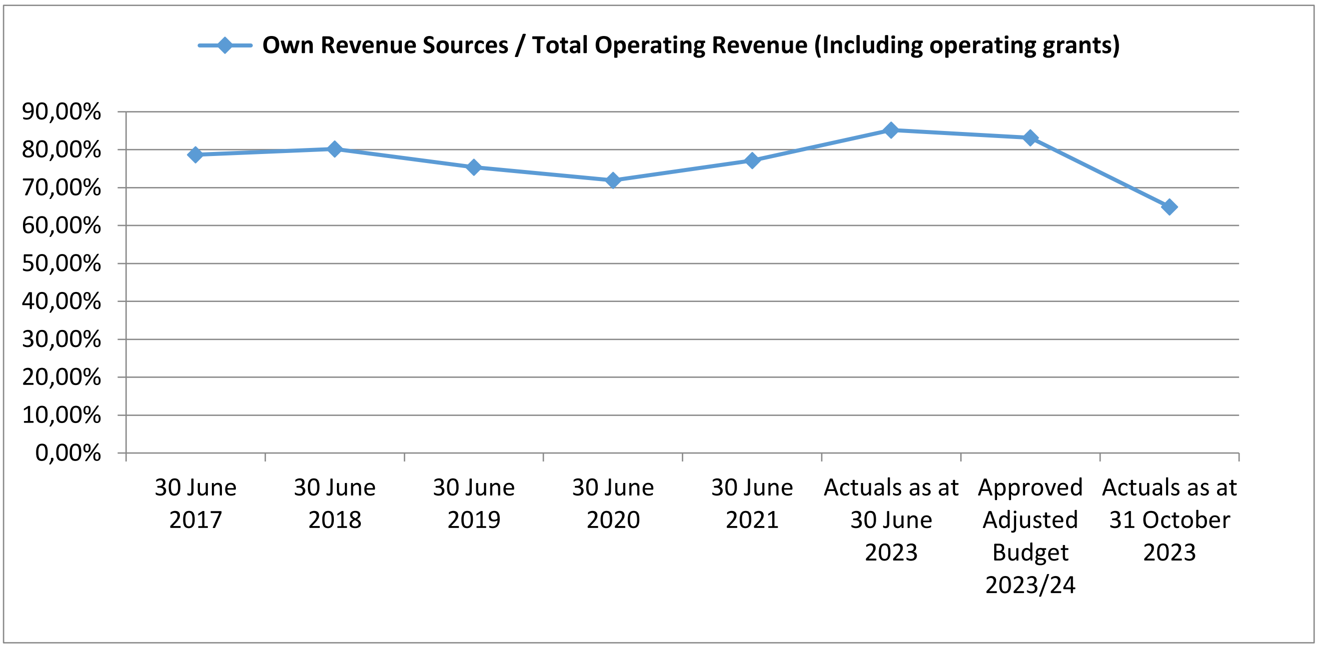
Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 31 October 2023, the Municipality's own revenue sources constituted 64.94% of its total Operating Income, compared to the approved budget ratio of 83.16%.



5.3.5. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 October 2023 amounted to 19.71% compared to the approved budget ratio of 95%.