KOUGA LOCAL MUNICIPALITY (EC108)

PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2023 TO NOVEMBER 2023 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 NOVEMBER 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, considering 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 November 2023, 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 507,695 million, whilst operating expenditure amounted to R 484,307 million, resulting in an operating surplus of R 23,388 million.
- Capital expenditure constituted 24.69% of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 53,202 million (15.83%) since June 2023.
- An amount of R 42,081 million is owing to creditors, 98.13% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 32,975,329 (31.42%) since June 2023, from R 104,934,592 to R 137,909,921.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 November 2023
Standard Bank	17,575,390	-	578,427	-		18,153,816
ABSA	17,594,065	-	665,437	-	1,375	18,258,127
Nedbank	17,580,745	-	605,088	-		18,185,833
RMB	13,004,007	76,751,678	1,341,533	72,431,524		18,665,695
INVESTEC	17,580,053	-	605,064	-		18,185,117
Total	**83,334,260**	**76,751,678**	**3,795,550**	**72,431,524**	**1,375**	**91,448,589**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 November 2023**
General Account	54,340,431	31,660,678	1,968,114	49,158,745	1,375	38,809,103
Conditional Grants	9,153,096	45,091,000	1,147,841	23,272,779	-	32,119,159
Housing Funds	19,840,733	-	679,594	-	-	20,520,327
Total	**83,334,260**	**76,751,678**	**3,795,550**	**72,431,524**	**1,375**	**91,448,589**
Cheque Accounts FNB 52540020791	15,413,743			11,774,634		3,639,109
Cheque Accounts FNB 52540033304	3,874,471	35,194,679				39,069,150
Cheque Accounts FNB 62682103591	780	536				1,316
Cheque Accounts FNB 63022194441	2,311,338	1,440,419				3,751,757
	21,600,332	**36,635,635**	**-**	**11,774,634**	**-**	**46,461,332**
Total	**104,934,592**	**113,387,313**	**3,795,550**	**84,206,158**	**1,375**	**137,909,921**

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

Cash backed Reserves.

Bank Balances and Cash	R 46,461,332
Short-term Investment Deposits	R 91,448,589
	R 137,909,921

Application of Cash

Unspent Conditional Grants	R 53,139,648
Operational Commitments	R 15,922,612
Internally Generated Funds (Capital commitments)	R 9,618,207
Outstanding Creditors Liability	R 42,602,613
	R 121,283,080
Cash Reserves in excess of commitments:	**R 16,626,841**

The cash backed reserves exceed commitments at this stage by an amount of R 16,627 million. It should be noted that the excess of reserves over commitments as at 30 November 2023, is mainly due to an amount of R75,211 million in respect of the equitable share allocation received on 05 July 2023, but not yet fully spent. These funds are already committed towards spending in the 2023/24 operating budget.

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

Ratio	Actuals as at 30 June 2022	Actuals as at 30 June 2023	MFMA Circular 71 Norms	Actuals as at 30 November 2022	Approved Budget 2023/24	Actuals as at 30 November 2023
Current Ratio	1.12:1	1.17:1	1.5:1 to 2:1	0.99:1	0.95:1	1.31:1
Liquidity Ratio	0.24:1	0.65:1		0.38:1	0.04:1	0.74:1
Cost Coverage (Excluding unspent conditional grants)	0:37 Months	0.70 Months	1 Month to 3 Months	0.45 Months	0.06 Months	0.90 Months
Debtors Collection Rate	94.32%	86.71%	95%	87.89%	95%	80.24%
Capital Expenditure	87.00%	80.10%		27.79%	95%	24.69%

4. **Detailed Reports**

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 30 November 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 December 2023…….

Annexure "A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY 2023 TO NOVEMBER 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	73 838	507 695	482 899	24 797
Total Expenditure	1 268 316	1 271 504	106 206	484 307	529 738	(45 431)
Surplus/(Deficit)	(109 359)	(112 547)	(32 368)	23 388	(46 839)	70 227

The statement of financial performance reflects an operating surplus of R 23,388 million at this stage.

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**	**266,972**	**40.31%**
Service charges - Electricity	390,731	135,657	34.72%
Service charges - Water	101,425	50,876	50.16%
Service charges - Waste Water Management	63,314	26,778	42.29%
Service charges - Waste management	66,396	27,826	41.91%
Sale of Goods and Rendering of Services	7,790	2,872	36.87%
Agency services	1,000	1,782	178.19%
Interest earned from Receivables	18,595	12,560	67.55%
Interest earned from Current and Non Current Assets	4,598	6,115	133.00%
Rental from Fixed Assets	3,295	1,065	32.33%
Licence and permits	3,021	1,115	36.92%
Operational Revenue	2,174	325	14.93%
Non-Exchange Revenue	**496,618**	**240,723**	**48.47%**
Property rates	281,488	149,054	52.95%
Fines, penalties and forfeits	10,334	4,942	47.82%
Licence and permits	10,668	4,606	43.17%
Transfer and subsidies - Operational	190,883	79,945	41.88%
Interest	3,244	2,176	67.08%
Total Revenue (excluding capital transfers and contributions)	**1,158,957**	**507,695**	**43.81%**

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

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

- **Property Rates**
  As at 30 November 2023, the municipality has recognised 52.95% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2023.

- **Interest earned – external investments.**
  The interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R137,909 million. The investment amount of R137,909 million includes call accounts amounting to R 53,140 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.

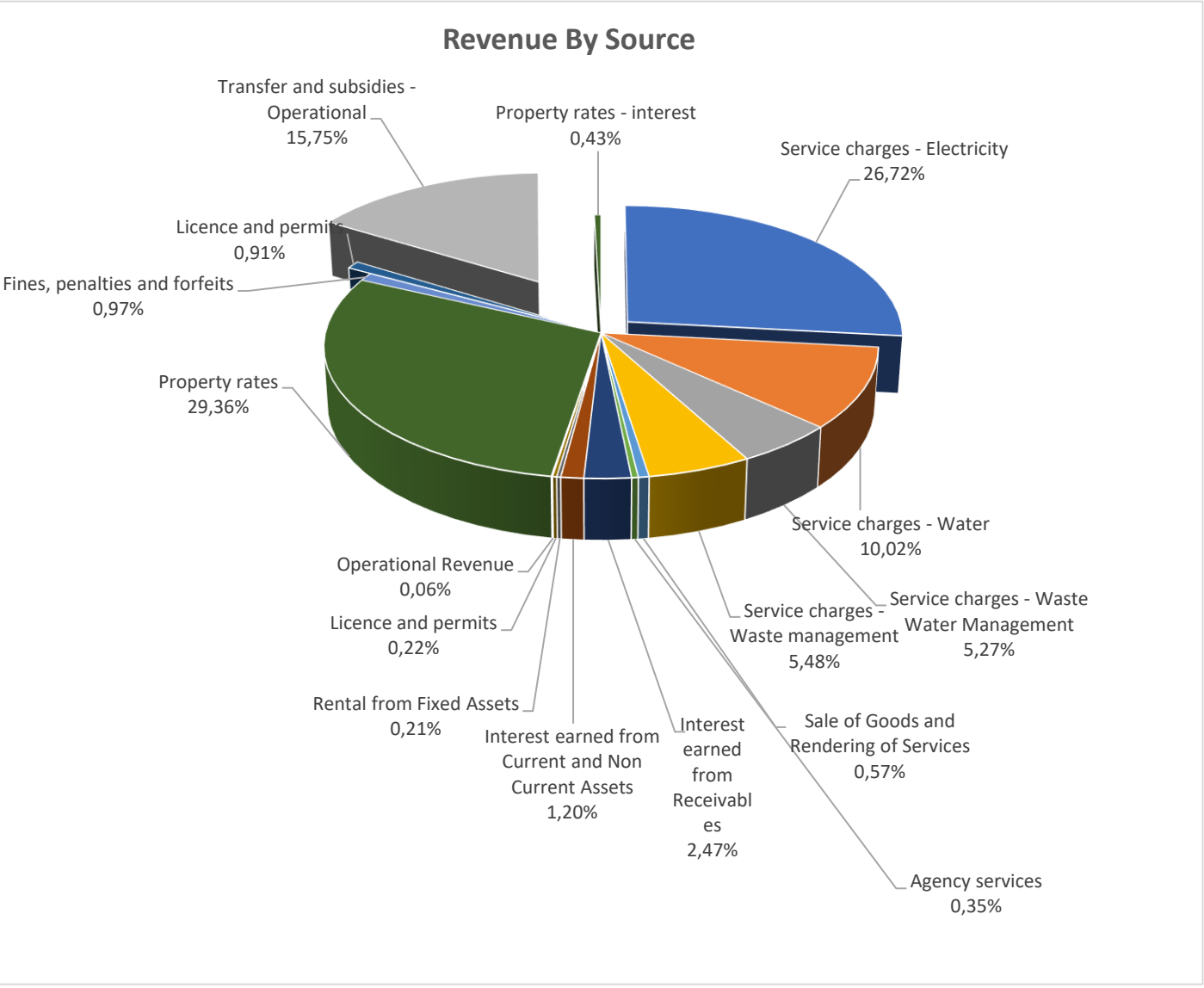
  The revenue recognised is significantly higher than anticipated, compared to the budget. The budgeted amount will be accordingly revised during the 2023/24 adjustments budget period.

- **Interest earned from Receivables.**
  Interest earned from receivables is mainly influenced by the municipality's overdue consumer debts, which amounts to R 389,324 million.

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

- **Operational revenue**
  Other revenue is largely influenced by the insurance refunds of R 1 million and skills development levy refunds amounting to R 0,654 million which are not yet materialised.

- **Non-Exchange Revenue – Interest**
  the non-exchange interest relates to the interest earned from outstanding property rates' debtors.



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	163,254	36.46%
Remuneration of councillors	15,140	6,546	43.24%
Bulk purchases - electricity	364,280	163,349	44.84%
Inventory consumed	95,475	36,581	38.31%
Debt impairment	28,314	–	0.00%
Depreciation and amortisation	109,663	45,693	41.67%
Interest	2,090	2,400	114.84%
Contracted services	106,564	31,037	29.13%
Transfers and subsidies	924	100	10.82%
Irrecoverable debts written off	7,305	1,941	26.57%
Operational costs	93,934	33,406	35.56%
Total Expenditure	**1,271,504**	**484,307**	**38.09%**

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.

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

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

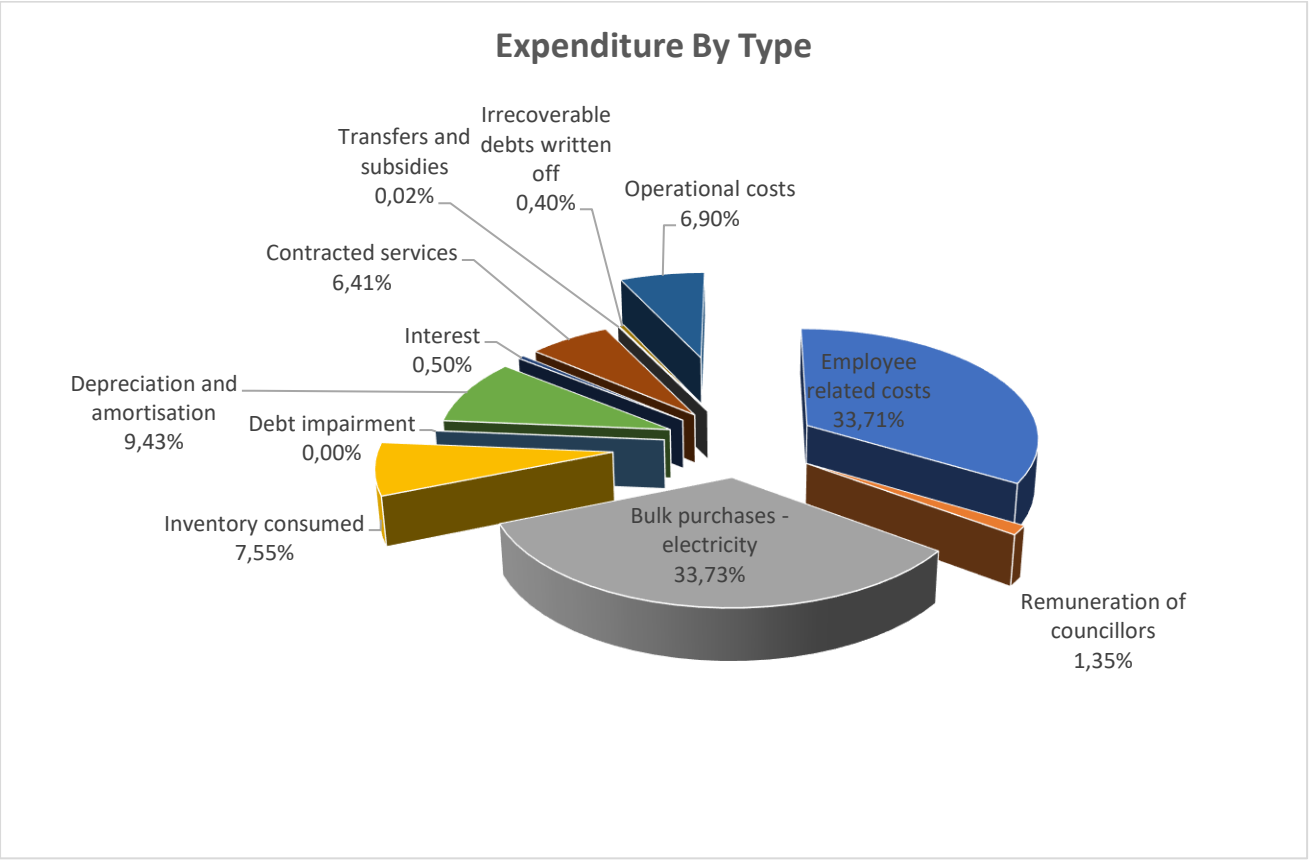
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 30 November 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	423,475	27.26%
Clearing and Grass Cutting Services	1,546,576	311,182	20.12%
Conducting of feasibility studies (EIA)	300,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	90,921	15.45%
Consultants and Professional Services	5,901,174	966,779	16.38%
Destination Marketing and Promotion	500,000	26,637	5.33%
Drivers Licence Cards	598,675	203,978	34.07%
Dune Stabilisation	1,100,000	736,122	66.92%
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	45,385	45.38%
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	448,736	18.92%
Land Valuations, Surveyor & Planning Service	150,000	27,940	18.63%
Legal Advice and Litigation	6,040,000	1,108,742	18.36%
Legal Cost:Collection	856,000	472,216	55.17%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	5,420,077	1,310,713	24.18%
Maintenance of Electrical Infrastructure	5,300,000	1,701,189	32.10%
Maintenance of Equipment	941,373	181,120	19.24%
Maintenance of Sanitation Infrastructure	7,228,636	807,325	11.17%
Maintenance of Vehicles	8,962,661	2,142,356	23.90%
Maintenance of Water Infrastructure	868,316	201,842	23.25%
Media Monitoring	200,000	8,695	4.35%
Occupational Health and Safety	1,018,653	203,183	19.95%
Other Contracted Services	2,288,734	1,426,112	62.31%
Payroll data cleansing	500,000	94,689	18.94%
Personnel and Labour	15,039,207	3,876,071	25.77%
PM: Special Projects	36,360	-	0.00%
Private Plots_Alien Vegetation Control	380,550	108,550	28.52%
Qualification Verification	350,000	273,480	78.14%
Restricted Water Flow	588,300	1,295	0.22%
Revision of SDF	650,000	-	0.00%
Roads Maintenance	9,460,504	3,861,715	40.82%
Security Services	3,363,152	2,177,097	64.73%
Special Rating Area	12,072,328	4,835,232	40.05%
Summer Festival	500,000	191,323	38.26%
Township Events	300,000	-	0.00%
Transport Services	398,000	11,500	2.89%
Valuer	1,000,000	970,405	97.04%
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%
	106,563,519	**31,037,244**	**29.13%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 30 November 2023	%
Achievements and Awards	1,200,000	513,194	42.77%
Advertising, Publicity and Marketing	4,129,927	818,528	19.82%
Bank Charges	1,150,000	527,157	45.84%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	866,315	29.91%
Claims paid to Third Parties	200,000	103,556	51.78%
External Audit Fees	4,500,000	2,482,131	55.16%
External Computer Service:Internet Charge	4,000,000	1,819,837	45.50%
Hire Charges	12,612,560	2,621,873	20.79%
Insurance Claims	1,200,000	66,875	5.57%
Insurance Underwriting:Premiums	4,199,701	3,908,651	93.07%
Leases:Furniture and Office Equipment	3,128,689	1,616,327	51.66%
Leases:Other Assets	3,963,740	1,987,162	50.13%
Licences:Licence Agency Fees	19,956	-	0.00%
Motor Vehicle Licence and Registrations	1,596,047	466,758	29.24%
Other	1,131,064	155,642	13.76%
Postage/Stamps/Franking Machines	1,824,405	776,016	42.54%
Printing, Publications and Books	10,000	-	0.00%
Registration Fees:Professional and Regulatory Bodies	277,044	46,639	16.83%
Registration Fees:Seminars, Conferences, Workshops	1,917,108	1,032,916	53.88%
Remuneration to Ward Committees	2,700,000	877,200	32.49%
Riparian Levies	7,465,557	3,702,508	49.59%
SAMRO Licence	150,000	-	0.00%
Signage	938,459	182,140	19.41%
Skills Development Fund Levy	3,964,204	1,622,006	40.92%
Software Licences	8,398,331	2,686,973	31.99%
Storage of Files (Archiving)	200,000	14,614	7.31%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	5,340,000	1,141,788	21.38%
Travel and Subsistence	3,651,937	902,176	24.70%
Uniform and Protective Clothing	3,635,528	1,164,917	32.04%
Vehicle Tracking	942,637	376,410	39.93%
Workmen's Compensation Fund	2,158,836	925,216	42.86%
	93,934,321	**33,405,525**	**35.56%**



1.4 Repairs and Maintenance

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

Item Description	Budget Year 2023/24		
	Adjusted Budget 2023/24	Actuals as at 30 November 2023	%
Maintenance of Equipment	1,275,632	496,138	38.89%
Maintenance of Vehicles	10,855,627	3,333,810	30.71%
Maintenance of Buildings and Facilities	5,641,728	1,918,180	34.00%
Maintenance of Water Infrastructure	4,926,394	1,938,301	39.35%
Roads Maintenance	14,206,398	6,074,526	42.76%
Sport and Recreation Facilities	349,227	161,496	46.24%
Maintenance of Electrical Infrastructure	10,577,250	3,965,873	37.49%
Maintenance of Sanitation Infrastructure	8,446,061	1,161,288	13.75%
Hire Charges	4,307,775	81,266	1.89%
Total	**60,586,092**	**19,130,879**	**31.58%**

It is to be noted that actual repairs and maintenance expenditure constituted 31.58% 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	135,657	34.72%
Interest earned from Receivables	1,451	819	56.41%
Transfers and subsidies - Operational	7,490	_	0.00%
Total Revenue	**399,672**	**136,476**	**34.15%**
Expenditure By Type			
Employee related costs	16,177	7,349	45.43%
Bulk purchases - electricity	364,280	163,349	44.84%
Inventory consumed	7,353	3,363	45.73%
Debt impairment	14,170	–	0.00%
Depreciation and amortisation	6,944	3,450	49.69%
Contracted services	8,360	2,039	24.40%
Irrecoverable debts written off	929	112	12.05%
Operational costs	5,806	982	16.92%
Total Expenditure	**424,020**	**180,645**	**42.60%**
Surplus/(Deficit)	**(24,347)**	**(44,170)**	

1.5.1.1 Revenue

- The electricity revenue reflects 34.72% of budget as at 30 November 2023, and this is slightly lower than the projected budget ratio of 41.67% as at 30 November 2023.

1.5.1.2 Expenditure

- the bulk electricity reflects 44.84% of budget expenditure as at 30 November 2023, and this is slightly higher than the projected ratio of 41.67%.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 44,170 million as at 30 November 2023 and the deficit amount equates to 32.36%, compared to the revenue. This is influenced by the transfers and subsidies operating not yet recognised. The budgeted deficit for the 2023/24 amount to R 24,347 million and equates to 6.09%, 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	50,876	50.16%
Interest earned from Receivables	7,735	6,036	78.04%
Transfers and subsidies - Operational	22,140	_	0.00%
Total Revenue	**131,300**	**56,913**	**43.35%**
Expenditure By Type			
Employee related costs	27,733	10,551	38.04%
Inventory consumed	47,034	16,943	36.02%
Debt impairment	2,026	_	0.00%
Depreciation and amortisation	16,097	6,250	38.83%
Contracted services	3,745	855	22.83%
Irrecoverable debts written off	2,186	757	34.61%
Operational costs	5,072	816	16.08%
Total Expenditure	**103,892**	**36,171**	**34.82%**
Surplus/(Deficit)	**27,408**	**20,741**	

1.5.2.1 Revenue

- The water revenue reflects 50.16% of budget as at 30 November 2023, and this is slightly higher than the projected budget ratio of 41.67% as at 30 November 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 13,355 million (33.77% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 20,741 million as at 30 November 2023 and equates to 36.44% of total revenue.

1.5.3 Wastewater Management

	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	63,314	26,778	42.29%
Interest earned from Receivables	3,513	2,220	63.19%
Transfers and subsidies - Operational	11,386	_	0.00%
Total Revenue	**78,213**	**28,998**	**37.08%**
Expenditure By Type			
Employee related costs	24,642	11,316	45.92%
Inventory consumed	12,036	4,135	34.35%
Debt impairment	1,676	_	0.00%
Depreciation and amortisation	28,156	11,679	41.48%
Contracted services	9,669	1,103	11.41%
Irrecoverable debts written off	897	331	36.90%
Operational costs	7,940	2,867	36.11%
Total Expenditure	**85,015**	**31,431**	**36.97%**
Surplus/(Deficit)	**(6,802)**	**(2,433)**	

1.5.3.1 Revenue

- The wastewater revenue reflects 42.29% of budget as at 30 November 2023, and this is in line with the projected budget ratio of 41.67% as at 30 November 2023.
- Interest earned from receivables reflects 63.19% 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 wastewater management revenue reflects a deficit of R 2,433 million as at 30 November 2023 and equates to 8.39% of total revenue. It must be noted that the deficit at this stage is influenced by the transfers and subsidies operational revenue not yet recognised. Council approved a deficit budget of R 6,802 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	27,826	41.91%
Sale of Goods and Rendering of Services	50	2	3.57%
Interest earned from Receivables	5,666	3,349	59.11%
Transfers and subsidies - Operational	22,559	1,146	5.08%
Total Revenue	**94,671**	**32,322**	**34.14%**
Expenditure By Type			
Employee related costs	36,715	17,444	47.51%
Inventory consumed	8,379	3,142	37.08%
Debt impairment	1,601	_	0.00%
Depreciation and amortisation	3,195	1,105	34.57%
Contracted services	17,139	4,951	29.10%
Irrecoverable debts written off	1,174	586	49.91%
Operational costs	4,967	1,800	36.02%
Total Expenditure	**73,170**	**29,028**	**39.67%**
Surplus/(Deficit)	**21,501**	**3,294**	

1.5.4.1 Revenue

- The waste revenue reflects 41.91% of budget as at 30 November 2023, and this is line with the projected budget ratio of 41.67% as at November 2023.
- It must be noted that the waste management is the combination of refuse and environmental management fee.

1.5.4.2 Expenditure

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

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 3,294 million as at 30 November 2023 and equates to 10.19% of total revenue. Council approved a surplus budget of R 21,501 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	3,978	5,924	(1,946)
2. Travel claims	3,412	3,532	902	1,472	(569)
4. Overtime	20,282	20,282	7,300	8,451	(1,151)
5. Catering Costs	1,489	1,554	423	647	(224)
6. Events, Advertising and sponsorships	5,019	5,246	1,092	2,186	(1,093)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,897	1,033	790	242
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,441	3	600	(597)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	1,249	1,249	1,249	1,249	–
Total	**46,003**	**49,419**	**15,981**	**21,319**	**(5,339)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 5,339 million as at 30 November 2023.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2023/24			Actuals as at 30 November 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	107 414	17 754	125 168	
COMMUNITY SERVICES	244 029	3 000	247 029	91 756	1 507	93 264	
ELECTRO/ MECHANICAL SERVICES	434 637	16 477	451 113	185 995	2 235	188 231	
FINANCE AND ECONOMIC DEVELOPMENT	108 717	982	109 699	39 450	56	39 505	
OFFICE OF THE DMM	124 644	1 969	126 614	36 703	1 456	38 159	
OFFICE OF THE MM	29 901	48	29 949	12 891	19	12 911	
PLANNING AND DEVELOPMENT	26 229	2 000	28 229	10 097	–	10 097	
Total Expenditure by Vote	**1 271 504**	**93 279**	**1 364 783**	**484 307**	**23 027**	**507 335**	

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

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 30 November 2023, constituted 24.69% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 28.05% of approved adjusted grant funding budget.
- Internally generated funds are 14.49% 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	263	489	48.12%
Vote 2 - FINANCIAL SERVICES	–	282	46	46	16.45%
Vote 3 - CORPORATE SERVICES	–	1,000	–	986	99%
Vote 4 - COMMUNITY SERVICES	1,362	3,000	–	1,507	50.23%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	85,280	4,325	19,989	23.44%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	2,700	9	9	0.34%
Total Capital Multi-year expenditure	**79,343**	**93,279**	**4,644**	**23,027**	**24.69%**

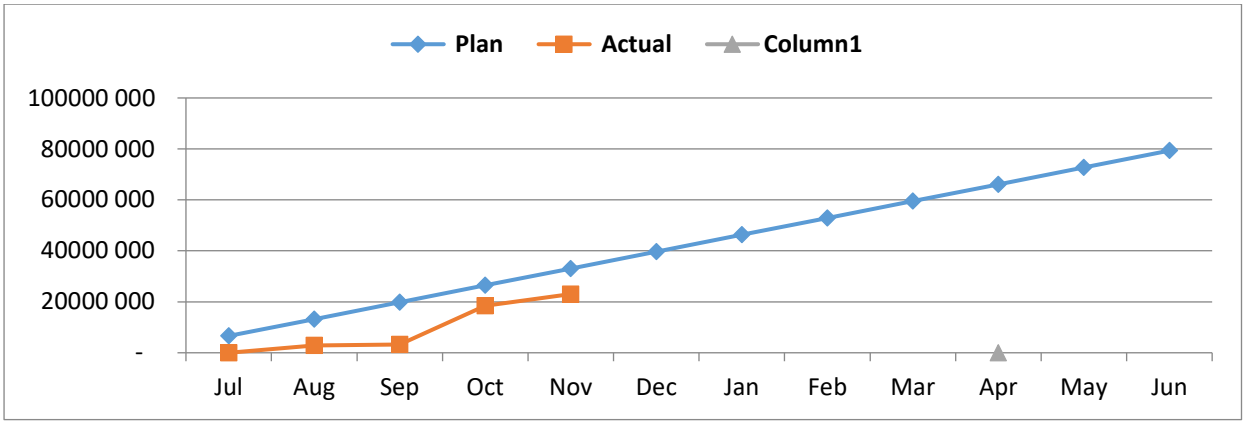
The capital expenditure as at 30 November 2023, constituted 24.69% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 48.12% of R 1.017 million budget.
- Finance is 16.45% of R 0.282 million budget.
- Corporate Services 99% of R 1,000 million budget.
- Community Services is 50.23% of R 3,000 million budget.
- Infrastructure& Engineering is 23.44% of R 85,280 million of the budget.
- Planning and Development & Tourism is 0.34% of R 2,700 million budget.

Monthly capital expenditure

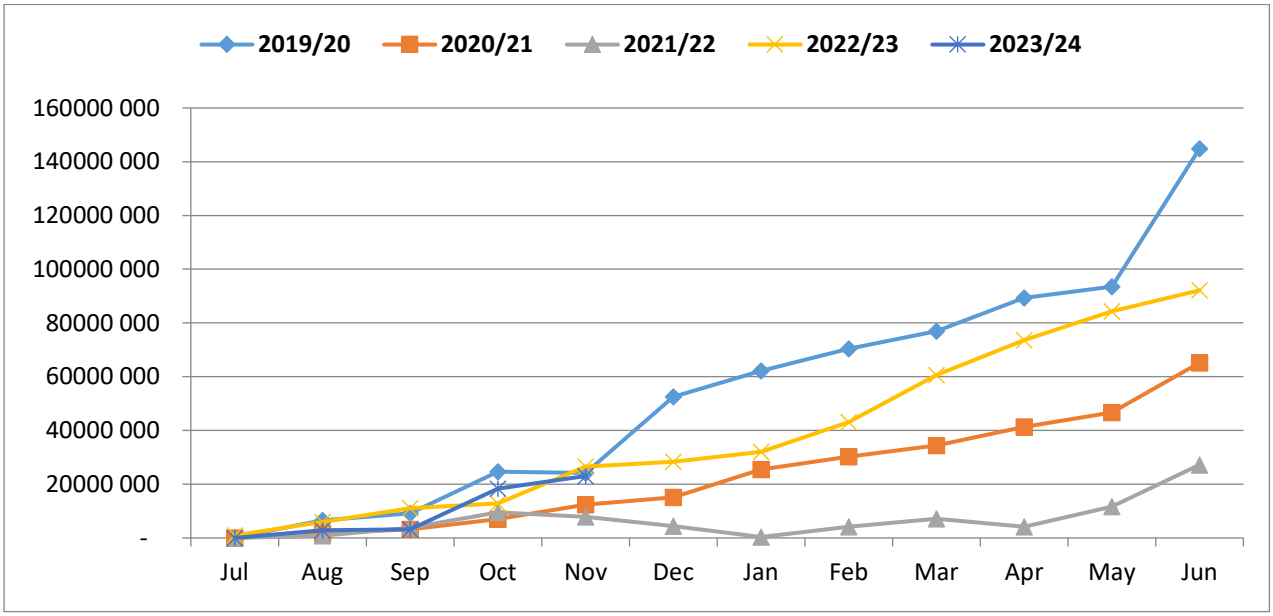
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2023/24 current budget.



Capital expenditure trend over the current- and past two years.

The graph below shows the municipality's capital expenditure trend for 2019/20, 2020/21,

2021/22, 2022/23 and 2023/24



Status of capital programmes/projects in the Municipality as at 30 November 2023.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECT	Approved Budget 2023/24	Actuals as at 30 November 2023	%
Civil & Water Services	WATER	WSIG	PARADISE BEACH WATER TOWER	9,772,639	53,889	0.55%
Civil & Water Services	WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	16,314,317	2,838,705	17.40%
Civil & Water Services	SEWERAGE	MIG	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETIC	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	70,752	0.67%
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	6,639,022	51.83%
Civil & Water Services	ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	3,339,130	3,064,353	91.77%
Civil & Water Services	PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADING LOERIE SPORTS FACILITIES	3,057,474	3,018,858	98.74%
Civil & Water Services	Water	Internal	Replace 250mm Water Main Canal Road St Francis Ba	10,717	5,657	52.78%
Civil & Water Services	Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	82,500	40,900	49.58%
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	4,500	6.21%
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	49,963	88.33%
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	1,222,928	46.88%
Civil & Water Services	ROADS AND STORMWATER	Internal	UPGRADING KOUGA GRAVEL ROADS	800,000	692,604	86.58%
				68,803,618	**17,754,005**	**25.80%**
Community & Safety Services	FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	3,000,277	1,507,017	50.23%
				3,000,277	**1,507,017**	**50.23%**
Electro & Mechanical	METERING & REVENUE	INEP	OCEAN VIEW 1250 ELECTRIFICATION	4,086,956	1,204,672	29.48%
Electro & Mechanical	METERING & REVENUE	Internal		1,576,840	290,695	18.44%
Electro & Mechanical	METERING & REVENUE	Internal		1,318,112	473,445	35.92%
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	85.95%
				16,476,600	**2,235,247**	**13.57%**
Finance & Economic Development	ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	282,006	**46,397**	16.45%
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	9,290	1.55%
				982,006	**55,687**	**5.67%**
Office of the DMM	Finance: IT	Internal	Computer Equipment	1,000,000	986,056	98.61%
Office of the DMM	WARD COUNCILLORS	Internal	Ward councilors Capital project	750,000	351,619	46.88%
Office of the DMM	MAYOR	Internal	Furniture and Equipment - Municipal Court	219,331	118,550	54.05%
Office of the DMM	INTEGRATED DEVELOPMENT	Internal	Furniture and Equipment	10,000	-	0.00%
				1,979,331	**1,456,226**	**73.57%**
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**	**23,027,382**	**24.69%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 November 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 – M05 November 2023

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87,932	270,495	270,495	19,386	128,626	(107,978)	236,604	-219%	270,495
Service charges		237,049	697,055	697,055	42,720	192,397	(290,439)	482,836	-166%	697,055
Other revenue		25,426	67,422	67,422	16,727	98,200	16,782	81,417	485%	67,422
Transfers and Subsidies - Operational		166,622	190,883	190,883	1,541	80,606	74,496	6,110	8%	190,883
Transfers and Subsidies - Capital		79,951	75,561	75,561	9,937	42,287	(30,348)	72,636	-239%	75,561
Interest		840,211	4,598	4,598	4,492	21,076	1,916	19,160	1000%	4,598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667,606	(1,219,527)	(1,219,527)	(106,877)	(493,873)	(508,136)	(14,264)	3%	(1,219,527)
Interest		–	–	–	(1,002)	(4,932)	–	4,932	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,104,797**	**86,487**	**86,487**	**(13,076)**	**64,388**	**(843,708)**	**(908,096)**	**108%**	**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)	(5,340)	(26,481)	38,866	65,348	168%	(79,343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(79,343)**	**(5,340)**	**(26,481)**	**38,866**	**65,348**	**168%**	**(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)	(1,002)	(4,932)	–	4,932	0%	(10,091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(10,091)**	**(1,002)**	**(4,932)**	**–**	**4,932**	**0%**	**(10,091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,033,629**	**(2,947)**	**(2,947)**	**(19,419)**	**32,975**	**(804,842)**			**(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:		2,061,479	5,596	5,596		137,910	(796,299)			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 November 2023 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M05 November 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	18,020	149,054	117,287	31,768	27%	281,488
Service charges	547,619	621,867	621,867	46,664	241,138	259,111	(17,974)	-7%	621,867
Investment revenue	6,824	4,598	4,598	1,080	6,115	1,916	4,199	219%	4,598
Transfers and subsidies - Operational	177,339	190,883	190,883	2,101	79,945	79,535	410	1%	190,883
Other own revenue	189,229	60,121	60,121	5,974	31,443	25,050	6,393	26%	60,121
Total Revenue (excluding capital transfers and contributions)	**1,180,525**	**1,158,957**	**1,158,957**	**73,838**	**507,695**	**482,899**	**24,797**	**5%**	**1,158,957**
Employee costs	361,931	447,813	447,813	45,664	163,254	186,588	(23,333)	-13%	447,813
Remuneration of Councillors	13,700	15,140	15,140	1,216	6,546	6,308	238	4%	15,140
Depreciation and amortisation	124,787	109,663	109,663	9,139	45,693	45,692	0	0%	109,663
Interest	8,059	2,090	2,090	463	2,400	871	1,529	176%	2,090
Inventory consumed and bulk purchases	382,970	458,626	459,756	30,504	199,931	191,565	8,366	4%	459,756
Transfers and subsidies	709	924	924	–	100	385	(285)	-74%	924
Other expenditure	373,435	234,060	236,118	19,220	66,384	98,329	(31,945)	-32%	236,118
Total Expenditure	**1,265,590**	**1,268,316**	**1,271,504**	**106,206**	**484,307**	**529,738**	**(45,431)**	**-9%**	**1,271,504**
Surplus/(Deficit)	**(85,065)**	**(109,359)**	**(112,547)**	**(32,368)**	**23,388**	**(46,839)**	**70,227**	**-150%**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)	96,374	75,561	78,561	5,622	19,984	32,734	(12,749)	-39%	78,561
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**	**57,478**	**-407%**	**(33,986)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**	**57,478**	**-407%**	**(33,986)**
Capital expenditure & funds sources									
Capital expenditure	**108,880**	**79,343**	**93,279**	**4,644**	**23,027**	**38,866**	**(15,839)**	**-41%**	**93,279**
Capital transfers recognised	64,491	65,883	70,130	3,532	19,672	29,221	(9,549)	-33%	70,130
Borrowing	8,786	–	–	–	–	–	–		–
Internally generated funds	35,603	13,460	23,150	1,112	3,355	9,646	(6,290)	-65%	23,150
Total sources of capital funds	**108,880**	**79,343**	**93,279**	**4,644**	**23,027**	**38,866**	**(15,839)**	**-41%**	**93,279**
Financial position									
Total current assets	350,251	154,622	139,524		245,358				139,524
Total non current assets	2,304,273	2,302,442	2,316,379		2,281,607				2,316,379
Total current liabilities	341,431	154,259	153,285		186,814				153,285
Total non current liabilities	245,693	255,035	255,035		246,447				255,035
Community wealth/Equity	**2,079,254**	**2,047,771**	**2,047,771**		**2,093,704**				**2,047,771**
Cash flows									
Net cash from (used) operating	2,104,797	86,487	86,487	(13,076)	64,388	(843,708)	(908,096)	108%	86,487
Net cash from (used) investing	(71,169)	(79,343)	(79,343)	(5,340)	(26,481)	38,866	65,348	168%	(79,343)
Net cash from (used) financing	–	(10,091)	(10,091)	(1,002)	(4,932)	–	4,932		(10,091)
Cash/cash equivalents at the month/year end	**2,061,479**	**5,596**	**5,596**	**–**	**137,910**	**(796,299)**	**(934,209)**	**117%**	**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	76,575	24,382	24,594	9,919	8,515	9,070	49,203	263,641	465,899
Creditors Age Analysis									
Total Creditors	41,293	94	(55)	215	250	(50)	112	222	42,081

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) – M05 November 2023

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**568,182**	**422,639**	**422,639**	**19,907**	**238,639**	**176,099**	62,540	36%	**422,639**
Executive and council		2,464	106	106	–	15	44	(29)	-65%	106
Finance and administration		565,718	422,533	422,533	19,907	238,624	176,055	62,569	36%	422,533
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**17,044**	**16,716**	**16,716**	**2,654**	**6,465**	**6,965**	(500)	-7%	**16,716**
Community and social services		2,427	2,437	2,437	1,809	1,945	1,015	930	92%	2,437
Sport and recreation		8,640	10,338	10,338	816	4,155	4,307	(152)	-4%	10,338
Public safety		2,748	1,378	1,378	19	324	574	(250)	-44%	1,378
Housing		–	–	–	–	–	–	–		–
Health		3,230	2,563	2,563	9	40	1,068	(1,028)	-96%	2,563
Economic and environmental services		**30,867**	**37,432**	**40,432**	**3,209**	**17,331**	**16,847**	484	3%	**40,432**
Planning and development		6,461	8,083	8,083	772	3,535	3,368	167	5%	8,083
Road transport		7,002	6,910	9,910	791	4,180	4,129	51	1%	9,910
Environmental protection		17,404	22,439	22,439	1,645	9,616	9,350	267	3%	22,439
Trading services		**660,805**	**757,731**	**757,731**	**53,690**	**265,244**	**315,721**	(50,477)	-16%	**757,731**
Energy sources		313,432	408,372	408,372	28,965	137,861	170,155	(32,294)	-19%	408,372
Water management		195,564	161,300	161,300	11,713	60,199	67,208	(7,009)	-10%	161,300
Waste water management		99,252	113,711	113,711	8,210	43,604	47,380	(3,776)	-8%	113,711
Waste management		52,557	74,347	74,347	4,803	23,581	30,978	(7,397)	-24%	74,347
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**1,276,899**	**1,234,518**	**1,237,518**	**79,460**	**527,680**	**515,632**	**12,047**	**2%**	**1,237,518**
Expenditure - Functional										
Governance and administration		**380,475**	**306,226**	**306,257**	**29,898**	**107,981**	**127,554**	(19,573)	-15%	**306,257**
Executive and council		54,922	64,558	64,589	5,817	22,933	26,910	(3,978)	-15%	64,589
Finance and administration		325,480	241,417	241,417	24,080	85,015	100,541	(15,526)	-15%	241,417
Internal audit		73	251	251	–	33	102	(69)	-67%	251
Community and public safety		**98,265**	**121,818**	**121,668**	**11,820**	**43,274**	**50,694**	(7,420)	-15%	**121,668**
Community and social services		8,235	12,897	12,877	1,105	3,958	5,365	(1,408)	-26%	12,877
Sport and recreation		50,563	63,813	63,813	5,905	21,349	26,588	(5,240)	-20%	63,813
Public safety		26,931	30,247	30,267	3,367	11,938	12,611	(673)	-5%	30,267
Housing		5,390	7,037	6,887	585	2,899	2,869	29	1%	6,887
Health		7,146	7,824	7,824	859	3,130	3,260	(129)	-4%	7,824
Economic and environmental services		**121,915**	**158,670**	**162,177**	**16,509**	**58,090**	**67,573**	(9,483)	-14%	**162,177**
Planning and development		24,223	31,432	31,614	2,997	11,352	13,172	(1,820)	-14%	31,614
Road transport		86,259	118,681	118,618	11,925	42,105	49,424	(7,319)	-15%	118,618
Environmental protection		11,434	8,556	11,944	1,586	4,633	4,977	(343)	-7%	11,944
Trading services		**658,698**	**674,375**	**674,175**	**47,769**	**272,642**	**280,906**	(8,264)	-3%	**674,175**
Energy sources		335,071	424,020	424,020	24,864	180,645	176,675	3,970	2%	424,020
Water management		155,036	103,892	103,892	8,899	36,171	43,288	(7,117)	-16%	103,892
Waste water management		92,866	85,015	85,015	7,336	31,431	35,423	(3,992)	-11%	85,015
Waste management		75,724	61,449	61,249	6,671	24,395	25,520	(1,126)	-4%	61,249
Other		**6,236**	**7,227**	**7,227**	**211**	**2,321**	**3,011**	**(690)**	**-23%**	**7,227**
Total Expenditure - Functional	3	**1,265,590**	**1,268,316**	**1,271,504**	**106,206**	**484,307**	**529,738**	**(45,431)**	**-9%**	**1,271,504**
Surplus/ (Deficit) for the year		**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**	**57,478**	**-407%**	**(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 – M05 November 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	19,806	233,737	171,140	62,597	36.6%	410,736
Vote 3 - CORPORATE SERVICES		9,373	1,194	1,194	–	129	498	(369)	-74.1%	1,194
Vote 4 - COMMUNITY SERVICES		223,021	127,808	127,808	9,849	47,539	53,253	(5,714)	-10.7%	127,808
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,785	688,565	691,565	49,236	243,748	288,152	(44,404)	-15.4%	691,565
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		5,980	6,215	6,215	569	2,527	2,589	(62)	-2.4%	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**	**79,460**	**527,680**	**515,632**	**12,047**	**2.3%**	**1,237,518**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,200	70,802	70,732	6,419	24,621	29,463	(4,842)	-16.4%	70,732
Vote 2 - FINANCIAL SERVICES		211,001	115,941	115,941	13,109	44,268	48,302	(4,034)	-8.4%	115,941
Vote 3 - CORPORATE SERVICES		49,583	62,930	62,950	4,067	15,986	26,192	(10,206)	-39.0%	62,950
Vote 4 - COMMUNITY SERVICES		232,085	240,505	243,692	25,809	91,756	101,537	(9,781)	-9.6%	243,692
Vote 5 - INFRASTRUCTURE AND ENGINEERING		682,498	739,091	739,141	53,798	294,239	307,975	(13,736)	-4.5%	739,141
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	38,427	3,004	13,431	16,011	(2,580)	-16.1%	38,427
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1,265,576**	**1,267,696**	**1,270,884**	**106,206**	**484,301**	**529,480**	**(45,178)**	**-8.5%**	**1,270,884**
Surplus/ (Deficit) for the year	2	**11,427**	**(33,178)**	**(33,366)**	**(26,746)**	**43,378**	**(13,847)**	**57,225**	**-413.3%**	**(33,366)**

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M05 November 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	51,931	266,972	275,975	(9,003)	-3%	662,340
Service charges - Electricity		306,477	390,731	390,731	28,638	135,657	162,805	(27,148)	-17%	390,731
Service charges - Water		117,400	101,425	101,425	7,020	50,876	42,260	8,616	20%	101,425
Service charges - Waste Water Management		61,797	63,314	63,314	5,574	26,778	26,381	397	2%	63,314
Service charges - Waste management		61,945	66,396	66,396	5,433	27,826	27,665	161	1%	66,396
Sale of Goods and Rendering of Services		9,189	7,790	7,790	617	2,872	3,246	(374)	-12%	7,790
Agency services		2,678	1,000	1,000	373	1,782	417	1,365	328%	1,000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	18,595	2,767	12,560	7,748	4,813	62%	18,595
Interest earned from Current and Non Current Assets		6,824	4,598	4,598	1,080	6,115	1,916	4,199	219%	4,598
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,570	3,295	3,295	166	1,065	1,373	(308)	-22%	3,295
Licence and permits		2,677	3,021	3,021	227	1,115	1,259	(143)	-11%	3,021
Operational Revenue		1,200	2,174	2,174	37	325	906	(581)	-64%	2,174
Non-Exchange Revenue		586,924	496,618	496,618	21,908	240,723	206,924	33,799	16%	496,618
Property rates		259,514	281,488	281,488	18,020	149,054	117,287	31,768	27%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		130,578	10,334	10,334	165	4,942	4,306	636	15%	10,334
Licence and permits		7,195	10,668	10,668	1,080	4,606	4,445	160	4%	10,668
Transfer and subsidies - Operational		177,339	190,883	190,883	2,101	79,945	79,535	410	1%	190,883
Interest		3,729	3,244	3,244	542	2,176	1,352	825	61%	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**	**73,838**	**507,695**	**482,899**	**24,797**	**5%**	**1,158,957**
Expenditure By Type										
Employee related costs		361,931	447,813	447,813	45,664	163,254	186,588	(23,333)	-13%	447,813
Remuneration of councillors		13,700	15,140	15,140	1,216	6,546	6,308	238	4%	15,140
Bulk purchases - electricity		291,888	364,280	364,280	21,291	163,349	151,783	11,566	8%	364,280
Inventory consumed		91,082	94,345	95,475	9,213	36,581	39,781	(3,200)	-8%	95,475
Debt impairment		119,944	28,314	28,314	–	–	11,798	(11,798)	-100%	28,314
Depreciation and amortisation		124,787	109,663	109,663	9,139	45,693	45,692	0	0%	109,663
Interest		8,059	2,090	2,090	463	2,400	871	1,529	176%	2,090
Contracted services		87,336	104,476	106,564	11,745	31,037	44,391	(13,353)	-30%	106,564
Transfers and subsidies		709	924	924	–	100	385	(285)	-74%	924
Irrecoverable debts written off		87,459	7,305	7,305	–	1,941	3,044	(1,103)	-36%	7,305
Operational costs		76,926	93,964	93,934	7,476	33,406	39,097	(5,691)	-15%	93,934
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1,265,590**	**1,268,316**	**1,271,504**	**106,206**	**484,307**	**529,738**	**(45,431)**	**-9%**	**1,271,504**
Surplus/(Deficit)		**(85,065)**	**(109,359)**	**(112,547)**	**(32,368)**	**23,388**	**(46,839)**	**70,227**	**(0)**	**(112,547)**
Transfers and subsidies - capital (monetary allocations)		96,374	75,561	78,561	5,622	19,984	32,734	(12,749)	**(0)**	78,561
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**			**(33,986)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**			**(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)**	**(26,746)**	**43,372**	**(14,106)**			**(33,986)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**11,309**	**(33,798)**	**(33,986)**	**(26,746)**	**43,372**	**(14,106)**			**(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) – M05 November 2023

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		307	760	1,017	263	489	424	66	15%	1,017
Vote 2 - FINANCIAL SERVICES		1,802	–	1,282	46	1,032	534	498	93%	1,282
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	3,000	–	1,507	1,250	257	21%	3,000
Vote 5 - INFRASTRUCTURE AND ENGINEERING		88,465	76,521	83,252	4,616	19,249	34,688	(15,439)	-45%	83,252
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	2,700	9	9	1,125	(1,116)	-99%	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**	**91,251**	**4,934**	**22,288**	**38,021**	**(15,734)**	**-41%**	**91,251**
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	–	2,028	(291)	740	845	(105)	-12%	2,028
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	–	2,028	(291)	740	845	**(105)**	**-12%**	2,028
Total Capital Expenditure	3	**108,880**	**79,343**	**93,279**	**4,644**	**23,027**	**38,866**	**(15,839)**	**-41%**	**93,279**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**2,609**	**309**	**1,788**	**1,087**	701	65%	**2,609**
Executive and council		307	760	1,017	263	489	424	66	15%	1,017
Finance and administration		11,106	–	1,592	46	1,299	663	636	96%	1,592
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**339**	**1,362**	**3,901**	**–**	**1,507**	**1,625**	(118)	-7%	**3,901**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	900	–	–	375	(375)	-100%	900
Public safety		–	1,362	3,000	–	1,507	1,250	257	21%	3,000
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**12,305**	**1,979**	**7,999**	**5,127**	2,872	56%	**12,305**
Planning and development		(161)	3,157	5,557	28	3,019	2,316	703	30%	5,557
Road transport		13,241	3,339	6,748	1,951	4,980	2,812	2,168	77%	6,748
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**84,025**	**70,124**	**73,865**	**2,347**	**11,724**	**30,777**	(19,053)	-62%	**73,865**
Energy sources		(47,280)	19,652	16,167	163	1,969	6,736	(4,767)	-71%	16,167
Water management		119,118	26,087	26,180	906	2,939	10,908	(7,969)	-73%	26,180
Waste water management		3,400	24,385	31,518	1,278	6,816	13,132	(6,316)	-48%	31,518
Waste management		8,786	–	–	–	–	–	–		–
Other		–	600	600	9	9	250	(241)	-96%	600
Total Capital Expenditure - Functional Classification	3	**108,880**	**79,343**	**93,279**	**4,644**	**23,027**	**38,866**	**(15,839)**	**-41%**	**93,279**
Funded by:										
National Government		64,491	64,521	67,129	3,532	18,165	27,971	(9,805)	-35%	67,129
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	1,362	3,000	–	1,507	1,250	257	21%	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**	**3,532**	**19,672**	**29,221**	**(9,549)**	**-33%**	**70,130**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		35,603	13,460	23,150	1,112	3,355	9,646	(6,290)	-65%	23,150
Total Capital Funding	7	**108,880**	**79,343**	**93,279**	**4,644**	**23,027**	**38,866**	**(15,839)**	**-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 – M05 November 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	(19,770)	137,910	(19,770)
Trade and other receivables from exchange transactions		73,873	55,239	55,239	74,324	55,239
Receivables from non-exchange transactions		15,536	24,619	35,967	14,095	35,967
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,598	17,110	16,030	19,029	16,030
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**	**139,524**	**245,358**	**139,524**
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	2,053,361	2,018,622	2,053,361
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	410	377	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**	**2,316,379**	**2,281,607**	**2,316,379**
TOTAL ASSETS		**2,654,524**	**2,457,064**	**2,455,903**	**2,526,965**	**2,455,903**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,342	9,484	9,484	7,237	9,484
Consumer deposits		29,060	23,673	23,673	30,425	23,673
Trade and other payables from exchange transactions		126,241	77,412	76,438	95,221	76,438
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**	**153,285**	**186,814**	**153,285**
Non current liabilities						
Financial liabilities		24,202	8,637	8,637	24,956	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	92,032	119,711
Total non current liabilities		**245,693**	**255,035**	**255,035**	**246,447**	**255,035**
TOTAL LIABILITIES		**587,124**	**409,293**	**408,320**	**433,261**	**408,320**
NET ASSETS	2	**2,067,400**	**2,047,771**	**2,047,583**	**2,093,704**	**2,047,583**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,079,254	2,047,771	2,047,771	2,093,704	2,047,771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,079,254**	**2,047,771**	**2,047,771**	**2,093,704**	**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 – M05 November 2023

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87,932	270,495	270,495	19,386	128,626	(107,978)	236,604	-219%	270,495
Service charges		237,049	697,055	697,055	42,720	192,397	(290,439)	482,836	-166%	697,055
Other revenue		25,426	67,422	67,422	16,727	98,200	16,782	81,417	485%	67,422
Transfers and Subsidies - Operational		166,622	190,883	190,883	1,541	80,606	74,496	6,110	8%	190,883
Transfers and Subsidies - Capital		79,951	75,561	75,561	9,937	42,287	(30,348)	72,636	-239%	75,561
Interest		840,211	4,598	4,598	4,492	21,076	1,916	19,160	1000%	4,598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667,606	(1,219,527)	(1,219,527)	(106,877)	(493,873)	(508,136)	(14,264)	3%	(1,219,527)
Interest		–	–	–	(1,002)	(4,932)	–	4,932	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,104,797**	**86,487**	**86,487**	**(13,076)**	**64,388**	**(843,708)**	**(908,096)**	**108%**	**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)	(5,340)	(26,481)	38,866	65,348	168%	(79,343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(79,343)**	**(5,340)**	**(26,481)**	**38,866**	**65,348**	**168%**	**(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)	(1,002)	(4,932)	–	4,932	0%	(10,091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(10,091)**	**(1,002)**	**(4,932)**	**–**	**4,932**	**0%**	**(10,091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,033,629**	**(2,947)**	**(2,947)**	**(19,419)**	**32,975**	**(804,842)**			**(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:		2,061,479	5,596	5,596		137,910	(796,299)			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.

Annexure "A5"

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

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

Debtors' Age Analysis (Inclusive of VAT) as at 30 November 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	41,057	15,483	6,210	4,099	3,307	4,357	23,975	74,767	173,255
Trade and Other Receivables from Exchange Transactions - Electricity	26,455	1,917	1,976	880	573	548	2,369	12,226	46,945
Receivables from Non-exchange Transactions - Property Rates	19,604	2,726	11,779	1,371	1,387	805	3,742	26,727	68,141
Receivables from Exchange Transactions - Waste Water Management	9,032	1,767	1,872	1,395	1,334	1,386	6,762	33,091	56,639
Receivables from Exchange Transactions - Waste Management	6,450	1,514	1,357	1,307	1,199	1,175	6,683	43,976	63,661
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,256	455	550	379	387	483	3,660	55,545	62,715
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(27,279)	520	850	489	327	315	2,011	17,309	(5,457)
Total By Income Source	**76,575**	**24,382**	**24,594**	**9,919**	**8,515**	**9,070**	**49,203**	**263,641**	**465,899**
Debtors Age Analysis By Customer Group									
Organs of State	2,638	720	2,292	373	246	181	725	5,705	12,881
Commercial	9,235	628	751	334	395	201	942	6,097	18,582
Households	64,700	23,034	21,550	9,212	7,872	8,688	47,532	251,837	434,425
Other	2	1	1	1	1	1	4	1	12
Total By Customer Group	**76,575**	**24,382**	**24,594**	**9,919**	**8,515**	**9,070**	**49,203**	**263,641**	**465,899**

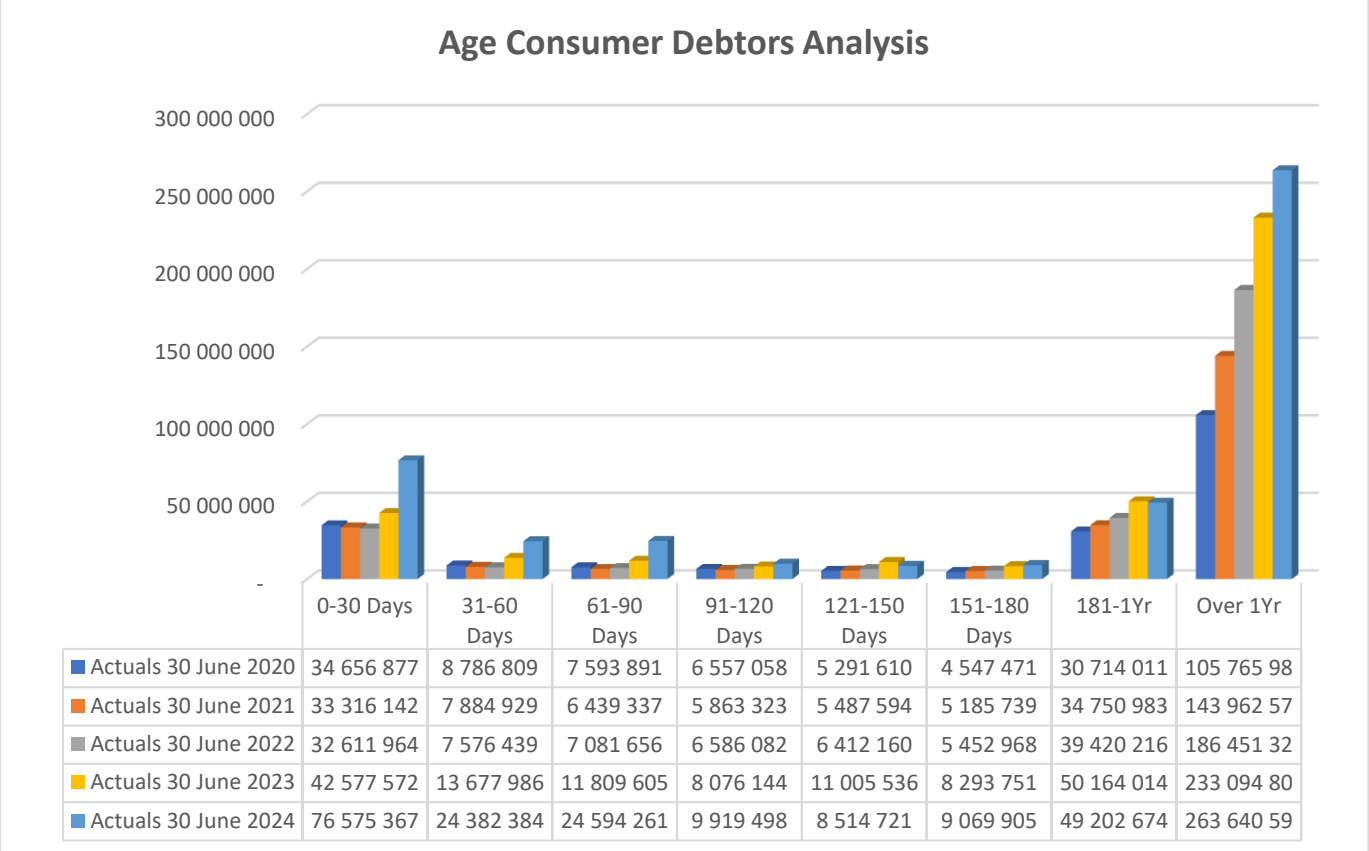
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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

The aforementioned analysis indicates that from 30 June 2022 to 30 November 2023, the overdue debts have increased by R 53,202 million from R 336,122 million to R 389,324million, as follows:

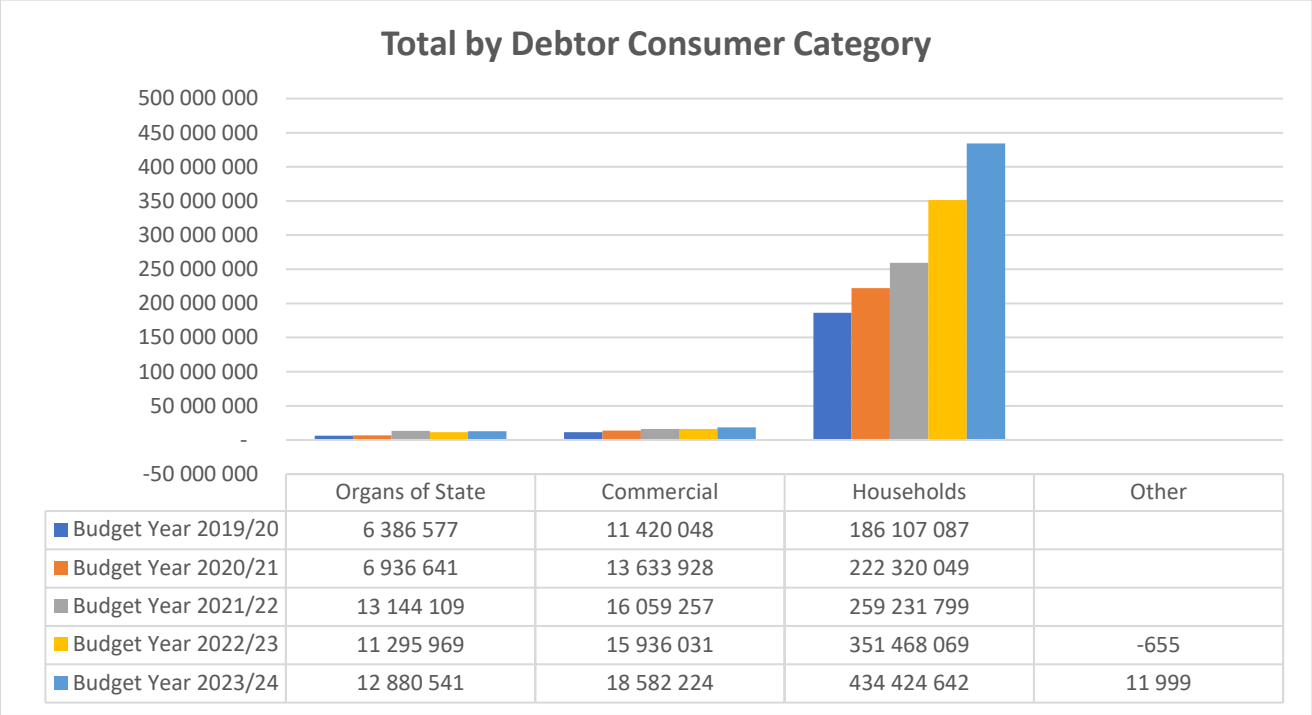
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**30-Nov-23**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	132,197	23,975
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	20,490	1,011
Receivables from Non-exchange Transactions - Property Rates	40,157	48,537	8,380
Receivables from Exchange Transactions - Waste Water Management	43,229	47,607	4,378
Receivables from Exchange Transactions - Waste Management	53,040	57,211	4,171
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	61,459	10,132
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,823	1,154
Total By Income Source	**336,122**	**389,324**	**53,202**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	10,242	(123)
Commercial	8,845	9,347	502
Households	316,912	369,725	52,813
Other	–	10	10
Total By Customer Group	**336,122**	**389,324**	**53,202**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 30 June 2020	34 656 877	8 786 809	7 593 891	6 557 058	5 291 610	4 547 471	30 714 011	105 765 98
Actuals 30 June 2021	33 316 142	7 884 929	6 439 337	5 863 323	5 487 594	5 185 739	34 750 983	143 962 57
Actuals 30 June 2022	32 611 964	7 576 439	7 081 656	6 586 082	6 412 160	5 452 968	39 420 216	186 451 32
Actuals 30 June 2023	42 577 572	13 677 986	11 809 605	8 076 144	11 005 536	8 293 751	50 164 014	233 094 80
Actuals 30 June 2024	76 575 367	24 382 384	24 594 261	9 919 498	8 514 721	9 069 905	49 202 674	263 640 59

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



	Organs of State	Commercial	Households	Other
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	13 144 109	16 059 257	259 231 799	
Budget Year 2022/23	11 295 969	15 936 031	351 468 069	-655
Budget Year 2023/24	12 880 541	18 582 224	434 424 642	11 999

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	28,905	17	(218)	13	24	(60)	–	–	**28,681**
Bulk Water	646	15	78	13	219	10	112	(1,526)	**(434)**
PAYE deductions	5,478	–	–	–	–	–	–	–	**5,478**
VAT (output less input)	–	–	–	–	–	–	–	–	**–**
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**
Loan repayments	–	–	–	–	–	–	–	–	**–**
Trade Creditors	6,264	62	85	188	8	–	–	1,748	**8,356**
Auditor General	–	–	–	–	–	–	–	–	**–**
Other	–	–	–	–	–	–	–	–	**–**
Total By Customer Type	**41,293**	**94**	**(55)**	**215**	**250**	**(50)**	**112**	**222**	**42,081**

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

Eskom	R 28,681 million
NMBM	R - 0,434 million
SARS: PAYE	R 5,478 million
Other Creditors	R 8,356 million
Total	**R 42,081 million**

It is to be noted that the Eskom amount of R 28,681 million, represents the current account for November 2023, which will be fully paid on 23 December 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M05 November 2023.

Below is an analysis of the spending associated with the grants as at 30 November 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**	**1,541**	**79,736**	**79,736**	**-**	**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	1,107	1,721	1,721	-	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	434	1,084	1,084	-	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**	**1,541**	**79,849**	**79,849**	**-**	**192,144**
Capital Transfers and Grants							
National Government:	**76,067**	**76,067**	**9,937**	**42,287**	**42,287**	**-**	**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	1,700	2,700	2,700	-	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	8,237	20,587	20,587	-	37,367
Water Services Infrastructure Grant	30,000	30,000	-	18,000	18,000	-	30,000
District Municipality:	**1,362**	**3,000**	**-**	**3,000**	**3,000**	**-**	**3,000**
Fire Services Subsidy	1,362	3,000	-	3,000	3,000	-	3,000
Total Capital Transfers and Grants	**77,429**	**79,067**	**9,937**	**45,288**	**45,288**	**-**	**79,067**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**269,573**	**271,211**	**11,478**	**125,137**	**125,137**	**-**	**271,211**

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M05 November 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**	**318**	**77,017**	**77,730**	**714**	**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 [Sched	2,458	2,458	136	541	1,024	483	47%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	48	579	717	137	19%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	134	685	778	93	12%	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**	**272**	**159**		**3,542**
Environmental health subsidy	2,888	2,888	–	–	–			2,888
Skills Development subsidy	654	654	–	113	272			654
Total operating expenditure of Transfers and Grants:	**192,144**	**192,144**	**318**	**77,130**	**78,003**	**873**	**78%**	**192,144**
Capital expenditure of Transfers and Grants								
National Government:	**79,067**	**79,067**	**5,622**	**19,715**	**32,945**	**–**	**–**	**79,067**
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	–	–	1,667			4,000
Municipal Disaster Relief Grant	3,000	3,000	–	438	1,250			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	187	1,385	1,958		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	2,171	14,605	15,570	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	3,265	3,286	12,500	–	0%	30,000
District Municipality:	**1,362**	**3,000**	**–**	**1,507**	**1,250**	**–**	**–**	**3,000**
Fire Services Subsidy	1,362	3,000	–	1,507	1,250	–	0%	3,000
Total capital expenditure of Transfers and Grants	**80,429**	**82,067**	**5,622**	**21,222**	**34,195**	**–**	**0%**	**82,067**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**272,573**	**274,211**	**5,940**	**98,352**	**112,197**	**873**	**1%**	**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 579,314
Unspent as at 30 November 2023:	R 1,140,686

The spending of the grant amounted to 33.68% as at 30 November 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 1,721,000
Expenditure to date:	R 541,243
Unspent as at 30 November 2023:	R 1,179,757

The spending of the grant amounted to 31.45% as at 30 November 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 21,671,000
Expenditure to date:	R 15,290,399
Unspent as at 30 November 2023:	R 6,380,601

The spending of the grant amounted to 70.56% as at 30 November 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 unspent amount	R 2,894,953
Current Year Receipts:	R 2,700,000
Expenditure to date:	R 1,385,372
Unspent as at 30 November 2023:	R 4,209,581

The spending of the grant amounted to 24.76% as at 30 November 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 3,286,390
Unspent as at 30 November 2023:	R 14,713,610

The spending of the grant amounted to 18.26% as at 30 November 2023, compared to the amount of the grant received.

Energy Efficiency and Demand Side Management Grant

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

DORA Allocation:	R 4,000,000
Current Year Receipts:	R 1,000,000
Expenditure to date:	R 0.00
Unspent as at 30 November 2023:	R 1,000,000

The spending of the grant amounted to 0% as at 30 November 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 30 November 2023:	R 2,562,376

The spending of the grant amounted to 14.59% as at 30 November 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 – M05 November 2023.

Summary of Employee and Councillor remuneration	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								%	
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	9 305	10 101	10 101	817	4 371	4 209	162	4%	10 101
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	10	50	–	50		–
Motor Vehicle Allowance	3 066	3 407	3 407	272	1 458	1 419	39	3%	3 407
Cellphone Allowance	1 328	1 632	1 632	118	667	680	(13)	-2%	1 632
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**13 700**	**15 140**	**15 140**	**1 216**	**6 546**	**6 308**	**238**	**4%**	**15 140**
Senior Managers of the Municipality									
Basic Salaries and Wages	5 096	7 675	9 445	595	2 677	3 936	(1 259)	-32%	9 445
Pension and UIF Contributions	61	117	117	5	27	49	(22)	-45%	117
Medical Aid Contributions	31	52	52	3	13	22	(9)	-40%	52
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	325	1 528	1 528	–	–	637	(637)	-100%	1 528
Motor Vehicle Allowance	490	2 072	2 072	44	217	863	(646)	-75%	2 072
Cellphone Allowance	10	10	10	1	4	4	(0)	-5%	10
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	1	5	5	0	0	2	(2)	-88%	5
Payments in lieu of leave	4 195	4 743	4 743	1 290	2 591	1 976	615	31%	4 743
Long service awards	–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–		–
Entertainment	–	–	–	–	–	–	–		–
Scarcity	–	–	–	–	–	–	–		–
Acting and post related allowance	–	–	–	–	–	–	–		–
In kind benefits	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**10 211**	**16 202**	**17 972**	**1 939**	**5 529**	**7 488**	**(1 960)**	**-26%**	**17 972**
Other Municipal Staff									
Basic Salaries and Wages	214 514	275 744	273 714	19 157	95 445	114 047	(18 602)	-16%	273 714
Pension and UIF Contributions	33 322	36 936	36 786	2 989	14 832	15 327	(495)	-3%	36 786
Medical Aid Contributions	17 746	18 588	18 588	1 542	7 555	7 745	(190)	-2%	18 588
Overtime	27 987	29 013	29 013	2 179	11 065	12 089	(1 024)	-8%	29 013
Performance Bonus	23	25	25	25	25	10	15	142%	25
Motor Vehicle Allowance	10 408	11 356	11 446	935	4 649	4 769	(120)	-3%	11 446
Cellphone Allowance	21	56	56	1	6	23	(18)	-76%	56
Housing Allowances	722	1 234	1 234	59	323	514	(191)	-37%	1 234
Other benefits and allowances	32 223	34 740	35 060	16 672	23 024	14 608	8 416	58%	35 060
Payments in lieu of leave	516	1 686	1 686	–	259	703	(444)	-63%	1 686
Long service awards	1 251	1 345	1 345	166	543	560	(18)	-3%	1 345
Post-retirement benefit obligations	12 987	20 887	20 887	1	1	8 703	(8 703)	-100%	20 887
Entertainment	–	–	–	–	–	–	–		–
Scarcity	–	–	–	–	–	–	–		–
Acting and post related allowance	–	–	–	–	–	–	–		–
In kind benefits	–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**351 720**	**431 612**	**429 841**	**43 725**	**157 726**	**179 099**	**(21 374)**	**-12%**	**429 841**
% increase		**22,7%**	**22,2%**						**22,2%**
Total Parent Municipality	**375 631**	**462 953**	**462 953**	**46 880**	**169 800**	**192 896**	**(23 096)**	**-12%**	**462 953**
TOTAL SALARY, ALLOWANCES & BENEFITS	**375 631**	**462 953**	**462 953**	**46 880**	**169 800**	**192 896**	**(23 096)**	**-12%**	**462 953**
TOTAL MANAGERS AND STAFF	**361 931**	**447 813**	**447 813**	**45 664**	**163 254**	**186 588**	**(23 333)**	**-13%**	**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 30 November 2022**	**Approved Budget 2023/24**	**Actuals as at 30 November 2023**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	0.67%	1.39%	0%	1.00%	1.51%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0%	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	2.61	1.12	1.17	0.99	1:1	1.31:1
Liquidity Ratio	Monetary assets / current liabilities	0.45	0.24	0.65	0.38	0.04:1	0.74:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	87.89%	95%	80.24%

Other indicators		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 November 2022	Approved Budget 2023/24	Actuals as at 30 November 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	0.45 Months	0.06 Months	0.90 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.26%	33.86%	34.11%	34.37%	35.31%	33.71%
Capital Expenditure	Capital Expenditure / Capital Budget	76.92%	87%	80.10%	27.79%	95%	24.69%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	7.00%	5.32%	4.54%	3.26%	4.79%	3.95%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2.52%	2.25%	0.69%	2.80%	0.95%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.11%	83.67%	85.18%	85.40%	83.16%	84.25%

The above table is discussed in detail below.

5.1. Borrowing Management

5.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date.

The ratio is 1.51% as at 30 November 2023, compared to the approved budget ratio of 1.00%.

Borrowed funding of capital expenditure.

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

The ratio is determined as follows:

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

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

5.1.2. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 November 2023, the ratio indicates 0.01, compared to the approved budget of 0.01.

5.1.3. Current ratio

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

The ratio is determined as follows:

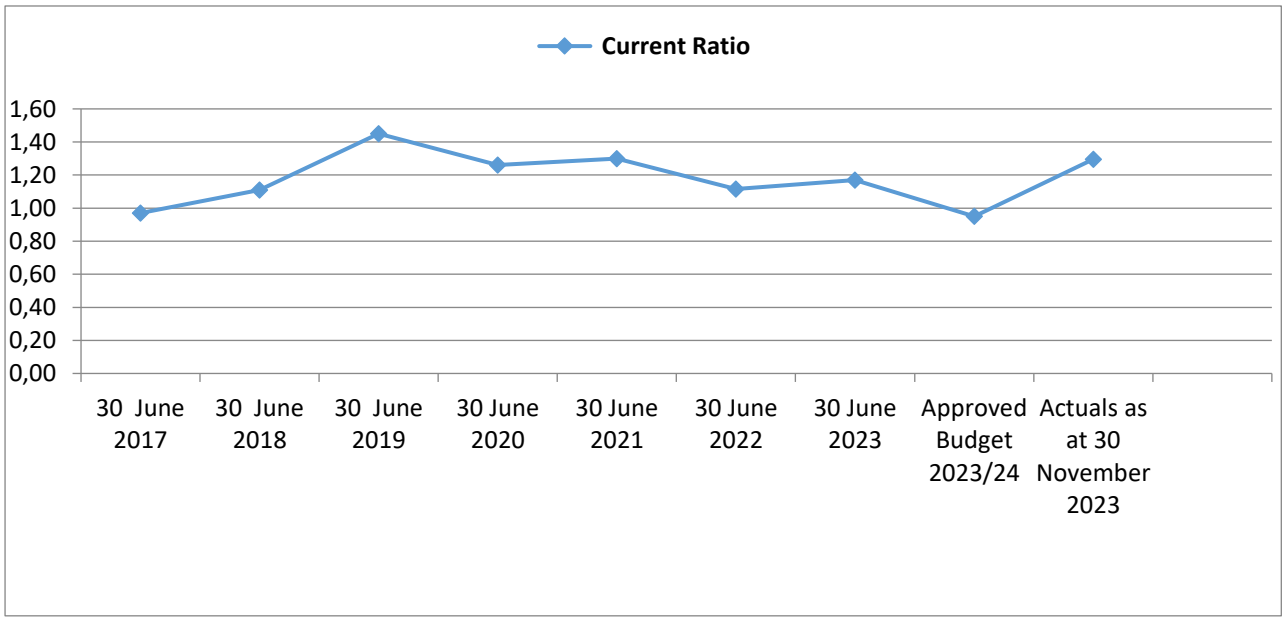
Current assets/Current liabilities

The ratio as at 30 November 2023 was 1.31:1, 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

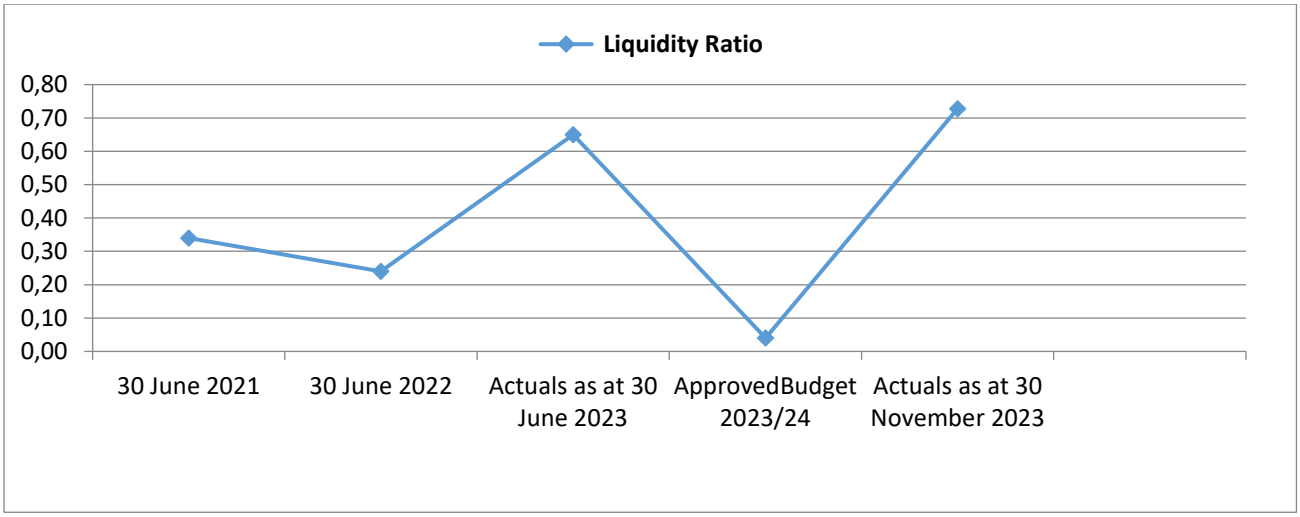
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 30 November 2023 was 0.74:1, compared to the approved budget ratio of 0.04:1.

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



5.2. Revenue Management

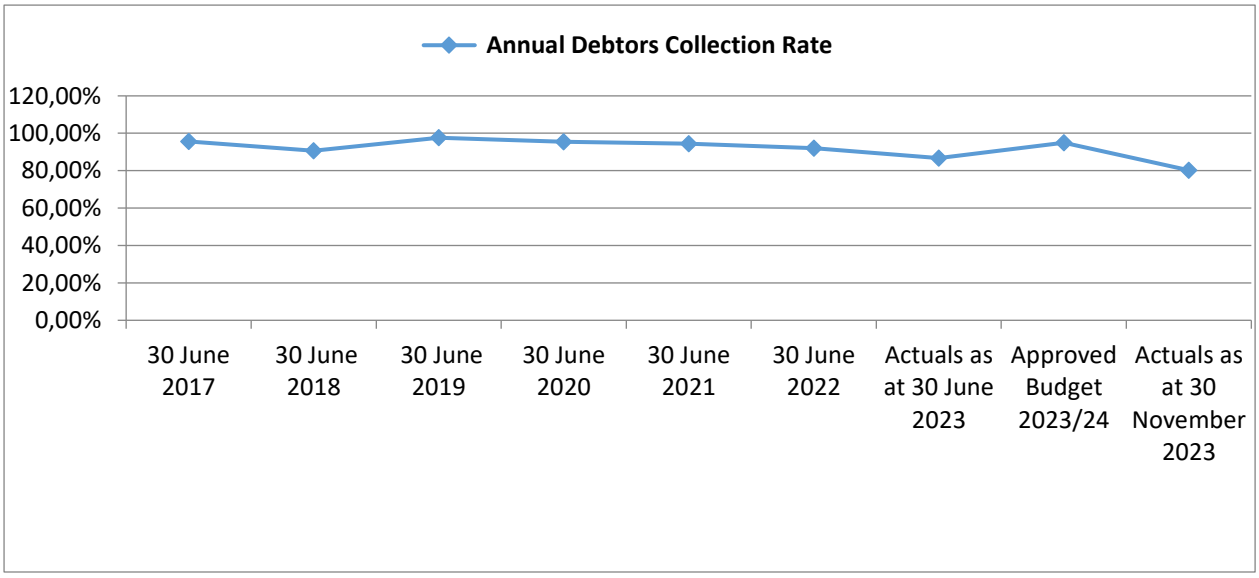
5.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 30 November 2023 was 80.24%, compared to the approved budget collection rate of 95%. The actual collection rate for November 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.

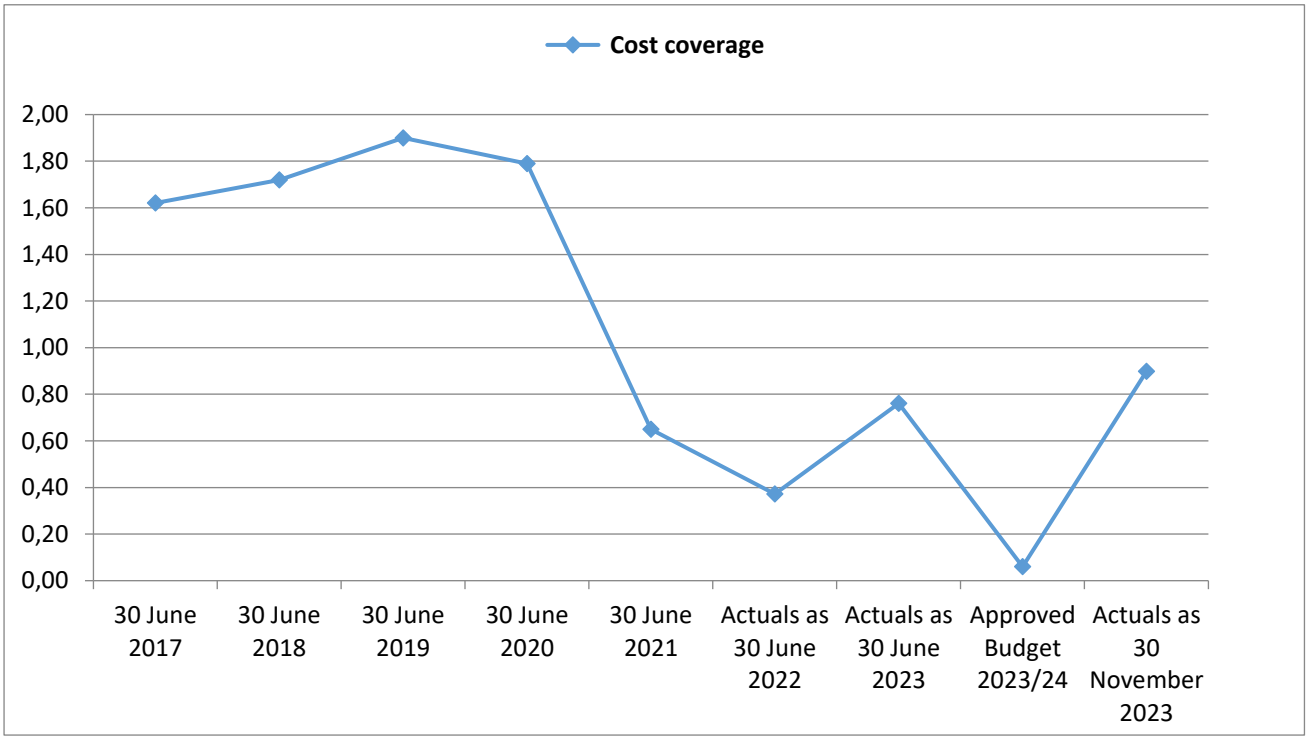
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 November 2023, the Ratio was 0.90 months, compared to the approved budget ratio of 0.06 months.

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



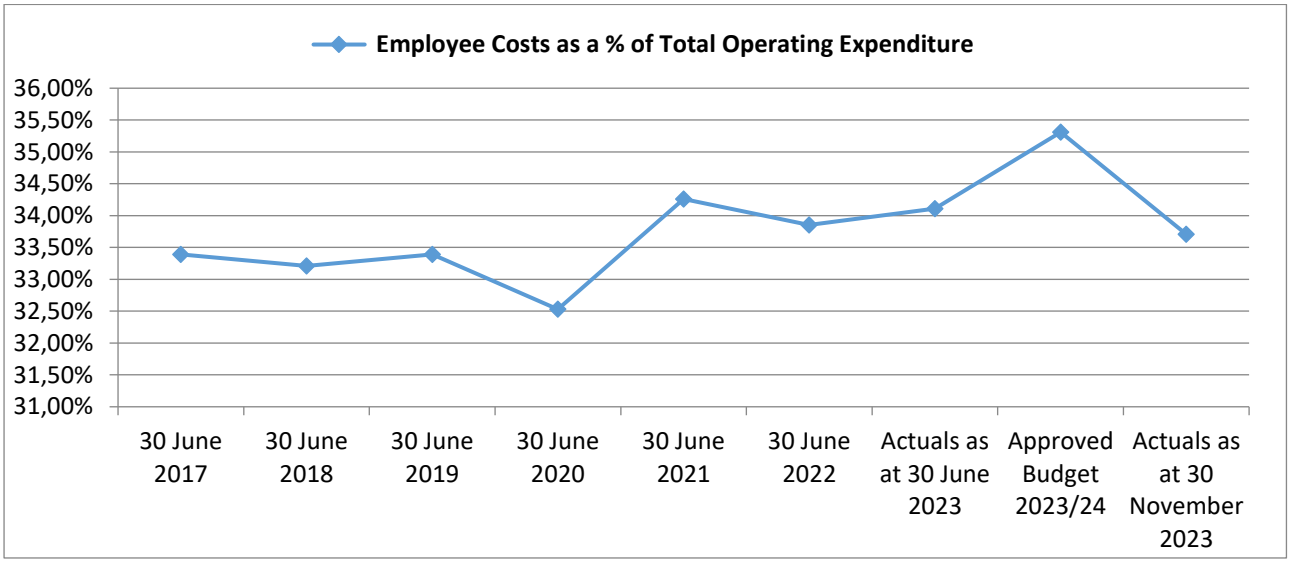
5.3.2. Employee costs as a % of Total Operating Expenditure

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

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 November 2023, Employee Related Costs constituted 33.71% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



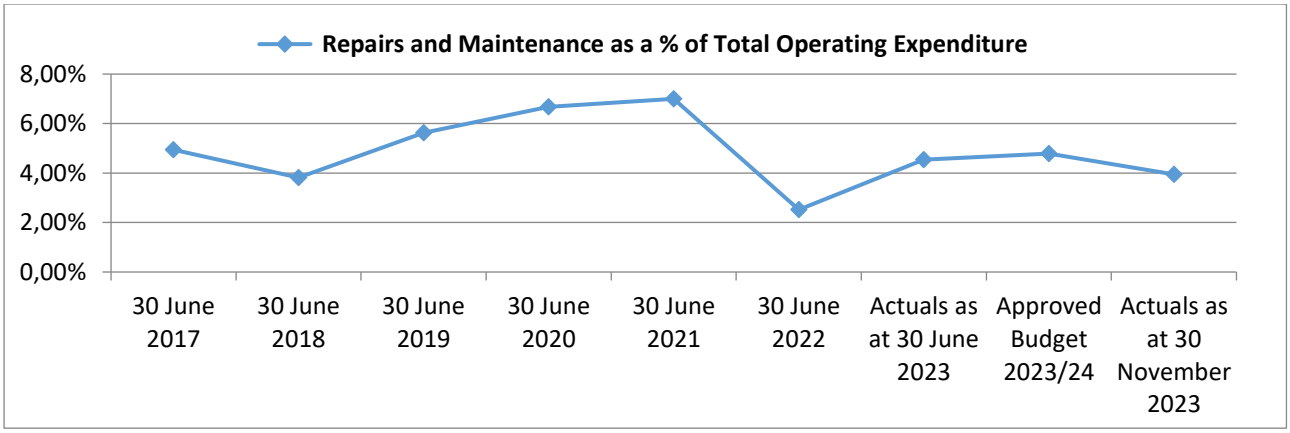
5.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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

The ratio is determined as follows:

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

As at 30 November 2023, the ratio was 3.95%, compared to the approved budget ratio of 4.79%.



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

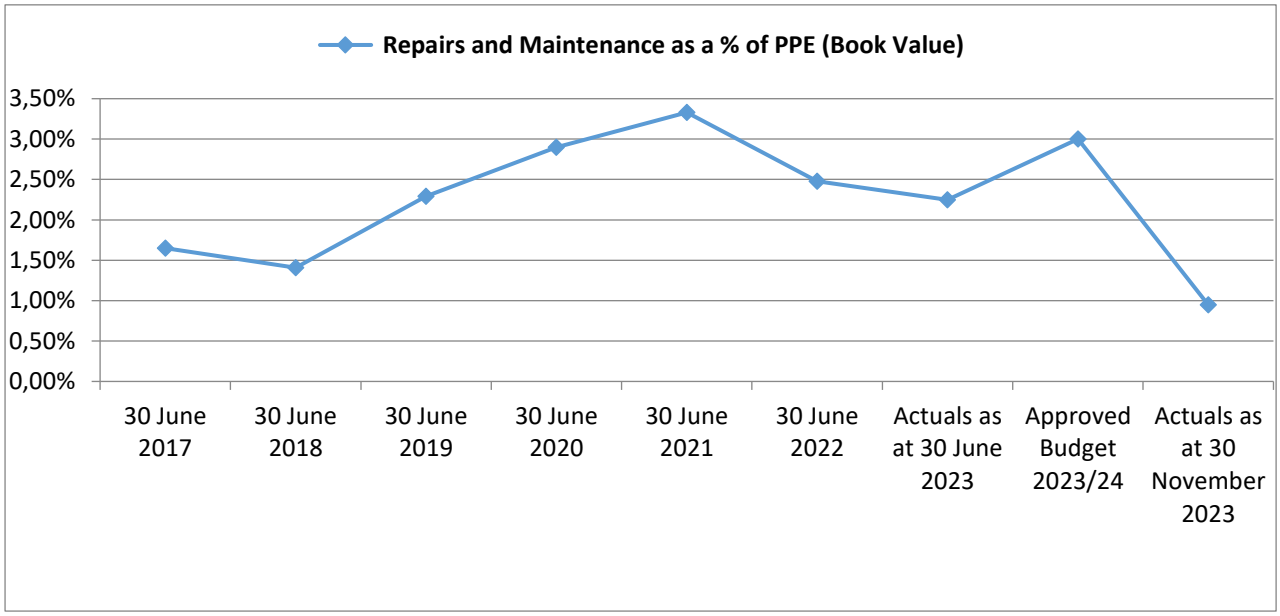
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 November 2023, repairs and maintenance expenditure constituted 0.95% of the book value of PPE, compared to the approved budget ratio of 3.00%.

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



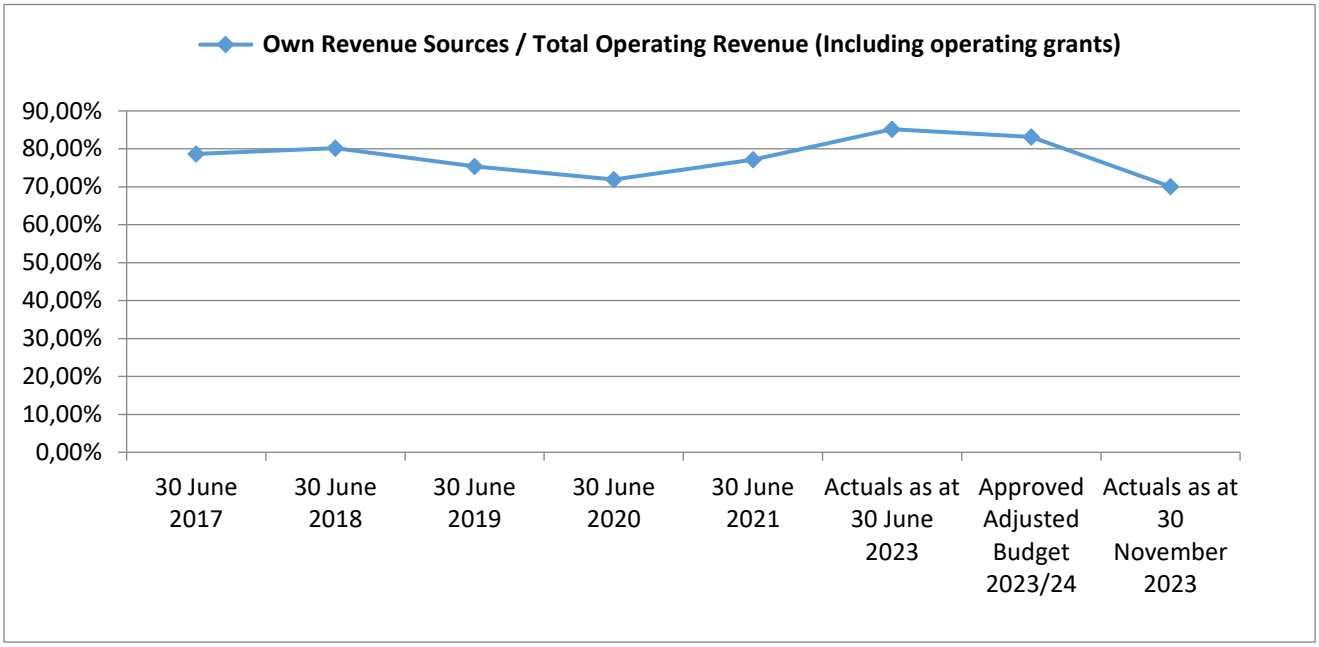
Own Revenue Generation

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

The ratio is determined as follows:

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

As at 30 November 2023, the Municipality's own revenue sources constituted 70.04% 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 30 November 2023 amounted to 24.69% compared to the approved budget ratio of 95%.

