MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO DECEMBER 2023 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 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 December 2023, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R640,503 million, whilst operating expenditure amounted to R 580,229 million, resulting in an operating surplus of R 60,274 million
- Capital expenditure constituted 31.41 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 60,932 million (18.13%) since June 2023.
- An amount of R 35,283 million is owing to creditors, 96.02% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R57,898,391 (55.18%) since June 2023, from R 104,934,592 to R 162,832,983.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 December 2024
Standard Bank	17,575,390	8,135,902	738,450	-		26,449,741
ABSA	17,594,065	8,031,958	838,631	368	1,375	26,462,912
Nedbank	17,580,745	8,103,885	762,568	-		26,447,197
RMB	13,004,007	99,292,920	1,496,475	87,348,743		26,444,659
INVESTEC	17,580,053	8,104,600	762,542	-		26,447,195
Total	**83,334,260**	**131,669,265**	**4,598,666**	**87,349,111**	**1,375**	**132,251,705**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 December 2024**
General Account	54,340,431	75,850,349	2,617,102	60,157,105	1,375	72,649,402
Conditional Grants	9,153,096	53,798,000	1,214,151	27,192,006	-	36,973,241
Housing Funds	19,840,733	2,020,916	767,413	-	-	22,629,062
Total	**83,334,260**	**131,669,265**	**4,598,666**	**87,349,111**	**1,375**	**132,251,705**
Cheque Accounts FNB 52540020791	15,413,743			5,785,137		9,628,606
Cheque Accounts FNB 52540033304	3,874,471	12,916,812				16,791,283
Cheque Accounts FNB 62682103591	780	536				1,316
Cheque Accounts FNB 63022194441	2,311,338	1,848,735				4,160,073
	21,600,332	**14,766,083**	**-**	**5,785,137**	**-**	**30,581,278**
Total	**104,934,592**	**146,435,349**	**4,598,666**	**93,134,248**	**1,375**	**162,832,983**

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

Cash backed Reserves.

Bank Balances and Cash	R 30,581,278
Short-term Investment Deposits	R 132,251,705
	R 162,832,983

Application of Cash

Unspent Conditional Grants	R 55,449,152
Operational Commitments	R 15,154,451

Outstanding Creditors Liability R 35,283,142

R105,886,745

Cash Reserves in excess of commitments: R 56,946,238

The cash backed reserves exceed commitments at this stage by an amount of R 56,946,238. It should be noted the excess of reserves over commitments as at 31 December 2023, is mainly due to an amount of R60,169 million in respect of the equitable share allocation received on 06 December 2023, but not yet fully spent. These funds are already committed towards spending in the 2023/24 operating budget.

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

Ratio	Actuals as at 30 June 2022	Actuals as at 30 June 2023	MFMA Circular 71 Norms	Actuals as at 31 December 2022	Approved Budget 2023/24	Actuals as at 31 December 2023
Current Ratio	0.51:1	0.78:1	1.5:1 to 2:1	1.55:1	0.95:1	0,97:1
Liquidity Ratio	0.15:1	0.42:1		0.81:1	0.04:1	0.69:1
Cost Coverage (Excluding unspent conditional grants)	0:36 Months	0.98 Months	1 Month to 3 Months	1.06 Months	0.06 Months	1.21 Months
Debtors Collection Rate	94.32%	86.71%	95%	86.15%	95%	80.32%
Capital Expenditure	123.92%	94.66%	95%	29.67%	95%	31.41%

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 December 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…………15 January 2023……………………………..

Annexure "A1"

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

Summary Statement of Financial Performance

Description	Budget Year 2023/24					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1 158 957	1 158 957	132 807	640 503	579 478	61 024
Total Expenditure	1 268 316	1 271 504	95 922	580 229	635 509	(55 280)
Surplus/(Deficit)	(109 359)	(112 547)	36 886	60 274	(56 031)	116 305

The statement of financial performance reflects an operating surplus of R 60,274 million at this stage.

Revenue

Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			
Revenue	-	-	-
Exchange Revenue	**662,340**	**317,409**	**47.92%**
Service charges - Electricity	390,731	171,710	43.95%
Service charges - Water	101,425	56,015	55.23%
Service charges - Waste Water Management	63,314	29,267	46.22%
Service charges - Waste management	66,396	28,221	42.50%
Sale of Goods and Rendering of Services	7,790	3,186	40.90%
Agency services	1,000	2,101	210.08%
Interest earned from Receivables	18,595	16,146	86.83%
Interest earned from Current and Non Current Assets	4,598	7,325	159.30%
Rental from Fixed Assets	3,295	1,734	52.64%
Licence and permits	3,021	1,344	44.49%
Operational Revenue	2,174	360	16.56%
Non-Exchange Revenue	**496,618**	**323,093**	**65.06%**
Property rates	281,488	167,766	59.60%
Fines, penalties and forfeits	10,334	5,020	48.58%
Licence and permits	10,668	5,735	53.75%
Transfer and subsidies - Operational	190,883	141,336	74.04%
Interest	3,244	3,237	99.77%
Total Revenue (excluding capital transfers and contributions)	**1,158,957**	**640,503**	**55.27%**

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

- **Property Rates**
  As at 31 December 2023, the municipality has recognised 59.60% 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 R162,833 million.
  The investment amount of R162,833 million includes call accounts amounting to R55,449 million for the unspent conditional grants.

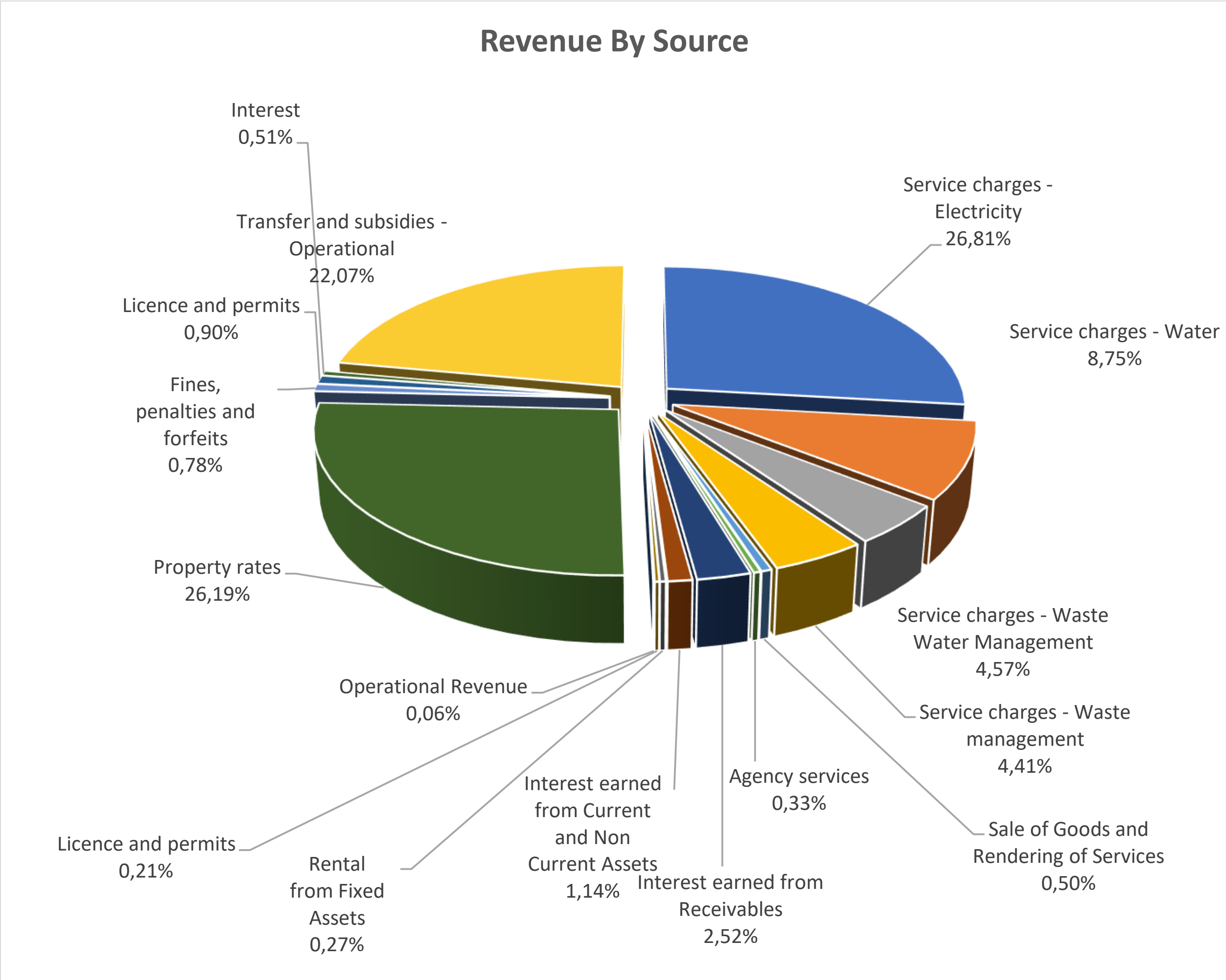
- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences and other drivers' licences and permits.
  The revenue recognized is significantly higher than anticipated, compared 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 397,054 million.

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

- **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 materialized.

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


Revenue By Source
Interest 0,51%
Transfer and subsidies - Operational 22,07%
Licence and permits 0,90%
Fines, penalties and forfeits 0,78%
Property rates 26,19%
Service charges - Electricity 26,81%
Service charges - Water 8,75%
Service charges - Waste Water Management 4,57%
Service charges - Waste management 4,41%
Sale of Goods and Rendering of Services 0,50%
Agency services 0,33%
Interest earned from Receivables 2,52%
Interest earned from Current and Non Current Assets 1,14%
Rental from Fixed Assets 0,27%
Licence and permits 0,21%
Operational Revenue 0,06%

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	193,153	43.13%
Remuneration of councillors	15,140	7,762	51.27%
Bulk purchases - electricity	364,280	189,343	51.98%
Inventory consumed	95,570	45,800	47.92%
Debt impairment	28,314	–	0.00%
Depreciation and amortisation	109,663	54,832	50.00%
Interest	2,090	2,855	136.64%
Contracted services	106,629	42,435	39.80%
Transfers and subsidies	924	100	10.82%
Irrecoverable debts written off	7,305	4,168	57.05%
Operational costs	93,774	39,780	42.42%
Total Expenditure	**1,271,504**	**580,229**	**45.63%**

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.

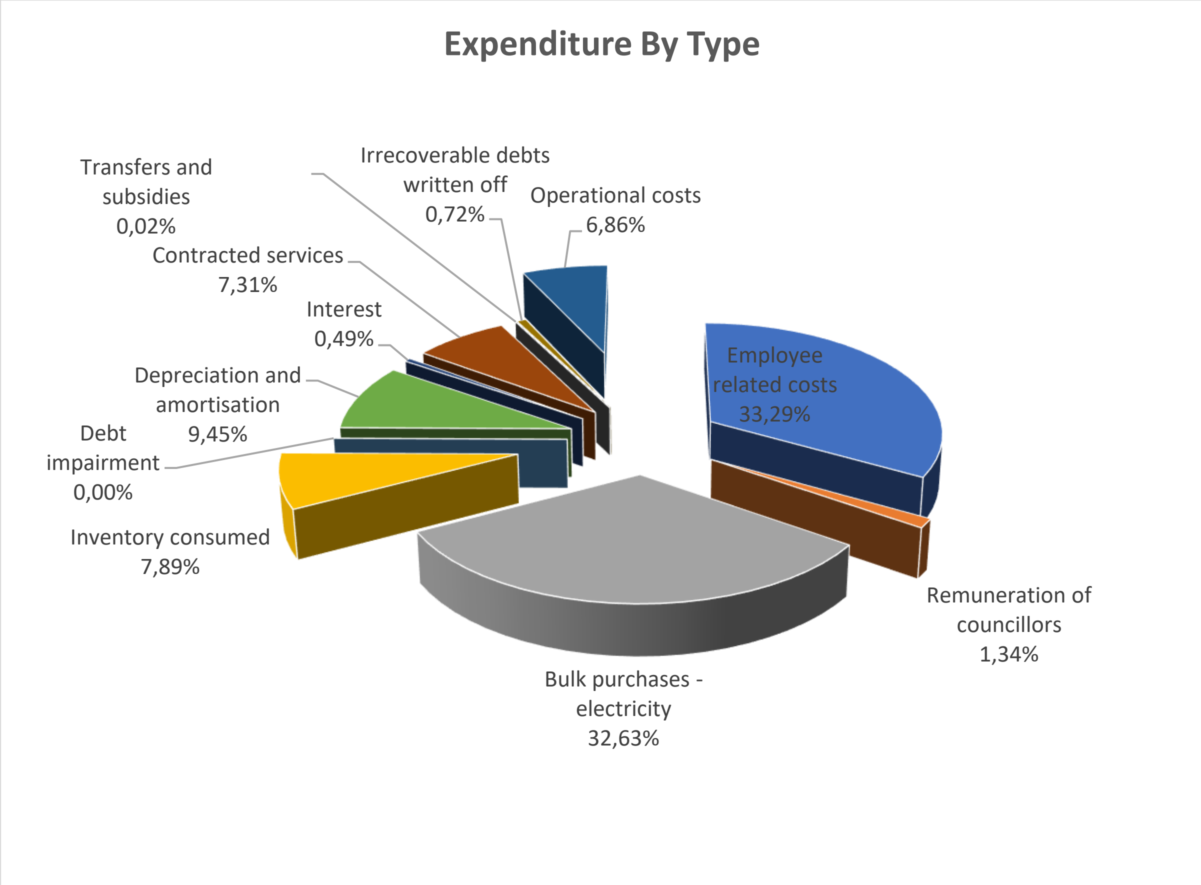
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 December 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	451,589	29.07%
Clearing and Grass Cutting Services	1,546,576	588,482	38.05%
Conducting of feasibility studies (EIA)	300,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	92,401	15.71%
Consultants and Professional Services	5,901,174	1,418,419	24.04%
Destination Marketing and Promotion	500,000	28,331	5.67%
Drivers Licence Cards	598,675	256,671	42.87%
Dune Stabilisation	1,100,000	736,122	66.92%
Electricity Generation Project	2,000,000	272,000	13.60%
Employee Wellness	249,200	9,704	3.89%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	46,485	46.48%
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	28,969	19.31%
Legal Advice and Litigation	6,040,000	1,521,872	25.20%
Legal Cost:Collection	856,000	510,261	59.61%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	5,485,077	2,035,360	37.11%
Maintenance of Electrical Infrastructure	5,300,000	2,090,576	39.44%
Maintenance of Equipment	941,373	207,466	22.04%
Maintenance of Sanitation Infrastructure	7,228,636	979,446	13.55%
Maintenance of Vehicles	8,962,661	3,028,395	33.79%
Maintenance of Water Infrastructure	868,316	213,172	24.55%
Media Monitoring	200,000	16,826	8.41%
Occupational Health and Safety	1,018,653	484,913	47.60%
Other Contracted Services	2,288,734	1,586,178	69.30%
Payroll data cleansing	500,000	94,689	18.94%
Personnel and Labour	15,039,207	5,641,100	37.51%
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	7,820,876	82.67%
Security Services	3,363,152	2,873,615	85.44%
Special Rating Area	12,072,328	5,581,527	46.23%
Summer Festival	500,000	491,323	98.26%
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%
	106,628,519	**42,434,953**	**39.80%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 December 2023	%
Achievements and Awards	1,200,000	540,327	45.03%
Advertising, Publicity and Marketing	4,129,927	1,104,640	26.75%
Bank Charges	1,150,000	645,733	56.15%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	1,015,027	35.04%
Claims paid to Third Parties	200,000	108,742	54.37%
External Audit Fees	4,500,000	4,013,356	89.19%
External Computer Service:Internet Charge	4,000,000	2,264,781	56.62%
Hire Charges	12,452,560	3,528,585	28.34%
Insurance Claims	1,200,000	203,511	16.96%
Insurance Underwriting:Premiums	4,199,701	3,908,651	93.07%
Leases:Furniture and Office Equipment	3,128,689	1,884,947	60.25%
Leases:Other Assets	3,963,740	2,318,536	58.49%
Licences:Licence Agency Fees	19,956	-	0.00%
Motor Vehicle Licence and Registrations	1,596,047	495,592	31.05%
Other	1,131,064	159,406	14.09%
Postage/Stamps/Franking Machines	1,824,405	902,268	49.46%
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	1,067,557	55.69%
Remuneration to Ward Committees	2,700,000	1,053,600	39.02%
Riparian Levies	7,465,557	4,127,971	55.29%
SAMRO Licence	150,000	-	0.00%
Signage	938,459	201,921	21.52%
Skills Development Fund Levy	3,964,204	1,918,936	48.41%
Software Licences	8,398,331	3,025,581	36.03%
Storage of Files (Archiving)	200,000	17,617	8.81%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	5,340,000	1,303,213	24.40%
Travel and Subsistence	3,651,937	1,073,208	29.39%
Uniform and Protective Clothing	3,635,528	1,327,172	36.51%
Vehicle Tracking	942,637	452,733	48.03%
Workmen's Compensation Fund	2,158,836	1,069,934	49.56%
	93,774,321	**39,780,185**	**42.42%**



Repairs and Maintenance

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

	Budget Year 2023/24		
Item Description	**Adjusted Budget 2023/24**	**Actuals as at 31 December 2023**	**%**
Maintenance of Equipment	1,275,632	547,358	42.91%
Maintenance of Vehicles	10,855,627	4,431,472	40.82%
Maintenance of Buildings and Facilities	5,831,728	2,659,900	45.61%
Maintenance of Water Infrastructure	4,926,394	2,108,662	42.80%
Roads Maintenance	14,206,398	10,944,402	77.04%
Sport and Recreation Facilities	349,227	192,694	55.18%
Maintenance of Electrical Infrastructure	10,577,250	4,899,385	46.32%
Maintenance of Sanitation Infrastructure	8,446,061	1,398,263	16.56%
Hire Charges	4,307,775	352,266	8.18%
Total	**60,776,092**	**27,534,403**	**45.30%**

It is to be noted that actual repairs and maintenance expenditure constituted 45.30% 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	171,710	43.95%
Interest earned from Receivables	1,451	1,230	84.76%
Transfers and subsidies - Operational	7,490	–	0.00%
Total Revenue	**399,672**	**172,940**	**43.27%**
Expenditure By Type			
Employee related costs	16,177	8,631	53.35%
Bulk purchases - electricity	364,280	189,343	51.98%
Inventory consumed	7,353	4,105	55.82%
Debt impairment	14,170	–	0.00%
Depreciation and amortisation	6,944	4,140	59.63%
Contracted services	8,360	2,554	30.55%
Irrecoverable debts written off	929	186	20.03%
Operational costs	5,806	1,118	19.26%
Total Expenditure	**424,020**	**210,077**	**49.54%**
Surplus/(Deficit)	**(24,347)**	**(37,136)**	

1.5.1.1 Revenue

- The electricity revenue reflects 43.95% of budget as at 31 December 2023, and this is slightly lower than the projected budget ratio of 50% as at 31 December 2023.

1.5.1.2 Expenditure

- the bulk electricity reflects 51.98% of budget expenditure as at 31 December 2023.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 37,136 million as at 31 December 2023 and the deficit amount equates to 21.47%, compared to the revenue. 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	56,015	55.23%
Interest earned from Receivables	7,735	8,283	107.08%
Transfers and subsidies - Operational	22,140	–	0.00%
Total Revenue	**131,300**	**64,298**	**48.97%**
Expenditure By Type			
Employee related costs	27,733	12,487	45.02%
Inventory consumed	47,034	21,574	45.87%
Debt impairment	2,026	–	0.00%
Depreciation and amortisation	16,097	7,501	46.60%
Contracted services	3,745	892	23.83%
Irrecoverable debts written off	2,186	1,775	81.21%
Operational costs	5,072	1,147	22.61%
Total Expenditure	**103,892**	**45,375**	**43.67%**
Surplus/(Deficit)	**27,408**	**18,923**	

1.5.2.1 Revenue

- The water revenue reflects 55.23% of budget as at 31 December 2023, and this is in line with the projected budget ratio of 50% as at 31 December 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 17,447 million (44.12% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 18,923 million as at 31 December 2023 and equates to 29.43% of total revenue.

1.5.3 Waste Water Management

	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	63,314	29,267	46.22%
Interest earned from Receivables	3,513	2,603	74.09%
Transfers and subsidies - Operational	11,386	–	0.00%
Total Revenue	**78,213**	**31,870**	**40.75%**
Expenditure By Type			
Employee related costs	24,642	13,207	53.59%
Inventory consumed	12,036	5,157	42.85%
Debt impairment	1,676	–	0.00%
Depreciation and amortisation	28,156	14,016	49.78%
Contracted services	9,669	1,344	13.90%
Irrecoverable debts written off	897	714	79.54%
Operational costs	7,940	3,258	41.04%
Total Expenditure	**85,015**	**37,695**	**44.34%**
Surplus/(Deficit)	**(6,802)**	**(5,826)**	

1.5.3.1 Revenue

- The waste water revenue reflects 46.22% of budget as at 31 December 2023, and this is slightly lower than the projected budget ratio of 50% as at 31 December 2023.
- Interest earned from receivables reflects 74.09% of budget and this is mainly influenced by overdue consumer debt.

1.5.3.2 Expenditure

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

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a deficit of R 5,826 million as at 31 December 2023 and equates to 18.28% of total revenue.
  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	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste	66,396	28,221	42.50%
Sale of Goods and Rendering of Services	50	2	4.48%
Interest earned from Receivables	5,666	3,837	67.73%
Transfers and subsidies - Operational	22,559	1,923	8.52%
Total Revenue	**94,671**	**33,984**	**35.90%**
Expenditure By Type			
Employee related costs	36,715	20,752	56.52%
Inventory consumed	8,474	3,878	45.76%
Debt impairment	1,601	-	0.00%
Depreciation and amortization	3,195	1,325	41.47%
Contracted services	17,014	6,872	40.39%
Irrecoverable debts written off	1,174	1,225	104.34%
Operational costs	4,997	2,124	42.51%
Total Expenditure	**73,170**	**36,178**	**49.44%**
Surplus/(Deficit)	**21,501**	**(2,195)**	

1.5.4.1 Revenue

- The waste revenue reflects 42.50% of budget as at 31 December 2023, and this is slightly lower than the projected budget ratio of 50% as at December 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 deficit of R 2,195 million as at 31 December 2023 and equates to 6.46% 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	4,740	(762)
2. Travel claims	3,412	3,532	902	1,177	(275)
4. Overtime	20,282	20,282	7,300	6,761	540
5. Catering Costs	1,489	1,554	423	518	(94)
6. Events, Advertising and sponsorships	5,019	5,246	1,092	1,749	(656)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,897	1,033	632	401
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,441	3	480	(477)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	1,499	1,499	1,499	1,499	–
Total	**46,253**	**49,669**	**16,231**	**17,556**	**(1,325)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 1,325 million as at 31 December 2023.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2023/24			Actuals as at 31 December 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	134 390	22 735	157 124	–
COMMUNITY SERVICES	244 029	3 000	247 029	111 420	1 590	113 009	–
ELECTRO/ MECHANICAL SERVICES	434 637	16 477	451 113	216 447	3 157	219 604	–
FINANCE AND ECONOMIC DEVELOPMENT	108 717	982	109 699	45 999	98	46 096	–
OFFICE OF THE DMM	124 644	1 969	126 614	43 763	1 591	45 354	–
OFFICE OF THE MM	29 901	48	29 949	16 243	19	16 262	–
PLANNING AND DEVELOPMENT	26 229	2 000	28 229	11 969	106	12 075	–
Total Expenditure by Vote	**1 271 504**	**93 279**	**1 364 783**	**580 229**	**29 296**	**609 525**	–

The assessment reflects no unauthorised expenditure as at 31 December 2023.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 31 December 2023, constituted 31.41% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 36.57% of approved adjusted grant funding budget.
- Internally generated funds are 15.75% 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	135	625	61.42%
Vote 2 - FINANCIAL SERVICES	–	282	42	88	31.31%
Vote 3 - CORPORATE SERVICES	–	1,000	–	986	99%
Vote 4 - COMMUNITY SERVICES	1,362	3,000	83	1,590	52.98%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	85,280	5,903	25,892	30.36%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	2,700	106	116	4.28%
Total Capital Multi-year expenditure	**79,343**	**93,279**	**6,269**	**29,296**	**31.41%**

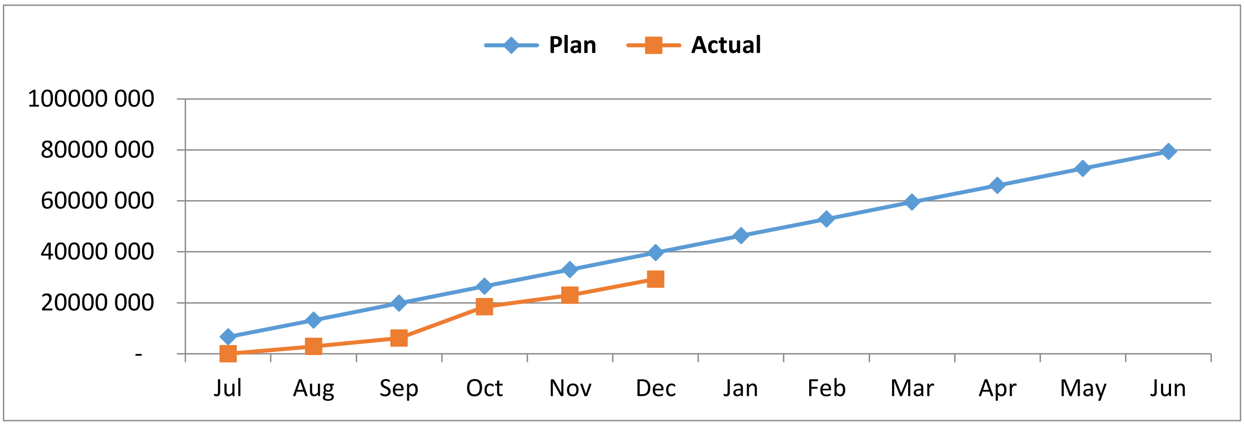
The capital expenditure as at 31 December 2023, constituted 31.41% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 61.42% of R 0.760 million budget.
- Financial Services is 31.31% of R 0 million budget.
- Corporate Services is 98.61% of R 0 million budget.
- Community Services is 52.98% of R 1,362 million budget.
- Infrastructure & Engineering is 30.36% of R 76,521 million budget.
- Planning Development and Tourism is 4.28% of R0.700 million budget.

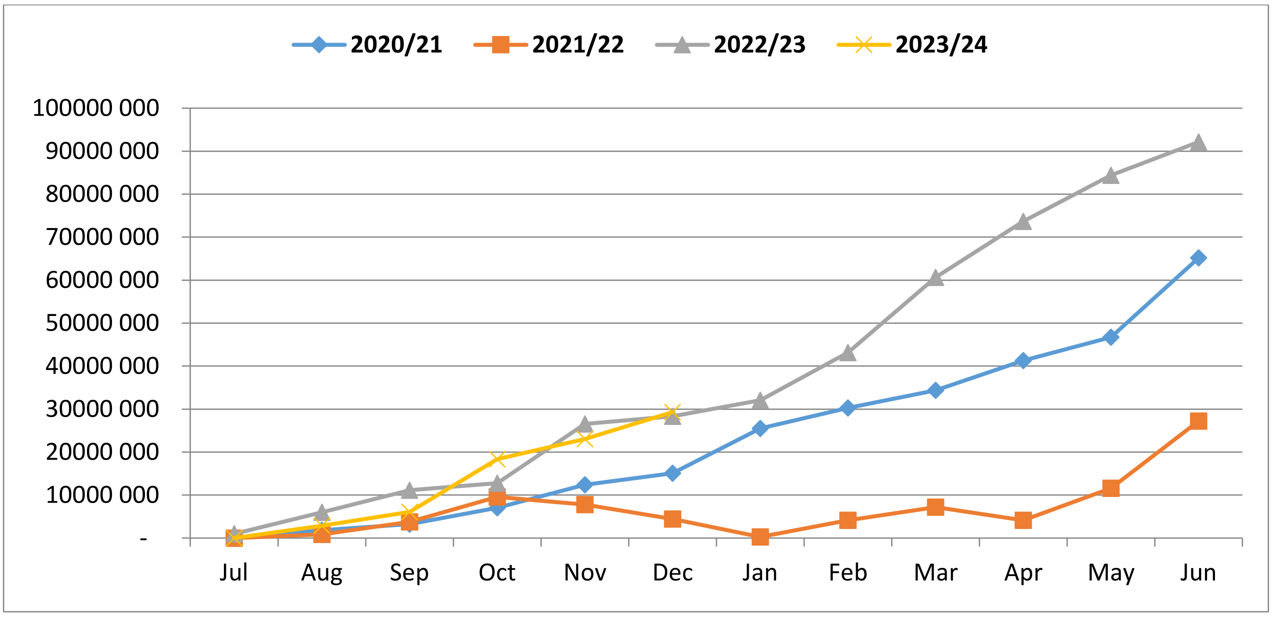
Monthly capital expenditure

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



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

The graph below shows the municipality's capital expenditure trend for 2020/21, 2021/22, 2022/23 and 2023/24.



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

DEPARTMENT	FUNDING	PROJECT	Approved Adjusted Budget 2023/24	Actuals as at 31 December 2023	%
CIVIL & WATER SERVICES					
WATER	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	10 717	5 657	52,78%
WATER	Internal	Replace 250mm Water Main Canal Road St Francis Ba	82 500	40 900	49,58%
SEWERAGE	Internal	New bypass Sewer Rising Main and Pump Stations Jbay	323 486	-	0,00%
SEWERAGE	Internal	Piped Reticulation - St Francis Bay	72 500	4 500	6,21%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga	900 243	-	0,00%
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	400 000	-	0,00%
SEWERAGE	Internal	Upgrade Loerie sewer pump station	-	49 963	
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	1 224 891	-	0,00%
SEWERAGE	Internal	HANKEY WWTW	5 155 634	-	0,00%
ROADS AND STORMWATER	Internal	UPGRADING KOUGA GRAVEL ROADS	800 000	692 604	86,58%
SEWERAGE	Internal	Construct emergency overflow pond Koraal Sewer pu	300 000	-	0,00%
SEWERAGE	Internal	Upgrade Loerie sewer pump station	56 562	-	0,00%
ROADS AND STORMWATER	MDRG	ST FRANCIS CANAL BRIDGE	2 608 696	1 818 800	69,72%
SEWERAGE	MIG	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA	430 645	48 997	11,38%
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	304 347	4 830	1,59%
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	10 632 672	2 238 251	21,05%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	208 695	51 875	24,86%
SEWERAGE	MIG	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12 808 470	7 298 553	56,98%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	3 339 130	3 064 353	91,77%
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADING LOERIE SPORTS FACILITIES	3 057 474	3 018 858	98,74%
WATER	WSIG	PARADISE BEACH WATER TOWER	9 772 639	395 708	4,05%
WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	16 314 317	4 000 899	24,52%
			68 803 618	**22 734 747**	**33,04%**
COMMUNITY & SAFETY SERVICES					
FIRE SERVICES	DISTRICT	Fire vehicles	3 000 277	1 589 637	52,98%
			3 000 277	**1 589 637**	**52,98%**

DEPARTMENT	FUNDING	PROJECT	Approved Adjusted Budget 2023/24	Actuals as at 31 December 2023	%
ELECTRO & MECHANICAL					
METERING & REVENUE	EEDSM	ENERGY EFFICIENCY PROJECTS	3 478 260	-	0,00%
METERING & REVENUE	INEP	OCEAN VIEW 1250 ELECTRIFICATION	4 086 956	2 118 168	51,83%
METERING & REVENUE	INEP	Bulk 66kv Overhead lines	1 576 840	290 695	18,44%
METERING & REVENUE	INEP	Electrification of Oceanview	1 318 112	481 749	36,55%
METERING & REVENUE	Internal	SOLAR ENERGY PROJECT	5 619 475	-	0,00%
FLEET AND WORKSHOP	Internal	Generator	310 000	266 435	85,95%
METERING & REVENUE	MIG	DESIGN: HIGH MAST LIGHTS	86 957	-	0,00%
			16 476 600	**3 157 047**	**19,16%**
FINANCE & ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	282 006	88 285	31,31%
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100 000	-	0,00%
TOURISM	Internal	Furniture and Equipment	600 000	9 290	1,55%
			982 006	**97 575**	**9,94%**
OFFICE OF THE DMM					
INFORMATION TECHNOLOGY	Internal	Computer Equipment	1 000 000	986 056	98,61%
WARD COUNCILLORS	Internal	Ward councilors Capital project	750 000	448 269	59,77%
MAYOR	Internal	Furniture and Equipment - Municipal Court	219 331	157 142	71,65%
			1 969 331	**1 591 468**	**80,81%**
OFFICE OF THE MM					
MUNICIPAL MANAGER	Internal	Furniture and Equipment	37 632	19 200	51,02%
INTEGRATED DEVELOPMENT	Internal	Furniture and Equipment	10 000	-	0,00%
			47 632	**19 200**	**40,31%**
PLANNING & DEVELOPMENT					
TOWN AND REGIONAL PLANNING	Internal	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	2 000 000	106 350	5,32%
			2 000 000	**106 350**	**5,32%**
			-	-	
		Total	**93 279 464**	**29 296 024**	**31,41%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 December 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 – M06 December 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87 932	270 495	270 495	15 582	144 208	(129 574)	273 782	-211%	270 495
Service charges		237 049	697 055	697 055	39 450	231 847	(348 527)	580 374	-167%	697 055
Other revenue		25 426	67 422	67 422	12 542	110 742	20 139	90 604	450%	67 422
Transfers and Subsidies - Operational		166 622	190 883	190 883	60 504	141 111	89 395	51 715	58%	190 883
Transfers and Subsidies - Capital		79 951	75 561	75 561	8 372	50 659	(36 418)	87 077	-239%	75 561
Interest		840 211	4 598	4 598	4 461	25 537	2 299	23 238	1011%	4 598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667 606	(1 219 527)	(1 219 527)	(106 316)	(600 188)	(609 764)	(9 575)	2%	(1 219 527)
Interest		–	–	–	(1 252)	(6 183)	–	6 183	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 104 797**	**86 487**	**86 487**	**33 344**	**97 732**	**(1 012 450)**	**#######**	**110%**	**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)	(7 169)	(33 650)	46 640	80 290	172%	(79 343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71 169)**	**(79 343)**	**(79 343)**	**(7 169)**	**(33 650)**	**46 640**	**80 290**	**172%**	**(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)	(1 252)	(6 183)	–	6 183	0%	(10 091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10 091)**	**(10 091)**	**(1 252)**	**(6 183)**	**–**	**6 183**	**0%**	**(10 091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 033 629**	**(2 947)**	**(2 947)**	**24 923**	**57 898**	**(965 810)**			**(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		162 833	(957 268)			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 December 2023 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M06 December 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	18 712	167 766	140 744	27 022	19%	281 488
Service charges	547 619	621 867	621 867	44 076	285 214	310 933	(25 720)	-8%	621 867
Investment revenue	6 824	4 598	4 598	1 210	7 325	2 299	5 026	219%	4 598
Transfers and subsidies - Operational	177 339	190 883	190 883	61 391	141 336	95 442	45 895	48%	190 883
Other own revenue	193 879	60 121	60 121	7 419	38 862	30 060	8 802	29%	60 121
Total Revenue (excluding capital transfers and contributions)	**1 185 175**	**1 158 957**	**1 158 957**	**132 807**	**640 503**	**579 478**	**61 024**	**11%**	**1 158 957**
Employee costs	364 306	447 813	447 813	29 899	193 153	223 905	(30 752)	-14%	447 813
Remuneration of Councillors	13 700	15 140	15 140	1 216	7 762	7 570	192	3%	15 140
Depreciation and amortisation	124 787	109 663	109 663	9 139	54 832	54 831	1	0%	109 663
Interest	8 059	2 090	2 090	456	2 855	1 045	1 811	173%	2 090
Inventory consumed and bulk purchases	382 970	458 626	459 851	35 213	235 143	229 925	5 218	2%	459 851
Transfers and subsidies	709	924	924	–	100	462	(362)	-78%	924
Other expenditure	373 435	234 060	236 023	19 999	86 383	117 771	(31 388)	-27%	236 023
Total Expenditure	**1 267 965**	**1 268 316**	**1 271 504**	**95 922**	**580 229**	**635 509**	**(55 280)**	**-9%**	**1 271 504**
Surplus/(Deficit)	**(82 789)**	**(109 359)**	**(112 547)**	**36 886**	**60 274**	**(56 031)**	**116 305**	**-208%**	**(112 547)**
Transfers and subsidies - capital (monetary allocations)	102 222	75 561	78 561	5 442	25 427	39 280	(13 854)	-35%	78 561
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**	**102 451**	**-612%**	**(33 986)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**	**102 451**	**-612%**	**(33 986)**
Capital expenditure & funds sources									
Capital expenditure	**113 966**	**79 343**	**93 279**	**6 269**	**29 296**	**46 640**	**(17 344)**	**-37%**	**93 279**
Capital transfers recognised	64 491	65 883	70 130	5 977	25 649	35 065	(9 416)	-27%	70 130
Borrowing	8 786	–	–	–	–	–	–		–
Internally generated funds	40 688	13 460	23 150	292	3 647	11 575	(7 928)	-68%	23 150
Total sources of capital funds	**113 966**	**79 343**	**93 279**	**6 269**	**29 296**	**46 640**	**(17 344)**	**-37%**	**93 279**
Financial position									
Total current assets	352 526	154 622	154 622		272 221				139 431
Total non current assets	2 305 137	2 302 442	2 302 442		2 268 571				2 316 379
Total current liabilities	340 668	154 259	154 259		204 211				153 192
Total non current liabilities	241 472	255 035	255 035		165 872				255 035
Community wealth/Equity	**2 087 378**	**2 047 771**	**2 047 771**		**2 170 709**				**2 047 771**
Cash flows									
Net cash from (used) operating	2 104 797	86 487	86 487	33 344	97 732	(1 012 450)	(1 110 182)	110%	86 487
Net cash from (used) investing	(71 169)	(79 343)	(79 343)	(7 169)	(33 650)	46 640	80 290	172%	(79 343)
Net cash from (used) financing	–	(10 091)	(10 091)	(1 252)	(6 183)	–	6 183		(10 091)
Cash/cash equivalents at the month/year end	**2 061 479**	**5 596**	**5 596**	**–**	**162 833**	**(957 268)**	**(1 120 101)**	**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	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	44 877	1 972	591	3 013	297	19	115	2 884	53 768

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) – M06 December 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**572 832**	**422 639**	**422 639**	**81 337**	**319 977**	**211 319**	108 657	51%	**422 639**
Executive and council		2 464	106	106	–	15	53	(38)	-71%	106
Finance and administration		570 368	422 533	422 533	81 337	319 961	211 266	108 695	51%	422 533
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**22 893**	**16 716**	**16 716**	**1 715**	**8 179**	**8 358**	(179)	-2%	**16 716**
Community and social services		2 427	2 437	2 437	298	2 243	1 219	1 024	84%	2 437
Sport and recreation		8 640	10 338	10 338	1 410	5 565	5 169	396	8%	10 338
Public safety		2 748	1 378	1 378	(50)	274	689	(415)	-60%	1 378
Housing		5 849	–	–	–	–	–	–		–
Health		3 230	2 563	2 563	57	97	1 282	(1 184)	-92%	2 563
Economic and environmental services		**30 867**	**37 432**	**40 432**	**2 635**	**19 967**	**20 216**	(250)	-1%	**40 432**
Planning and development		6 461	8 083	8 083	551	4 086	4 042	44	1%	8 083
Road transport		7 002	6 910	9 910	535	4 715	4 955	(240)	-5%	9 910
Environmental protection		17 404	22 439	22 439	1 549	11 166	11 220	(54)	0%	22 439
Trading services		**660 805**	**757 731**	**757 731**	**52 562**	**317 807**	**378 865**	(61 058)	-16%	**757 731**
Energy sources		313 432	408 372	408 372	37 178	175 039	204 186	(29 147)	-14%	408 372
Water management		195 564	161 300	161 300	8 722	68 921	80 650	(11 729)	-15%	161 300
Waste water management		99 252	113 711	113 711	6 264	49 867	56 856	(6 988)	-12%	113 711
Waste management		52 557	74 347	74 347	398	23 979	37 174	(13 194)	-35%	74 347
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1 287 398**	**1 234 518**	**1 237 518**	**138 250**	**665 930**	**618 759**	**47 171**	**8%**	**1 237 518**
Expenditure - Functional										
Governance and administration		**384 164**	**306 226**	**306 257**	**20 533**	**128 514**	**152 888**	(24 374)	-16%	**306 257**
Executive and council		54 920	64 558	64 589	5 413	28 346	32 293	(3 947)	-12%	64 589
Finance and administration		329 172	241 417	241 417	15 116	100 131	120 473	(20 342)	-17%	241 417
Internal audit		73	251	251	4	37	123	(86)	-70%	251
Community and public safety		**98 259**	**121 818**	**121 668**	**8 883**	**52 156**	**60 833**	(8 677)	-14%	**121 668**
Community and social services		8 230	12 897	12 877	1 139	5 097	6 438	(1 341)	-21%	12 877
Sport and recreation		50 562	63 813	63 813	4 493	25 842	31 906	(6 064)	-19%	63 813
Public safety		26 931	30 247	30 267	2 307	14 246	15 134	(888)	-6%	30 267
Housing		5 390	7 037	6 887	403	3 302	3 443	(142)	-4%	6 887
Health		7 146	7 824	7 824	540	3 670	3 912	(242)	-6%	7 824
Economic and environmental services		**121 915**	**158 670**	**162 177**	**15 248**	**73 338**	**81 088**	(7 750)	-10%	**162 177**
Planning and development		24 223	31 432	31 614	2 314	13 666	15 807	(2 141)	-14%	31 614
Road transport		86 259	118 681	118 618	11 829	53 933	59 309	(5 376)	-9%	118 618
Environmental protection		11 434	8 556	11 944	1 106	5 739	5 972	(233)	-4%	11 944
Trading services		**657 391**	**674 375**	**674 175**	**50 942**	**323 584**	**337 087**	(13 503)	-4%	**674 175**
Energy sources		333 777	424 020	424 020	29 431	210 077	212 010	(1 933)	-1%	424 020
Water management		155 034	103 892	103 892	9 201	45 373	51 946	(6 573)	-13%	103 892
Waste water management		92 857	85 015	85 015	6 265	37 695	42 507	(4 812)	-11%	85 015
Waste management		75 723	61 449	61 249	6 045	30 440	30 624	(185)	-1%	61 249
Other		**6 236**	**7 227**	**7 227**	**316**	**2 637**	**3 614**	**(977)**	**-27%**	**7 227**
Total Expenditure - Functional	3	**1 267 965**	**1 268 316**	**1 271 504**	**95 922**	**580 229**	**635 509**	**(55 280)**	**-9%**	**1 271 504**
Surplus/ (Deficit) for the year		**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**	**102 451**	**-612%**	**(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 – M06 December 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		426 747	410 736	410 736	81 276	315 013	205 368	109 645	53,4%	410 736
Vote 3 - CORPORATE SERVICES		9 373	1 194	1 194	–	129	597	(468)	-78,4%	1 194
Vote 4 - COMMUNITY SERVICES		225 297	127 808	127 808	4 252	51 791	63 904	(12 113)	-19,0%	127 808
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611 785	688 565	691 565	52 368	296 116	345 782	(49 667)	-14,4%	691 565
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		11 828	6 215	6 215	354	2 881	3 107	(226)	-7,3%	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	**1 287 502**	**1 234 518**	**1 237 518**	**138 250**	**665 930**	**618 759**	**47 171**	**7,6%**	**1 237 518**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60 197	70 802	70 732	5 804	30 425	35 356	(4 931)	-13,9%	70 732
Vote 2 - FINANCIAL SERVICES		212 317	115 941	115 941	7 456	51 724	57 960	(6 235)	-10,8%	115 941
Vote 3 - CORPORATE SERVICES		51 959	62 930	62 950	3 002	18 988	31 256	(12 268)	-39,2%	62 950
Vote 4 - COMMUNITY SERVICES		232 076	240 505	243 692	19 636	111 398	121 845	(10 447)	-8,6%	243 692
Vote 5 - INFRASTRUCTURE AND ENGINEERING		681 193	739 091	739 141	57 623	351 862	369 570	(17 708)	-4,8%	739 141
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30 209	38 427	38 427	2 401	15 832	19 213	(3 381)	-17,6%	38 427
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 267 951**	**1 267 696**	**1 270 884**	**95 922**	**580 229**	**635 199**	**(54 970)**	**-8,7%**	**1 270 884**
Surplus/ (Deficit) for the year	2	**19 551**	**(33 178)**	**(33 366)**	**42 328**	**85 701**	**(16 441)**	**102 141**	**-621,3%**	**(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) – M06 December 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	50 437	317 409	331 170	(13 760)	-4%	662 340
Service charges - Electricity		306 477	390 731	390 731	36 053	171 710	195 366	(23 655)	-12%	390 731
Service charges - Water		117 400	101 425	101 425	5 139	56 015	50 712	5 303	10%	101 425
Service charges - Waste Water Management		61 797	63 314	63 314	2 489	29 267	31 657	(2 390)	-8%	63 314
Service charges - Waste management		61 945	66 396	66 396	395	28 221	33 198	(4 977)	-15%	66 396
Sale of Goods and Rendering of Services		9 189	7 790	7 790	314	3 186	3 895	(709)	-18%	7 790
Agency services		2 678	1 000	1 000	319	2 101	500	1 601	320%	1 000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20 845	18 595	18 595	3 585	16 146	9 297	6 848	74%	18 595
Interest earned from Current and Non Current Assets		6 824	4 598	4 598	1 210	7 325	2 299	5 026	219%	4 598
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2 570	3 295	3 295	669	1 734	1 647	87	5%	3 295
Licence and permits		2 677	3 021	3 021	229	1 344	1 511	(167)	-11%	3 021
Operational Revenue		1 200	2 174	2 174	35	360	1 087	(727)	-67%	2 174
Non-Exchange Revenue		591 574	496 618	496 618	82 370	323 093	248 309	74 785	30%	496 618
Property rates		259 514	281 488	281 488	18 712	167 766	140 744	27 022	19%	281 488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132 853	10 334	10 334	78	5 020	5 167	(147)	-3%	10 334
Licence and permits		7 195	10 668	10 668	1 129	5 735	5 334	401	8%	10 668
Transfer and subsidies - Operational		177 339	190 883	190 883	61 391	141 336	95 442	45 895	48%	190 883
Interest		3 729	3 244	3 244	1 060	3 237	1 622	1 615	100%	3 244
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		31	–	(0)	–	–	–	–		(0)
Other Gains		10 913	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1 185 175**	**1 158 957**	**1 158 957**	**132 807**	**640 503**	**579 478**	**61 024**	**11%**	**1 158 957**
Expenditure By Type										
Employee related costs		364 306	447 813	447 813	29 899	193 153	223 905	(30 752)	-14%	447 813
Remuneration of councillors		13 700	15 140	15 140	1 216	7 762	7 570	192	3%	15 140
Bulk purchases - electricity		291 888	364 280	364 280	25 994	189 343	182 140	7 203	4%	364 280
Inventory consumed		91 082	94 345	95 570	9 219	45 800	47 785	(1 984)	-4%	95 570
Debt impairment		119 944	28 314	28 314	–	–	14 157	(14 157)	-100%	28 314
Depreciation and amortisation		124 787	109 663	109 663	9 139	54 832	54 831	1	0%	109 663
Interest		8 059	2 090	2 090	456	2 855	1 045	1 811	173%	2 090
Contracted services		87 336	104 476	106 629	11 398	42 435	53 299	(10 864)	-20%	106 629
Transfers and subsidies		709	924	924	–	100	462	(362)	-78%	924
Irrecoverable debts written off		87 459	7 305	7 305	2 227	4 168	3 653	515	14%	7 305
Operational costs		76 926	93 964	93 774	6 375	39 780	46 662	(6 882)	-15%	93 774
Losses on Disposal of Assets		1 345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1 267 965**	**1 268 316**	**1 271 504**	**95 922**	**580 229**	**635 509**	**(55 280)**	**-9%**	**1 271 504**
Surplus/(Deficit)		**(82 789)**	**(109 359)**	**(112 547)**	**36 886**	**60 274**	**(56 031)**	**116 305**	**(0)**	**(112 547)**
Transfers and subsidies - capital (monetary allocations)		102 222	75 561	78 561	5 442	25 427	39 280	(13 854)	**(0)**	78 561
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**			**(33 986)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**			**(33 986)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**			**(33 986)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**19 433**	**(33 798)**	**(33 986)**	**42 328**	**85 701**	**(16 751)**			**(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) – M06 December 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	135	625	508	116	23%	1,017
Vote 2 - FINANCIAL SERVICES		1,802	–	1,282	42	1,074	641	433	68%	1,282
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	3,000	83	1,590	1,500	89	6%	3,000
Vote 5 - INFRASTRUCTURE AND ENGINEERING		93,551	76,521	83,252	5,894	25,144	41,626	(16,482)	-40%	83,252
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	2,700	106	116	1,350	(1,234)	-91%	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	**113,873**	**79,343**	**91,251**	**6,260**	**28,548**	**45,626**	**(17,078)**	**-37%**	**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	8	748	1,014	(266)	-26%	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	8	748	1,014	**(266)**	**-26%**	2,028
Total Capital Expenditure	3	**113,966**	**79,343**	**93,279**	**6,269**	**29,296**	**46,640**	**(17,344)**	**-37%**	**93,279**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**2,609**	**177**	**1,965**	**1,304**	661	51%	**2,609**
Executive and council		307	760	1,017	135	625	508	116	23%	1,017
Finance and administration		11,106	–	1,592	42	1,341	796	545	68%	1,592
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**339**	**1,362**	**3,901**	**83**	**1,590**	**1,950**	(361)	-18%	**3,901**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	900	–	–	450	(450)	-100%	900
Public safety		–	1,362	3,000	83	1,590	1,500	89	6%	3,000
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**12,305**	**702**	**8,701**	**6,153**	2,548	41%	**12,305**
Planning and development		(161)	3,157	5,557	106	3,125	2,779	346	12%	5,557
Road transport		13,241	3,339	6,748	596	5,576	3,374	2,202	65%	6,748
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**89,111**	**70,124**	**73,865**	**5,307**	**17,031**	**36,932**	(19,902)	-54%	**73,865**
Energy sources		(47,280)	19,652	16,167	922	2,891	8,083	(5,193)	-64%	16,167
Water management		124,204	26,087	26,180	1,504	4,443	13,090	(8,647)	-66%	26,180
Waste water management		3,400	24,385	31,518	2,881	9,697	15,759	(6,062)	-38%	31,518
Waste management		8,786	–	–	–	–	–	–		–
Other		–	600	600	–	9	300	(291)	-97%	600
Total Capital Expenditure - Functional Classification	3	**113,966**	**79,343**	**93,279**	**6,269**	**29,296**	**46,640**	**(17,344)**	**-37%**	**93,279**
Funded by:										
National Government		64,491	64,521	67,129	5,894	24,059	33,565	(9,505)	-28%	67,129
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	1,362	3,000	83	1,590	1,500	89	6%	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**	**5,977**	**25,649**	**35,065**	**(9,416)**	**-27%**	**70,130**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		40,688	13,460	23,150	292	3,647	11,575	(7,928)	-68%	23,150
Total Capital Funding	7	**113,966**	**79,343**	**93,279**	**6,269**	**29,296**	**46,640**	**(17,344)**	**-37%**	**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 – M06 December 2023

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104,930	5,596	5,596	162,833	5,596
Trade and other receivables from exchange transactions		153,889	55,239	55,239	66,730	55,239
Receivables from non-exchange transactions		36,548	24,619	24,619	23,154	24,619
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,984	17,110	17,110	19,504	17,110
VAT		134,488	50,443	50,443	–	50,443
Other current assets		2,586	1,616	1,616	–	1,616
Total current assets		**451,424**	**154,622**	**154,622**	**272,221**	**154,622**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,571	262,608
Property , plant and equipment		2,039,228	2,039,424	2,039,424	2,006,061	2,039,424
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	410	(61)	410
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2,302,439**	**2,302,442**	**2,302,442**	**2,268,571**	**2,302,442**
TOTAL ASSETS		**2,753,863**	**2,457,064**	**2,457,064**	**2,540,792**	**2,457,064**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,079	9,484	9,484	5,985	9,484
Consumer deposits		29,060	23,673	23,673	31,058	23,673
Trade and other payables from exchange transactions		127,138	77,412	77,412	90,732	77,412
Trade and other payables from non-exchange transactions		26,181	–	–	–	–
Provision		53,931	43,689	43,689	69,344	40,426
VAT		91,862	–	–	–	–
Other current liabilities		–	–	–	–	3,263
Total current liabilities		**339,251**	**154,259**	**154,259**	**197,120**	**154,259**
Non current liabilities						
Financial liabilities		24,452	8,637	8,637	36,413	8,637
Provision		129,459	126,686	126,686	129,459	126,738
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92,032	119,711	119,711	–	119,659
Total non current liabilities		**245,943**	**255,035**	**255,035**	**165,872**	**255,035**
TOTAL LIABILITIES		**585,195**	**409,293**	**409,293**	**362,992**	**409,293**
NET ASSETS	2	**2,168,669**	**2,047,771**	**2,047,771**	**2,177,800**	**2,047,771**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,181,820	2,047,771	2,047,771	2,177,800	2,047,771
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,181,820**	**2,047,771**	**2,047,771**	**2,177,800**	**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 – M06 December 2023

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87 932	270 495	270 495	15 582	144 208	(129 574)	273 782	-211%	270 495
Service charges		237 049	697 055	697 055	39 450	231 847	(348 527)	580 374	-167%	697 055
Other revenue		25 426	67 422	67 422	12 542	110 742	20 139	90 604	450%	67 422
Transfers and Subsidies - Operational		166 622	190 883	190 883	60 504	141 111	89 395	51 715	58%	190 883
Transfers and Subsidies - Capital		79 951	75 561	75 561	8 372	50 659	(36 418)	87 077	-239%	75 561
Interest		840 211	4 598	4 598	4 461	25 537	2 299	23 238	1011%	4 598
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667 606	(1 219 527)	(1 219 527)	(106 316)	(600 188)	(609 764)	(9 575)	2%	(1 219 527)
Interest		–	–	–	(1 252)	(6 183)	–	6 183	0%	–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 104 797**	**86 487**	**86 487**	**33 344**	**97 732**	**(1 012 450)**	**########**	**110%**	**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)	(7 169)	(33 650)	46 640	80 290	172%	(79 343)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71 169)**	**(79 343)**	**(79 343)**	**(7 169)**	**(33 650)**	**46 640**	**80 290**	**172%**	**(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)	(1 252)	(6 183)	–	6 183	0%	(10 091)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**-**	**(10 091)**	**(10 091)**	**(1 252)**	**(6 183)**	**-**	**6 183**	**0%**	**(10 091)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 033 629**	**(2 947)**	**(2 947)**	**24 923**	**57 898**	**(965 810)**			**(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		162 833	(957 268)			101 988

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

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

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

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

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

Debtors' Age Analysis (Inclusive of VAT) as at 31 December 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	27,684	20,020	12,929	5,788	3,721	2,995	24,412	74,515	172,065
Trade and Other Receivables from Exchange Transactions - Electricity	35,758	2,089	1,398	1,633	799	522	2,415	12,323	56,938
Receivables from Non-exchange Transactions - Property Rates	21,867	2,613	2,406	10,688	1,238	1,285	3,802	26,887	70,786
Receivables from Exchange Transactions - Waste Water Management	9,867	1,572	1,430	1,569	1,189	1,150	6,205	31,601	54,581
Receivables from Exchange Transactions - Waste Management	6,706	1,377	1,206	1,148	1,094	1,004	5,706	41,834	60,075
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,365	609	637	723	445	435	3,843	56,694	64,752
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(27,329)	459	437	762	440	284	1,801	16,924	(6,223)
Total By Income Source	**75,919**	**28,740**	**20,442**	**22,310**	**8,927**	**7,674**	**48,183**	**260,777**	**472,973**
Debtors Age Analysis By Customer Group									
Organs of State	3,131	759	609	2,145	352	226	734	5,809	13,764
Commercial	11,976	564	451	713	262	389	987	6,281	21,623
Households	60,810	27,417	19,381	19,451	8,311	7,058	46,458	248,686	437,573
Other	2	1	1	1	1	1	4	2	13
Total By Customer Group	**75,919**	**28,740**	**20,442**	**22,310**	**8,927**	**7,674**	**48,183**	**260,777**	**472,973**

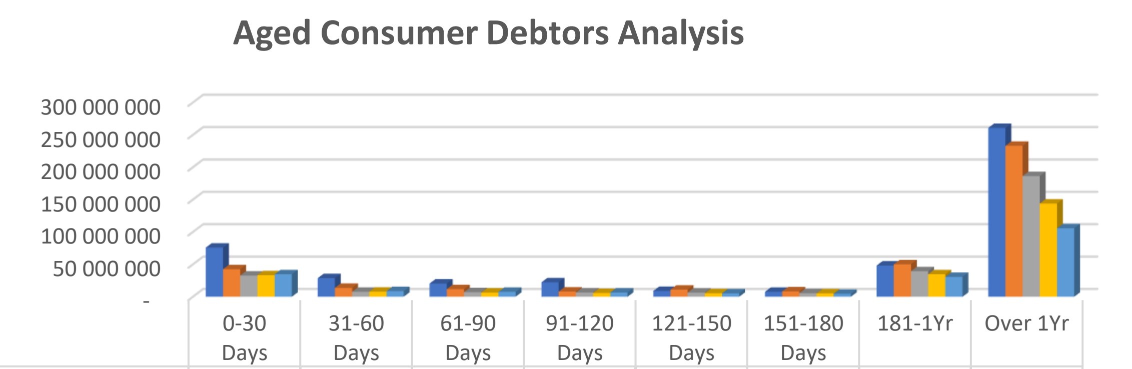
Debtors’ Age Analysis (Inclusive of VAT) as at 30 June 2023

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 2023 to 31 December 2023, the overdue debts have increased by R 60,932 million from R 336,122 million to R 397,054 million, as follows:

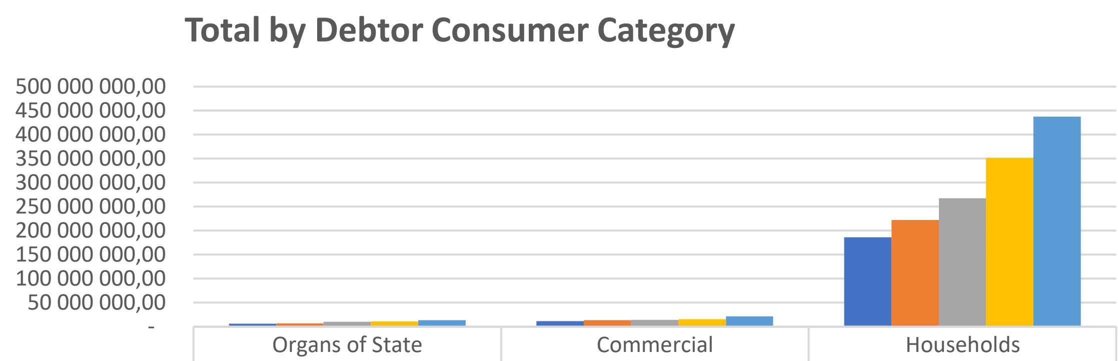
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-Dec-23**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	144,381	36,158
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	21,180	1,701
Receivables from Non-exchange Transactions - Property Rates	40,157	48,919	8,762
Receivables from Exchange Transactions - Waste Water Management	43,229	44,714	1,485
Receivables from Exchange Transactions - Waste Management	53,040	53,368	329
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	63,386	12,060
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,105	437
Total By Income Source	**336,122**	**397,054**	**60,932**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	10,633	268
Commercial	8,845	9,646	801
Households	316,912	376,763	59,851
Other	–	11	11
Total By Customer Group	**336,122**	**397,054**	**60,932**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 December 2023	75 919 496	28 740 276	20 442 285	22 310 111	8 926 611	7 674 243	48 182 614	260 777 38
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 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 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 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

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



	Organs of State	Commercial	Households
Budget Year 2019/20	6 386 577,00	11 420 048,00	186 107 087,00
Budget Year 2020/21	6 936 640,55	13 633 927,71	222 320 049,31
Budget Year 2021/22	10 058 004,67	14 079 073,86	267 455 731,94
Budget Year 2022/23	11 295 968,77	15 936 031,43	351 468 068,65
Budget Year 2023/24	13 764 398,38	21 622 558,94	437 573 375,73

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	29,527	26	14	(221)	22	24	(60)	–	**29,332**
Bulk Water	1,175	16	15	78	13	219	106	(1,511)	**111**
PAYE deductions	–								–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	3,176	883	25	0	–	8	–	1,748	**5,840**
Auditor General									–
Other									–
Total By Customer Type	**33,878**	**925**	**54**	**(143)**	**35**	**250**	**46**	**238**	**35,283**

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

Eskom	R 29,332 million
NMBM	R 0,111 million
Other Creditors	R 5,840 million
Total	**R 35,283 million**

It is to be noted that the Eskom amount of R 29,332 million, represents the current account for December 2023, which will be fully paid on 23 January 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M06 December 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	60,504	140,240	140,240	–	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	60,169	135,380	135,380	-	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,458	2,458	–	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	335	1,419	1,419	-	1,868
Provincial Government:	2,050	2,050	–	–	2,050	2,050	2,050
Library grant	2,050	2,050	–	–	2,050	2,050	2,050
District Municipality:	3,542	3,542	–	113	3,542	2,888	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888	2,888	2,888
Skills Development subsidy	654	654		113	654		654
Total Operating Transfers and Grants	192,144	192,144	60,504	140,353	145,832	4,938	192,144
Capital Transfers and Grants							
National Government:	76,067	76,067	10,237	50,659	50,659	–	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	2,000	4,700	4,700	-	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	8,237	26,959	26,959	-	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	10,237	53,659	53,659	–	79,067
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	271,211	70,742	194,013	199,491	4,938	271,211

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 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	178	137,363	138,403	1,040	0	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	–	135,380	135,380	–	0%	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Sched	2,458	2,458	–	541	1,229	688	56%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	43	622	860	238	28%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	135	820	934	114	12%	1,868
Provincial Government:	2,050	2,050	–	–	2,050	2,050	0	2,050
Library grant	2,050	2,050	–	–	2,050	2,050	100%	2,050
District Municipality:	3,542	3,542	–	113	3,542	3,428	–	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888		0%	2,888
Skills Development subsidy	654	654	–	113	654			654
Total operating expenditure of Transfers and Grants:	192,144	192,144	178	137,477	143,995	6,518	196%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	79,067	5,442	25,157	79,067	–	–	79,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	–	–	4,000			4,000
Municipal Disaster Relief Grant	3,000	3,000	–	438	3,000			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	714	2,099	4,700		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	3,392	17,998	37,367	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	1,337	4,623	30,000	–	0%	30,000
District Municipality:	1,362	3,000	83	1,590	3,000	–	–	3,000
Fire Services Subsidy	1,362	3,000	83	1,590	3,000	–	0%	3,000
Total capital expenditure of Transfers and Grants	80,429	82,067	5,525	26,747	82,067	–	0%	82,067
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	274,211	5,703	164,224	226,062	6,518	3%	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.

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

<u>DORA Operating Grants</u>

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

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 622,103
Overspent as at 31 December 2023:	R 1,097,897

The spending of the grant amounted to 36.17% as at 31 December 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 31 December 2023:	R 1,179,757

The spending of the grant amounted to 31.45% as at 31 December 2023, compared to the amount of the grant received.

<u>DORA Capital Grants</u>

Municipal Infrastructure Grant (MIG)
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 37,367,000
Amount of Grant Received:	R 28,378,000
Expenditure to date:	R 18,817,566
Unspent as at 31 December 2023:	R 9,560,434

The spending of the grant amounted to 66.31% as at 31 December 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 4,700,000
Expenditure to date:	R 2,099,036
Unspent as at 31 December 2023:	R 5,495,917

The spending of the grant amounted to 27.64% as at 31 December 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
Amount of Grant Received:	R 18,000,000
Expenditure to date:	R 4,622,913
Unspent as at 31 December 2023:	R 13,377,087

The spending of the grant amounted to 25.68% as at 31 December 2023, compared to the amount of the grant received.

Energy Efficiency and Demand Side Management Grant

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

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

The spending of the grant amounted to 0% as at 31 December 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 2,091,600
Unspent as at 31 December 2023:	R 908,400

The spending of the grant amounted to 69.72% as at 31 December 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	3,665,049	1,334,951
Human Settlement	25,689,286	5,848,553	19,840,733
Total	**30,689,286**	**9,513,602**	**21,175,684**

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M06 December 2023.

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,305	10,101	10,101	816	5,187	5,051	136	3%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	10	60	–	60		–
Motor Vehicle Allowance		3,066	3,407	3,407	272	1,730	1,703	27	2%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	784	816	(32)	-4%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,216**	**7,762**	**7,570**	**192**	**3%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	9,445	516	3,193	4,723	(1,529)	-32%	9,445
Pension and UIF Contributions		61	117	117	5	32	58	(26)	-45%	117
Medical Aid Contributions		31	52	52	3	16	26	(10)	-40%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	–	764	(764)	-100%	1,528
Motor Vehicle Allowance		490	2,072	2,072	43	260	1,036	(776)	-75%	2,072
Cellphone Allowance		10	10	10	7	11	5	6	126%	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	274	2,864	2,371	493	21%	4,743
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**10,211**	**16,202**	**17,972**	**849**	**6,378**	**8,986**	**(2,608)**	**-29%**	**17,972**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	273,714	19,453	114,899	136,857	(21,958)	-16%	273,714
Pension and UIF Contributions		33,322	36,936	36,786	2,990	17,822	18,393	(571)	-3%	36,786
Medical Aid Contributions		17,746	18,588	18,588	1,521	9,076	9,294	(218)	-2%	18,588
Overtime		27,987	29,013	29,013	2,414	13,479	14,506	(1,028)	-7%	29,013
Performance Bonus		23	25	25	–	25	12	13	102%	25
Motor Vehicle Allowance		10,408	11,356	11,446	908	5,558	5,723	(165)	-3%	11,446
Cellphone Allowance		21	56	56	1	6	28	(21)	-77%	56
Housing Allowances		722	1,234	1,234	52	375	617	(242)	-39%	1,234
Other benefits and allowances		32,223	34,740	35,060	1,568	24,592	17,530	7,062	40%	35,060
Post-retirement benefit obligations	2	15,362	20,887	20,887	–	1	10,444	(10,443)	-100%	20,887
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,006**	**462,953**	**462,953**	**31,115**	**200,915**	**231,475**	**(30,560)**	**-13%**	**462,953**
TOTAL MANAGERS AND STAFF		**364,306**	**447,813**	**447,813**	**29,899**	**193,153**	**223,905**	**(30,752)**	**-14%**	**447,813**

6. Key performance indicators

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

Borrowing Management		**Actuals as at 30 June 2020**	**Actuals as at 30 June 2021**	**Actuals as at 30 June 2022**	**Actuals as at 30 June 2023**	**Approved Budget 2023/24**	**Actuals as at 31 December 2023**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.21%	1.00%	1.56%
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	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.26	1.07	0,51	0,78	1:1	0,97:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	0,42	0.04:1	0,69:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	86.71%	95%	80.32%

Other indicators		Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Approved Budget 2023/24	Actuals as at 31 December 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)	1.79	0.65	0.36	0.98	0.06 Months	1.21 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	28,30%	35.31%	33.29%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	94,66%	83.04%	31.41%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	3,79%	4.79%	4.74%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	2,32%	2.80%	1.37%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	71.88%	77.14%	77,76%	78,10%	83.16%	77,93%

The above table is discussed in detail below.

4.1. Borrowing Management

4.1.1. Capital charges to Operating Expenditure.

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

Capital charges/Total Operating Expenditure to date.

The ratio is 1.56% as at 31 December 2023, compared to the approved budget ratio of 1.00%.

Borrowed funding of capital expenditure.

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

The ratio is determined as follows:

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

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

4.1.2. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 December 2023, the ratio indicates 0.01, compared to the approved budget of 0.01.

4.1.3. Current ratio

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

The ratio is determined as follows:

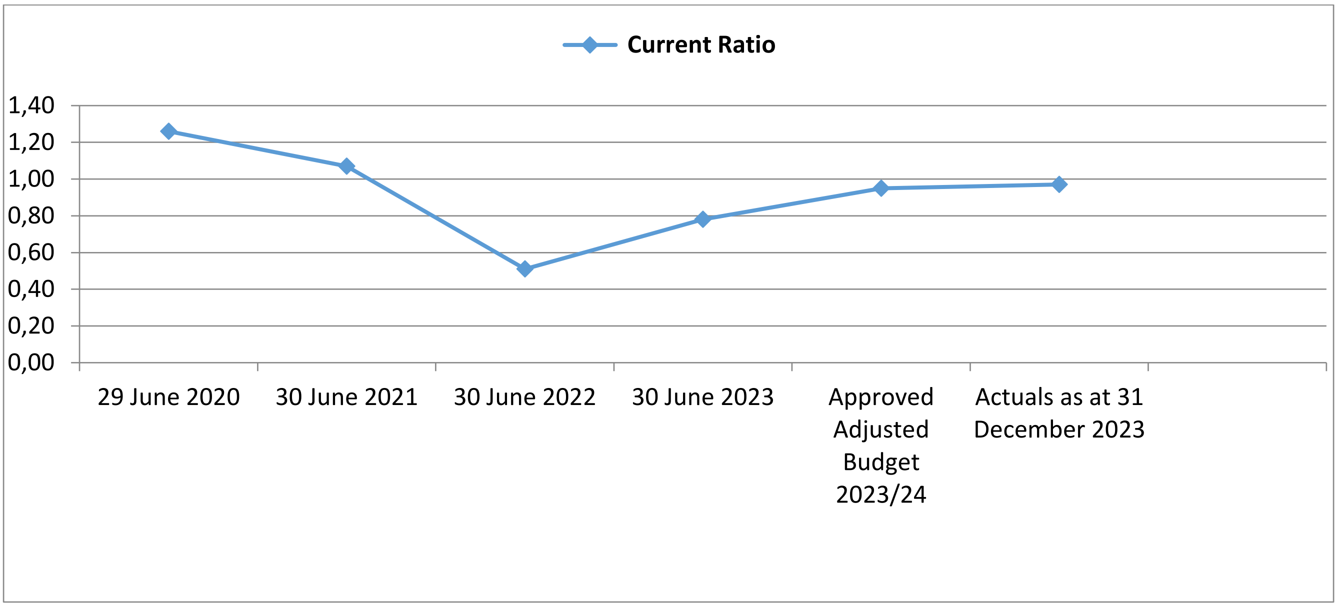
Current assets/Current liabilities

The ratio as at 31 December 2023 was 0,97:1, compared to the approved adjusted budget ratio of 1:1

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

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

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



4.1.4. Liquidity Ratio

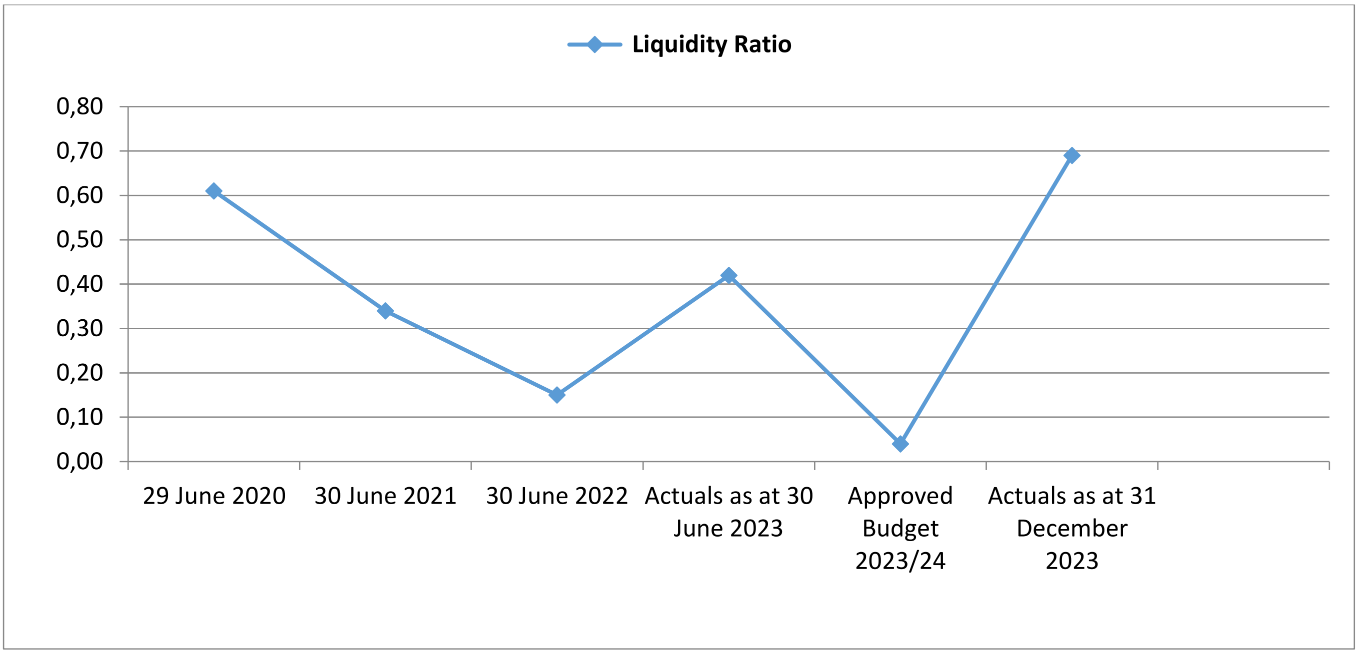
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 December 2023 was 0.69:1, compared to the approved adjusted budget ratio of 0.04:1.

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



4.2. Revenue Management

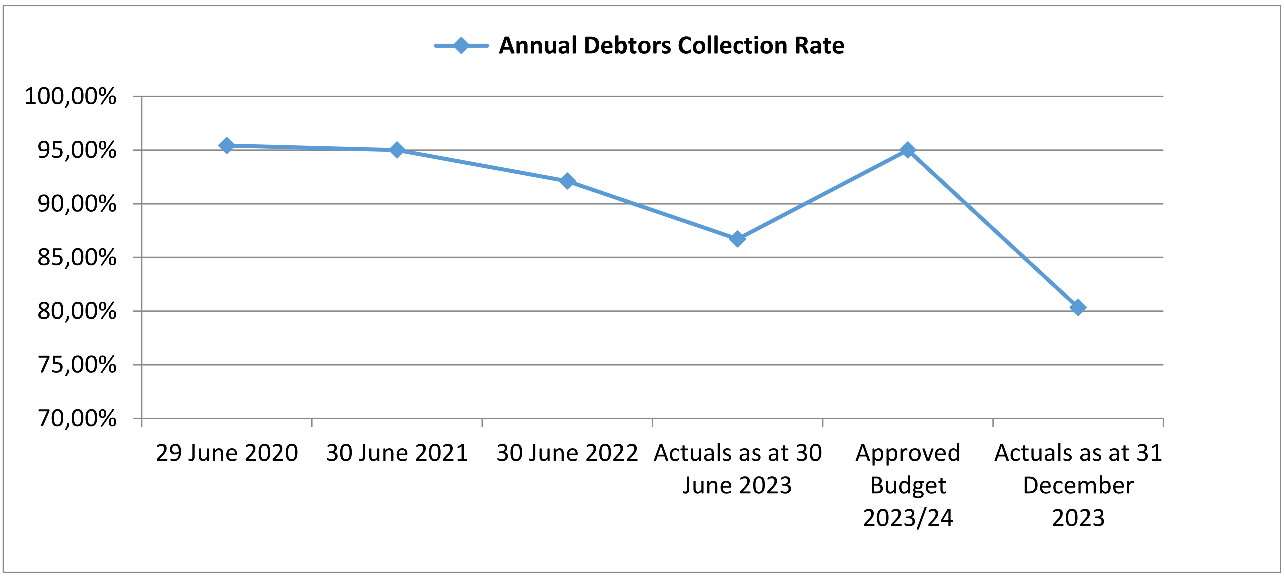
4.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 31 December 2023 was 80.32%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for December is 80.88%.



4.3. Other indicators

4.3.1. Cost coverage

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

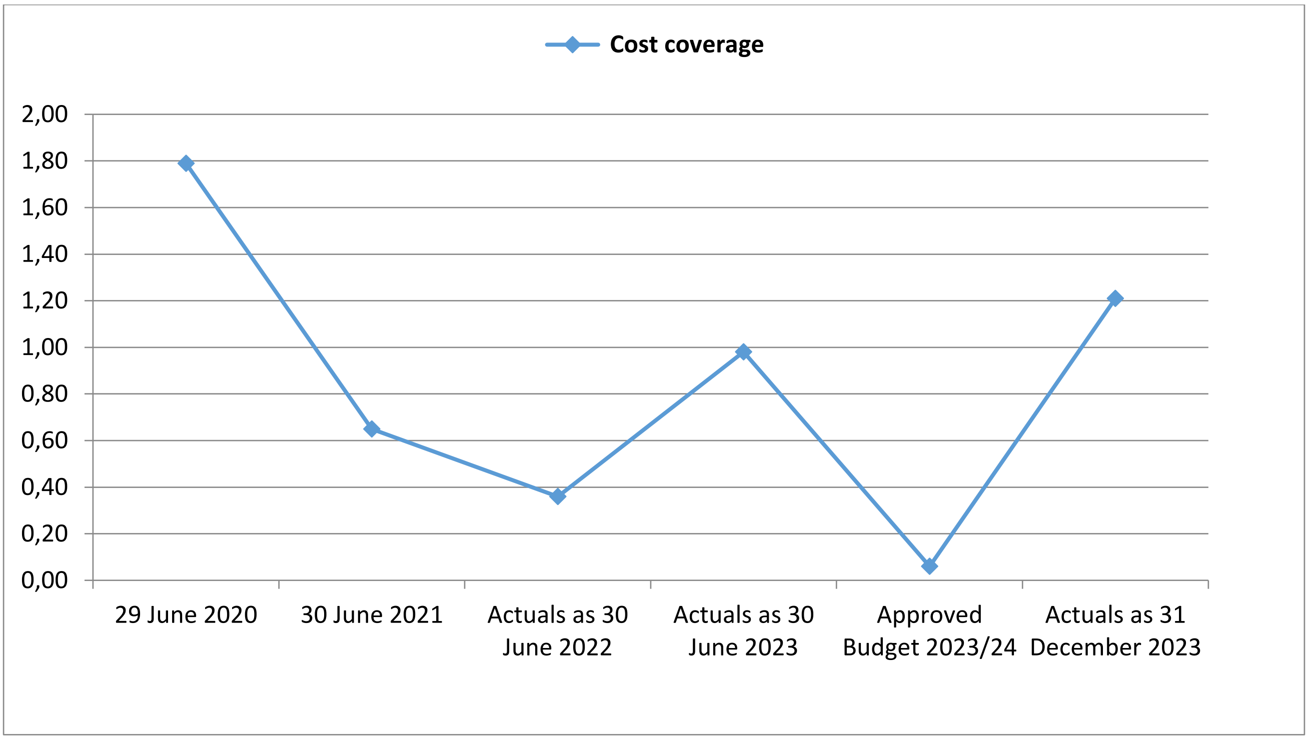
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 December 2023, the Ratio was 1.21 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.



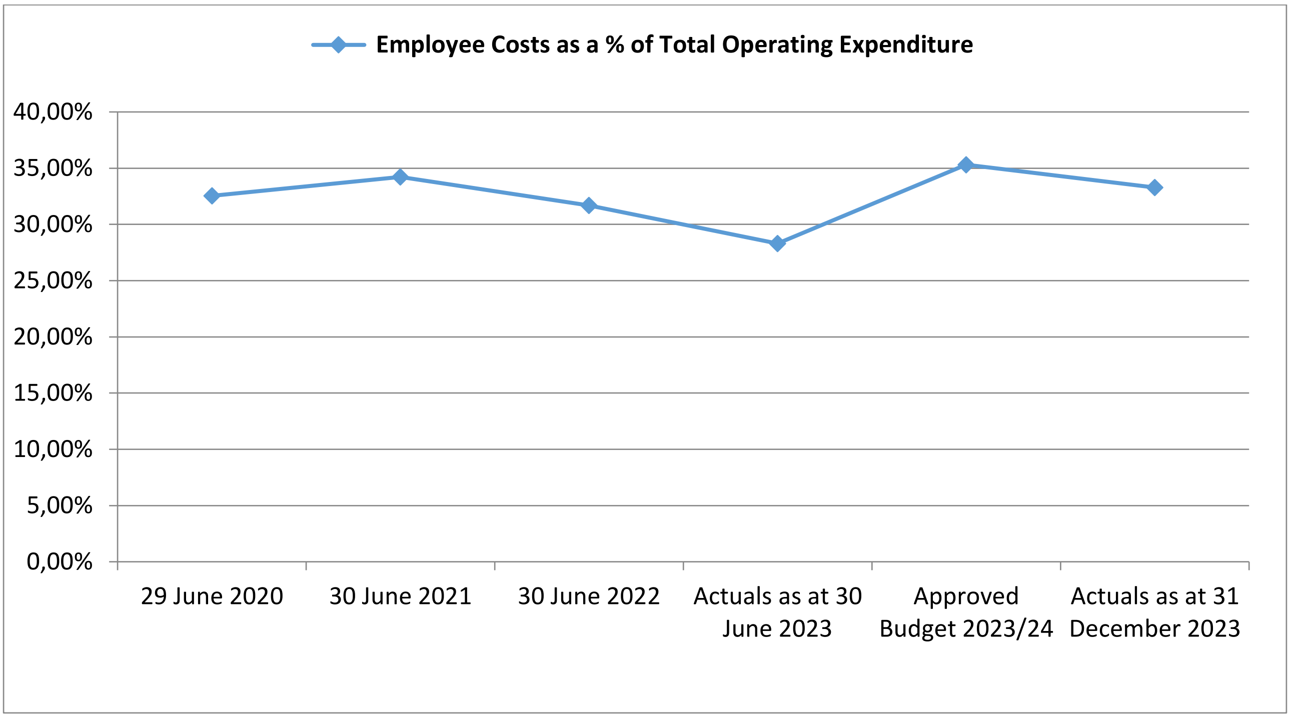
4.3.2. Employee costs as a % of Total Operating Expenditure

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

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 December 2023, Employee Related Costs constituted 33.29% of the Total Operating Expenditure, compared to the approved budget ratio 35.31%.



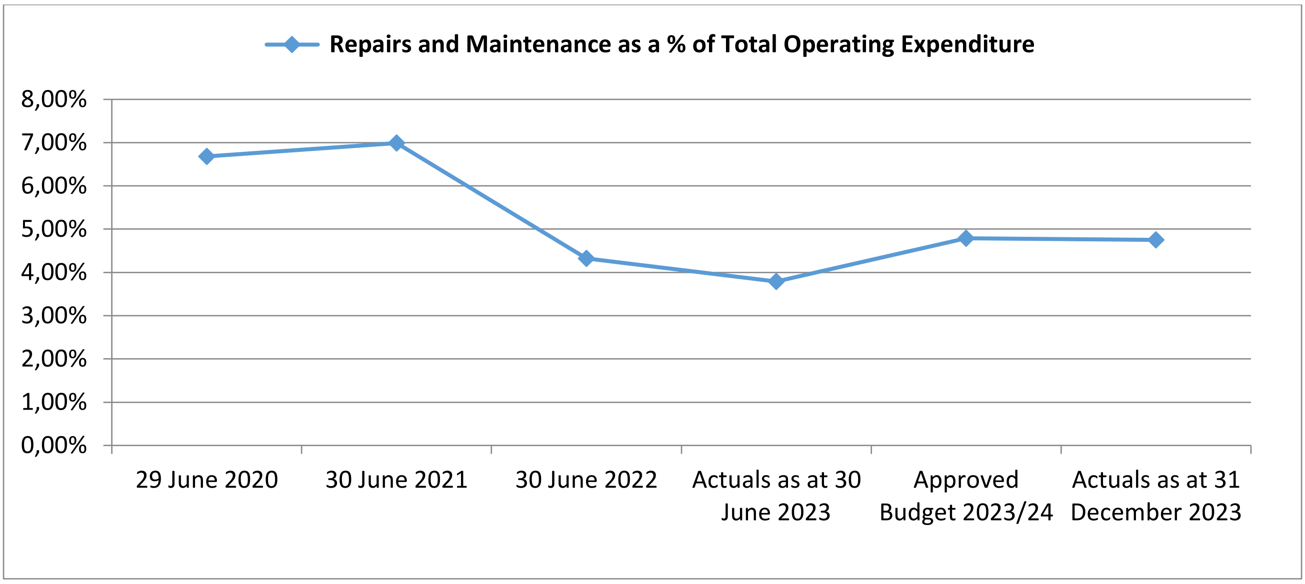
4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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

The ratio is determined as follows:

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

As at 31 December 2023, the ratio was 4.75%, compared to the approved budget ratio of 4.79%.



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

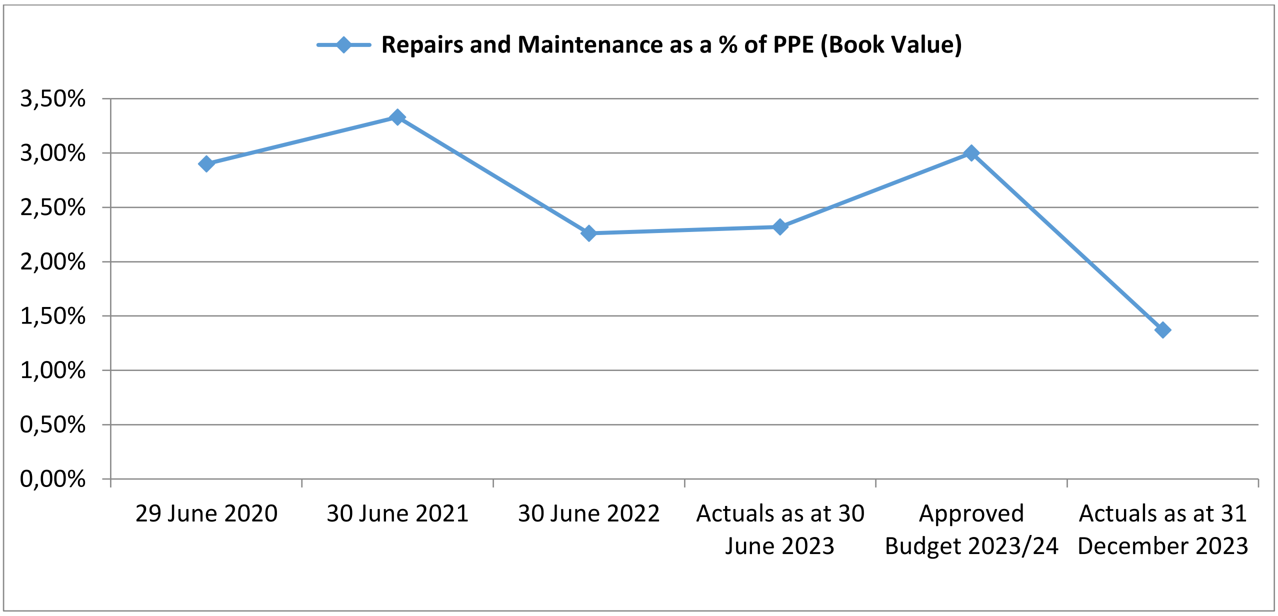
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2023, repairs and maintenance expenditure constituted 1,37% of the book value of PPE, compared to the approved budget ratio of 3.00%.

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



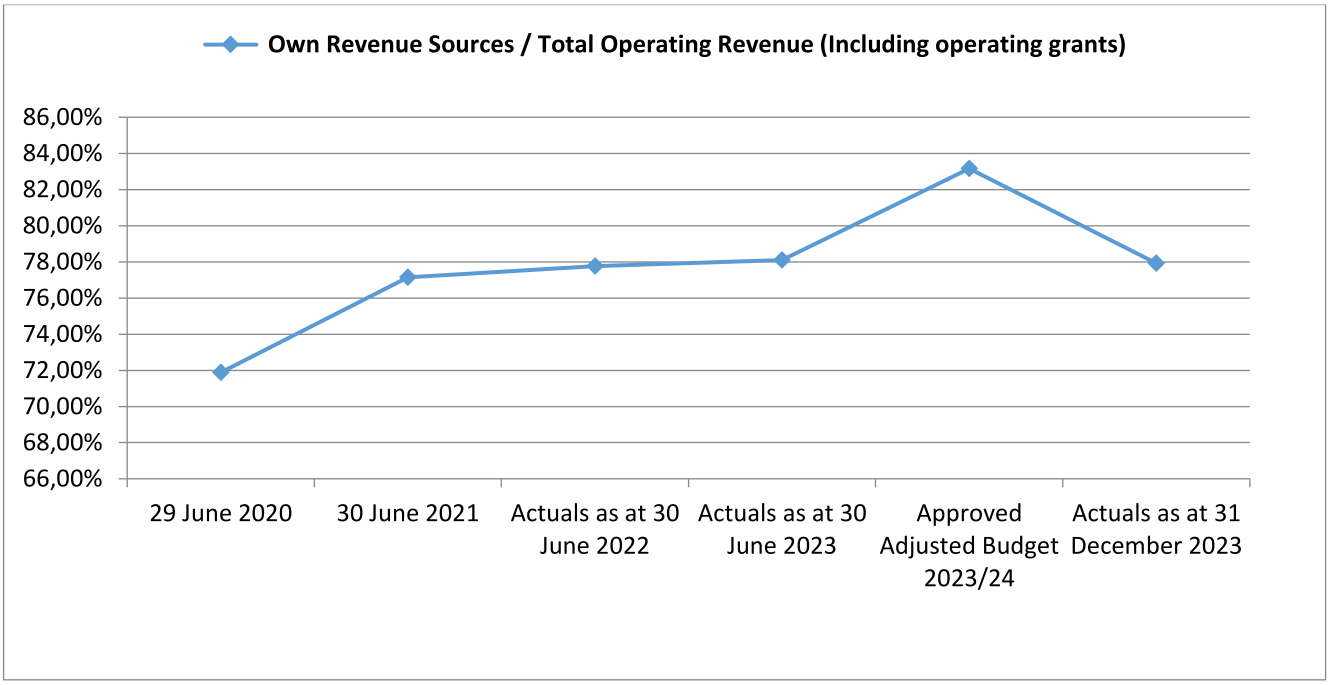
Own Revenue Generation

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

The ratio is determined as follows:

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

As at 31 December 2023, the Municipality's own revenue sources constituted 77,93% of its total Operating Income, compared to the approved budget ratio of 83.16%.



4.3.5. Capital Budget Spending

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

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 December 2023 amounted to 31.41% compared to the approved budget ratio of 95%.