KOUGA local municipality
Good Governance through Service Excellence

KOUGA MUNICIPALITY (EC 108)
PORTFOLIO COMMITTEE MEETING
FINANCE & ECONOMIC DEVELOPMENT
DATE:
ITEM NO:

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO JANUARY 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JANUARY 2024 (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 January 2024, to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 712,539 million, whilst operating expenditure amounted to R 675,754 million, resulting in an operating surplus of R 36,785 million.
- Capital expenditure constituted 25.87 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 73,584 million (21.89%) since June 2023.
- An amount of R 46,689 million is owing to creditors, 97.51% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 58,755,224 (55.99%) since June 2023, from R 104,934,592 to R 163,689,816.

Below is an analysis of the Investment Portfolio as at 31 January 2024.

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 January 2024
Standard Bank	17 575 390	8 135 902	901 315	-		26 612 606
ABSA	17 594 065	8 031 958	1 038 657	368	1 525	26 662 788
Nedbank	17 580 745	8 103 885	944 510	-		26 629 140
RMB	13 004 007	99 292 920	1 673 907	87 348 743		26 622 092
INVESTEC	17 580 053	8 192 137	856 948	-		26 629 138
Total	**83 334 260**	**131 756 802**	**5 415 338**	**87 349 111**	**- 1 525**	**133 155 763**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 January 2024**
General Account	54 340 431	75 978 989	3 313 787	49 158 745	1 525	84 472 937
Conditional Grants	9 153 096	45 091 000	1 182 306	26 584 309	-	28 842 093
Housing Funds	19 840 733	22 541 242	679 594	23 220 836	-	19 840 733
Total	**83 334 260**	**143 611 231**	**5 175 688**	**98 963 891**	**- 1 525**	**133 155 763**
	Balance as at 30 June 2023	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 January 2024**
Cheque Accounts FNB 52540020791	15 413 743			- 7 059 744		8 353 999
Cheque Accounts FNB 52540033304	3 874 471	13 784 244				17 658 715
Cheque Accounts FNB 62682103591	780	259				1 039
Cheque Accounts FNB 63022194441	2 311 338	2 208 962				4 520 300
	21 600 332	**15 993 465**	**-**	**- 7 059 744**	**-**	**30 534 053**
Total	**104 934 592**	**147 750 267**	**5 415 338**	**80 289 367**	**- 1 525**	**163 689 816**

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

Cash backed Reserves.

Bank Balances and Cash	R 30,534,053
Short-term Investment Deposits	R 133,155,763
	R 163,689,816

Application of Cash

Unspent Conditional Grants	R 48,682,826
Operational and capital commitments	R 16,024,806
Outstanding Creditors Liability	R 46,689,172
	R111,396,804
Cash Reserves more than commitments:	**R 52,293,012**

The cash backed reserves exceed commitments at this stage by an amount of R 52,293,012. It should be noted the excess of reserves over commitments as at 31 January 2024, is mainly due to an amount of R60,169 million in respect of the equitable share allocation received on 06 January 2024, 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 January 2023	Approved Adjusted Budget 2023/24	Actuals as at 31 January 2024
Current Ratio	0.51:1	0.78:1	1.5:1 to 2:1	1.31:1	0.93:1	1.32:1
Liquidity Ratio	0.15:1	0.42:1		0.74:1	0.13:1	0.81:1
Cost Coverage (Excluding unspent conditional grants)	0:36 Months	0.98 Months	1 Month to 3 Months	0.78 Months	0.29 Months	1.32 Months
Debtors Collection Rate	94.32%	86.71%	95%	85.53%	92%	84.17%
Capital Expenditure	123.92%	94.66%	95%	29.68%	95%	25.87%

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 January 2024:

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…………14 February 2024……………………

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO JANUARY 2024.

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	1 293 823	72 036	712 539	754 730	(42 191)
Total Expenditure	1 268 316	1 432 393	95 525	675 754	835 296	(159 542)
Surplus/(Deficit)	(109 359)	(138 571)	(23 489)	36 785	(80 567)	117 351

The statement of financial performance reflects an operating surplus of R 36,785 million at this stage. It must be noted that the surplus is influenced by the debt impairment which is recognized at year-end rather than on the monthly basis.

Revenue

Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	
R thousands			%
Revenue			-
Exchange Revenue	**667 320**	**368 970**	**55,29%**
Service charges - Electricity	352 780	197 619	56,02%
Service charges - Water	118 603	64 172	54,11%
Service charges - Waste Water Management	64 268	34 895	54,30%
Service charges - Waste management	66 782	33 400	50,01%
Sale of Goods and Rendering of Services	9 000	3 646	40,51%
Agency services	4 276	2 443	57,12%
Interest earned from Receivables	30 145	17 465	57,94%
Interest earned from Current and Non-Current Assets	11 674	8 524	73,02%
Rental from Fixed Assets	2 999	2 208	73,62%
Licence and permits	2 677	1 523	56,88%
Operational Revenue	4 116	3 075	74,71%
Non-Exchange Revenue	**626 503**	**343 569**	**54,84%**
Property rates	281 488	185 719	65,98%
Fines, penalties, and forfeits	134 597	4 965	3,69%
Licence and permits	11 053	6 708	60,68%
Transfer and subsidies - Operational	194 142	142 402	73,35%
Interest	5 223	3 776	72,28%
Total Revenue (excluding capital transfers and contributions)	**1 293 823**	**712 539**	**55,07%**

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

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

- **Property Rates**
  As at 31 January 2024, the municipality has recognised 65.98% 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 R163,690 million. The investment amount of R163,690 million includes call accounts amounting to R50,030 million for the unspent conditional grants.

- **Transfers and subsidies-Operational**
  Transfers and subsidies are largely influenced by the equitable share allocation received on 06 December 2023 amounting to R 60,169 million.

- **Operational revenue**
  Other revenue is largely influenced by the augmentation fees received amounting to R 2,681 million, compared to the zero budgeted amount.

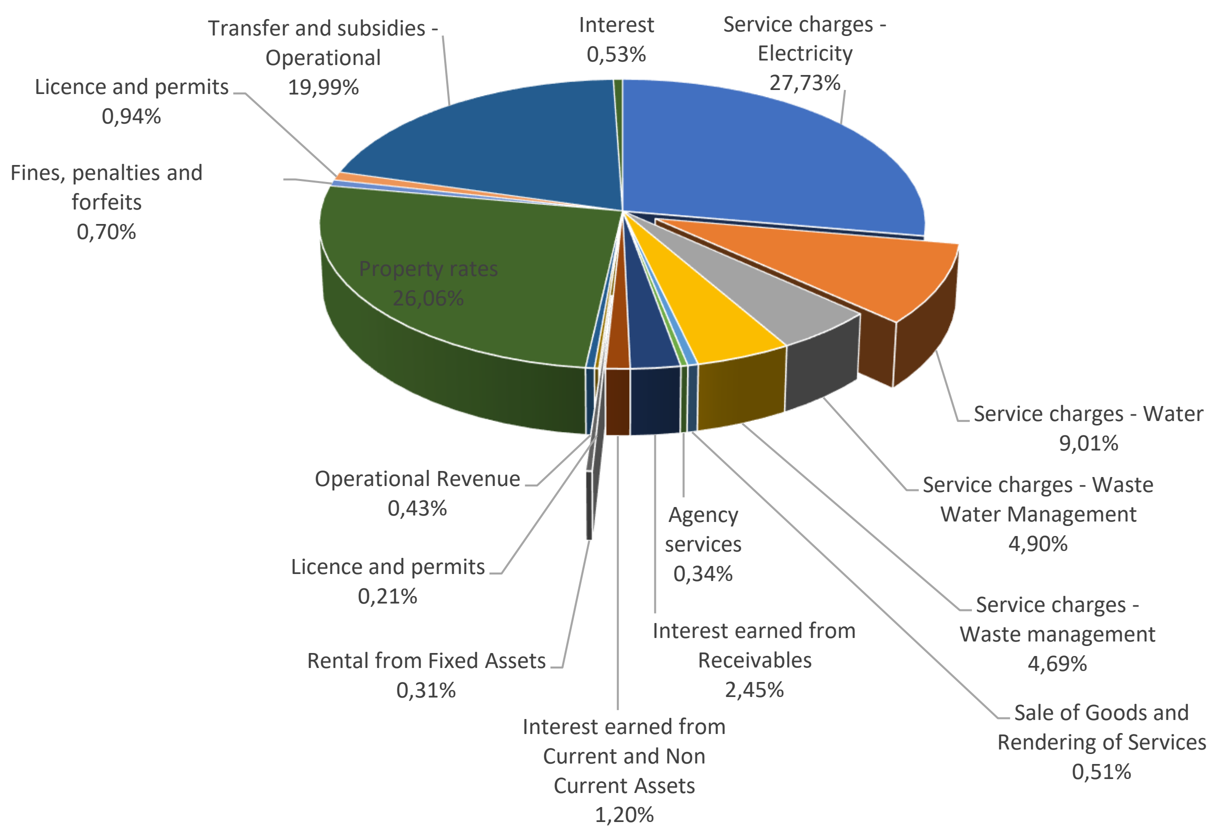
- **Non-Exchange Revenue – Interest**
  The non-exchange interest relates to the interest earned from outstanding property rates' debtors. Overdue property rates debtors amount to R 50,242 million as at 31 January 2024.

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

- **Fines, Penalties and Forfeits**
  The fines, penalties and forfeits budget mostly relate to speeding camera fines and the high budget is mainly due to the accounting for traffic fines issued in line with the Generally Recognised Accounting Practice (GRAP) requirements. The actual traffic fines issued revenue recognition is done on yearly basis at this stage.

- **Sale of Goods and Rendering of Services**
  Sales of goods and rendering of services mostly relate to over various revenues such as cemetery fees, legal fees recovered, fire services fees and building fees. The actuals vs budget is largely influenced by building fees being lower than anticipated at this stage.

Revenue By Source



Expenditure

Main expenditure types for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Expenditure By Type			
Employee related costs	441 415	225 837	51,16%
Remuneration of councillors	15 140	8 979	59,30%
Bulk purchases - electricity	354 710	216 909	61,15%
Inventory consumed	101 252	57 225	56,52%
Debt impairment	173 540	–	0,00%
Depreciation and amortisation	109 663	63 971	58,33%
Interest	5 750	3 303	57,45%
Contracted services	125 875	48 121	38,23%
Transfers and subsidies	1 124	100	8,89%
Irrecoverable debts written off	13 835	4 168	30,12%
Operational costs	90 090	47 140	52,33%
Total Expenditure	**1 432 393**	**675 754**	**47,18%**

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.

- **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.

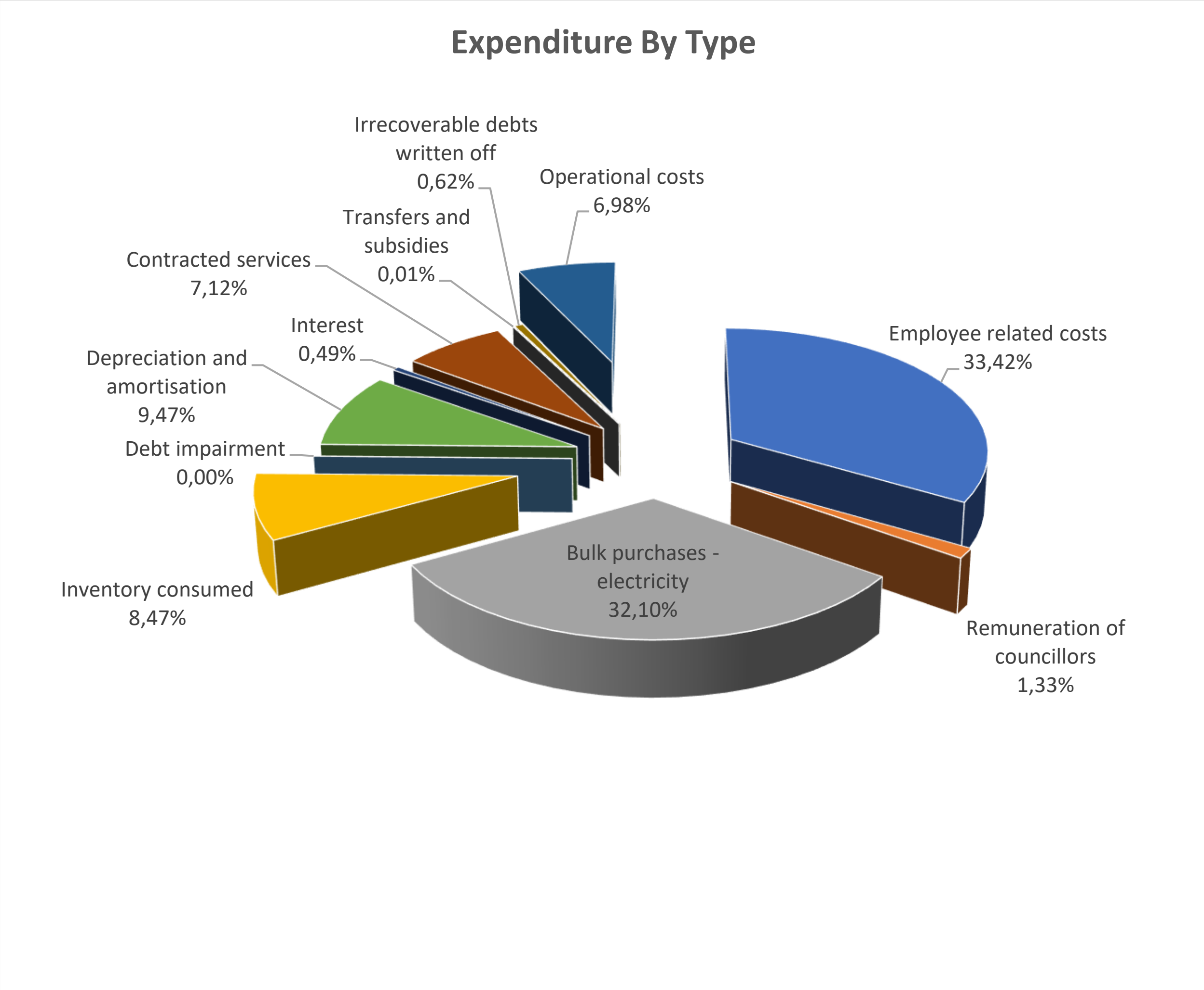
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 January 2024	%
Adventure Race World Championship	1 000 000	1 000 000	100,00%
Air quality Management	599 227	-	0,00%
Amanzi Challenge National Tournament	200 000	-	0,00%
Animal Care	483 929	-	0,00%
Burial Services	79 492	-	0,00%
Calamari Festival	200 000	200 000	100,00%
Catering Services	1 106 952	515 783	46,59%
Clearing and Grass Cutting Services	1 446 576	660 785	45,68%
Conducting of feasibility studies (EIA)	2 000 000	-	0,00%
Connection/Dis-connection:Electricity	588 300	97 581	16,59%
Consultants and Professional Services	7 680 054	1 512 141	19,69%
Destination Marketing and Promotion	500 000	28 331	5,67%
Drivers Licence Cards	598 675	300 911	50,26%
Dune Stabilisation	1 200 000	768 272	64,02%
DP WORLD TOUR	400 000	-	0,00%
Electricity Generation Project	2 000 000	272 000	13,60%
Employee Wellness	13 196	18 269	138,44%
ERF554 SUB DIVISION AND REZONING	200 000	-	0,00%
Event Promoters	100 000	46 485	46,48%
Internal Auditors	125 000	27 800	22,24%
KLTO	300 000	-	0,00%
Laboratory Services:Water	1 372 063	448 736	32,71%
Land Valuations, Surveyor & Planning Services	203 548	28 969	14,23%
Legal Advice and Litigation	5 790 000	1 523 596	26,31%
Legal Cost:Collection	856 000	579 748	67,73%
Litter Picking and Street Cleaning	298 896	-	0,00%
Maintenance of Buildings and Facilities	6 875 077	2 341 968	34,06%
Maintenance of Electrical Infrastructure	5 300 000	2 630 607	49,63%
Maintenance of Equipment	892 073	231 466	25,95%
Maintenance of Sanitation Infrastructure	6 350 145	1 459 211	22,98%
Maintenance of Vehicles	8 962 661	3 920 453	43,74%
Maintenance of Water Infrastructure	889 659	315 022	35,41%
Media Monitoring	140 000	17 858	12,76%
Occupational Health and Safety	1 254 657	484 913	38,65%
Other Contracted Services	3 316 734	2 262 793	68,22%
Payroll data cleansing	400 000	94 689	23,67%
Personnel and Labour	15 182 207	6 274 587	41,33%
PM: Special Projects	36 360	-	0,00%
Private Plots_Alien Vegetation Control	380 550	285 760	75,09%
Precinct Plans Project Hankey and St Francis Bay	234 600	-	0,00%
Qualification Verification	350 000	273 480	78,14%
Restricted Water Flow	588 300	1 480	0,25%
Revision of SDF	850 000	-	0,00%
Roads Maintenance	20 741 238	8 024 440	38,69%
Security Services	6 443 152	3 414 765	53,00%
Special Rating Area	12 072 328	6 283 949	52,05%
Summer Festival	500 000	491 323	98,26%
Township Events	150 000	-	0,00%
Transport Services	398 000	26 500	6,66%
Tourism &Travel Trade Show	600 000	-	0,00%
Valuer	1 200 000	970 405	80,87%
Water Quality	199 558	61 417	30,78%
Winterfest	1 725 461	225 000	13,04%
Yellow Wood Annual Jazz Festival	500 000	-	0,00%
	125 874 668	**48 121 495**	**38,23%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 January 2024	%
Achievements and Awards	1 350 000	558 300	41,36%
Advertising, Publicity and Marketing	3 233 244	1 375 999	42,56%
Bank Charges	1 150 000	757 192	65,84%
Bargaining Council	4 360 213	-	0,00%
Cellular Contract (Subscription and Calls)	2 896 864	1 164 714	40,21%
Claims paid to Third Parties	400 000	142 988	35,75%
External Audit Fees	4 500 000	4 257 793	94,62%
External Computer Service:Internet Charge	4 500 000	3 039 518	67,54%
Hire Charges	9 573 886	4 519 896	47,21%
Insurance Claims	1 200 000	293 207	24,43%
Insurance Underwriting:Premiums	4 199 701	3 908 651	93,07%
Leases:Furniture and Office Equipment	3 878 688	2 074 630	53,49%
Leases:Other Assets	3 963 740	2 649 910	66,85%
Licences:Licence Agency Fees	19 956	-	0,00%
Motor Vehicle Licence and Registrations	1 596 047	540 530	33,87%
Other	1 121 064	174 906	15,60%
Postage/Stamps/Franking Machines	2 664 405	1 035 140	38,85%
Printing, Publications and Books	10 000	913	9,13%
Registration Fees:Professional and Regulatory Bodies	355 044	49 376	13,91%
Registration Fees:Seminars, Conferences, Workshops	1 912 108	1 071 743	56,05%
Remuneration to Ward Committees	2 700 000	1 227 600	45,47%
Riparian Levies	7 465 557	5 699 548	76,34%
SAMRO Licence	-	-	#DIV/0!
Signage	518 459	214 421	41,36%
Skills Development Fund Levy	3 964 204	2 242 946	56,58%
Software Licences	8 211 461	3 328 297	40,53%
Storage of Files (Archiving)	100 000	20 620	20,62%
Supplier Development Programme	71 514	-	0,00%
Third Party Vendors	3 780 000	1 756 707	46,47%
Travel and Subsistence	3 565 644	1 294 344	36,30%
Uniform and Protective Clothing	3 726 655	1 993 220	53,49%
Vehicle Tracking	942 637	528 212	56,04%
Workmen's Compensation Fund	2 158 836	1 218 888	56,46%
	90 089 927	**47 140 211**	**52,33%**



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 January 2024**	**%**
Maintenance of Equipment	1 275 632	581 113	45,55%
Maintenance of Vehicles	10 855 627	5 512 705	50,78%
Maintenance of Buildings and Facilities	7 421 728	3 077 519	41,47%
Maintenance of Water Infrastructure	6 964 737	3 438 732	49,37%
Roads Maintenance	10 344 132	3 544 804	34,27%
Sport and Recreation Facilities	349 227	280 064	80,20%
Maintenance of Electrical Infrastructure	10 577 250	5 965 881	56,40%
Maintenance of Sanitation Infrastructure	11 467 570	2 767 600	24,13%
Hire Charges	850 875	393 212	46,21%
Total	**60 106 778**	**25 561 630**	**42,53%**

It is to be noted that actual repairs and maintenance expenditure constituted 42.53% 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	352 780	197 619	56,02%
Interest earned from Receivables	1 964	1 449	73,78%
Transfers and subsidies - Operational	4 955	3 716	75,00%
Total Revenue	**359 700**	**202 785**	**56,38%**
Expenditure By Type			
Employee related costs	16 457	9 994	60,73%
Bulk purchases - electricity	354 710	216 909	61,15%
Inventory consumed	8 353	4 870	58,30%
Debt impairment	16 366	–	0,00%
Depreciation and amortisation	6 944	4 830	69,57%
Contracted services	12 446	3 164	25,42%
Irrecoverable debts written off	4 350	186	4,28%
Operational costs	4 348	1 515	34,84%
Total Expenditure	**423 974**	**241 468**	**56,95%**
Surplus/(Deficit)	**(64 274)**	**(38 684)**	

1.5.1.1 Revenue

- The electricity revenue reflects 56.02% of budget as at 31 January 2024, and this is in line with the projected budget ratio of 58.33% as at 31 January 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 61.15% of budget expenditure as at 31 January 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 38,684 million as at 31 January 2024 and the deficit amount equates to 19.08%, compared to the revenue. The budgeted deficit for the 2023/24 amount to R 64,274 million and equates to 17.87%, 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	118 603	64 172	54,11%
Interest earned from Receivables	14 487	8 236	56,85%
Transfers and subsidies - Operational	19 797	14 848	75,00%
Total Revenue	**152 887**	**87 256**	**57,07%**
Expenditure By Type			
Employee related costs	27 733	14 667	52,89%
Inventory consumed	47 794	29 588	61,91%
Debt impairment	8 432	–	0,00%
Depreciation and amortisation	16 097	8 751	54,36%
Contracted services	2 641	906	34,31%
Irrecoverable debts written off	2 241	1 775	79,20%
Operational costs	2 072	1 353	65.27%
Total Expenditure	**107 011**	**57 040**	**53,30%**
Surplus/(Deficit)	**45 876**	**30 217**	

1.5.2.1 Revenue

- The water revenue reflects 54.11% of budget as at 31 January 2024, and this is in line with the projected budget ratio of 58.33% as at 31 January 2024.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 47,794 million for the bulk water purchases and the expenditure amount of R 24,674 million (62.39% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 30,217 million as at 31 January 2024 and equates to 34.73% of total revenue.

1.5.3 Wastewater Management

	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	64 268	34 895	54,30%
Interest earned from Receivables	5 327	3 055	57,34%
Transfers and subsidies - Operational	13 345	10 009	75,00%
Total Revenue	**82 941**	**47 959**	**57,82%**
Expenditure By Type			
Employee related costs	24 642	15 396	62,48%
Inventory consumed	12 236	5 999	49,03%
Debt impairment	4 398	–	0,00%
Depreciation and amortisation	28 156	16 352	58,08%
Contracted services	5 329	1 990	37,35%
Irrecoverable debts written off	1 169	714	61,03%
Operational costs	8 370	3 764	44,97%
Total Expenditure	**84 300**	**44 215**	**52,45%**
Surplus/(Deficit)	**(1 359)**	**3 744**	

1.5.3.1 Revenue

- The wastewater revenue reflects 54.30% of budget as at 31 January 2024, and this is in line with the projected budget ratio of 58.33% as at 31 January 2024.
- Interest earned from receivables reflects 57.34% of budget and this is mainly influenced by overdue consumer debt.

1.5.3.2 Expenditure

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

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The wastewater management revenue reflects a surplus of R 3,744 million as at 31 January 2024 and equates to 7.81% of total revenue.
  Council approved a deficit budget of R 1.359 million for the 2023/24 financial year.

1.5.4 Waste Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	66 782	33 400	50,01%
Sale of Goods and Rendering of Services	8	3	39,30%
Interest earned from Receivables	8 037	4 504	56,04%
Operational Revenue	150	-	0%
Transfers and subsidies - Operational	27 381	20 424	74.59%
Total Revenue	**102 358**	**58 331**	**56.99%**
Expenditure By Type			
Employee related costs	36 066	9 365	25,97%
Inventory consumed	8 674	1 897	21,87%
Debt impairment	4 729	586	12,39%
Depreciation and amortisation	3 195	663	20,74%
Contracted services	17 315	1 844	10,65%
Irrecoverable debts written off	1 257	1 844	146,71%
Operational costs	5 201	2 757	53.01%
Total Expenditure	**76 437**	**42 007**	**54.96%**
Surplus/(Deficit)	**25 921**	**16 324**	

1.5.4.1 Revenue

- The waste revenue reflects 50.01% of budget as at 31 January 2024, and this is slightly lower than the projected budget ratio of 58.33% as at January 2024.
- It must be noted that the waste management is the combination of refuse and environmental management fee.

1.5.4.2 Expenditure

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

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 16,324 million as at 31 January 2024 and equates to 27.99% of total revenue. Council approved a surplus budget of R 25,921 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	14,582	6,565	8,506	(1,941)
2. Travel claims	3,412	3,566	1,294	2,080	(786)
4. Overtime	20,282	19,832	11,990	11,569	422
5. Catering Costs	1,489	1,107	516	646	(130)
6. Events, Advertising and sponsorships	5,019	5,506	1,650	3,212	(1,562)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,912	1,072	1,115	(44)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,249	3	729	(726)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	**1,739**	**1,739**	**1,739**	**1,739**	**–**
Total	**46,493**	**49,493**	**24,829**	**29,596**	**(4,766)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 4,766 million as at 31 January 2024.

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	321 046	87 240	408 286	159 646	26 099	185 746	–
COMMUNITY SERVICES	369 831	5 999	375 830	132 734	1 599	134 333	–
ELECTRO/ MECHANICAL SERVICES	435 856	9 948	445 804	248 957	3 419	252 376	–
FINANCE AND ECONOMIC DEVELOPMENT	125 482	1 307	126 789	51 765	124	51 889	–
OFFICE OF THE DMM	121 251	2 664	123 915	50 410	1 621	52 031	–
OFFICE OF THE MM	29 673	103	29 776	18 526	22	18 548	–
PLANNING AND DEVELOPMENT	29 255	19 841	49 096	13 716	–	13 716	–
Total Expenditure by Vote	**1 432 393**	**127 102**	**1 559 495**	**675 754**	**32 884**	**708 638**	–

The assessment reflects no unauthorised expenditure as at 31 January 2024.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 31 January 2024, constituted 25.87% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 32.24% of approved adjusted grant funding budget.
- Internally generated funds are 9.22% 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	1,132	32	657	58.01%
Vote 2 - FINANCIAL SERVICES	–	1,207	35	124	10.24%
Vote 3 - CORPORATE SERVICES	–	1,635	–	986	60.31%
Vote 4 - COMMUNITY SERVICES	1,362	5,999	9	1,599	26.65%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	97,188	3,626	29,518	30.37%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	19,941	(116)	–	0.00%
Total Capital Multi-year expenditure	**79,343**	**127,102**	**3,588**	**32,884**	**25.87%**

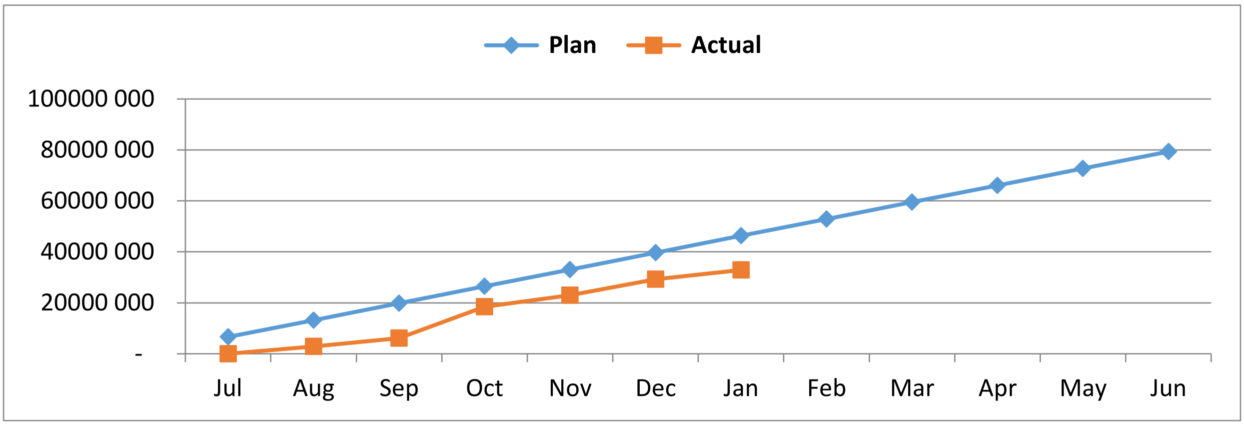
The capital expenditure as at 31 January 2024, constituted 25.87% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 58.01% of R 1,132 million budget.
- Financial Services is 10.24% of R 1,207 million budget.
- Corporate Services is 60.31% of R 1,635 million budget.
- Community Services is 26.65% of R 5,999 million budget.
- Infrastructure & Engineering is 30.37% of R 97,188 million budget.
- Planning Development and Tourism is 0% of R19,941 million budget.

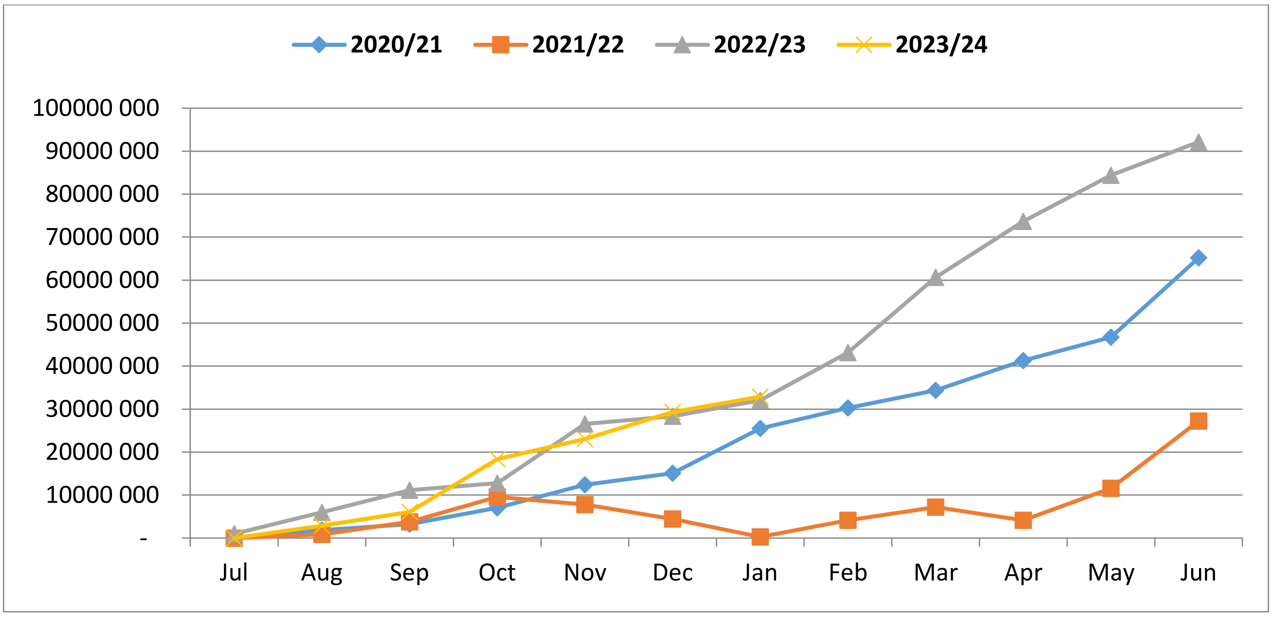
Monthly capital expenditure

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 January 2024.

DEPARTMENT	PROJECT DESCRIPTION	FUNDING SOURCE	Approved Adjusted Budget 2023/24	Actuals as at 31 January 2024	%
CIVIL AND WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	UPGRADING LOERIE SPORTS FACILITIES	MIG	5 296 905	3 039 253	57,38%
PROJECT MANAGEMENT UNIT (PMU)	PAVING OF MAIN BEACH	Internal	1 800 000	404 590	22,48%
PROJECT MANAGEMENT UNIT (PMU)	Upgrading/Improvement of Sport Facilities within K	Internal	1 919 609	-	0,00%
ROADS AND STORMWATER	UPGRADING KOUGA GRAVEL ROADS	MIG	3 339 130	3 064 353	91,77%
ROADS AND STORMWATER	ST FRANCIS CANAL BRIDGE	MDRG	2 608 696	1 882 203	72,15%
ROADS AND STORMWATER	UPGRADING KOUGA GRAVEL ROADS	Internal	800 000	692 604	86,58%
ROADS AND STORMWATER	PLATE COMPACTOR	Internal	23 000	-	0,00%
Sewerage	New bypass Sewer Rising Main and Pump Stations Jba	Internal	323 486	-	0,00%
Sewerage	Piped Reticulation - St Francis Bay	Internal	122 559	4 500	3,67%
SEWERAGE	Upgrade Loerie sewer pump station	Internal	172 265	49 963	29,00%
SEWERAGE	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA	MIG	430 645	48 997	11,38%
SEWERAGE	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	MIG	207 805	4 830	2,32%
SEWERAGE	UPGRADING KWANOMZAMO WWTW	MIG	8 403 632	2 391 942	28,46%
SEWERAGE	DESIGN: LA MER NEW SEWER RISING MAIN	MIG	208 695	51 875	24,86%
SEWERAGE	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	MIG	12 894 619	7 733 767	59,98%
SEWERAGE	KWANOMZAMO SEWERAGE PUMP STATION	Internal	1 224 891	-	0,00%
SEWERAGE	HANKEY WWTW	Internal	5 155 634	-	0,00%
SEWERAGE	LA MER NEW SEWER RISING MAIN	Internal	9 700 000	-	0,00%
Water	Replace 250mm Water Main Canal Road St Francis Ba	Internal	100 687	5 657	5,62%
Water	Replace Main Waterline Sout Rivier Bridge Crossing	Internal	120 733	40 900	33,88%
WATER	ST FRANCIS BAY: BOREHOLES	WSIG	2 608 695	-	0,00%
WATER	GROUND WATER DEVELOPMENT IN KOUGA	WSIG	869 565	593 315	68,23%
WATER	PARADISE BEACH WATER TOWER	WSIG	9 772 639	2 073 271	21,22%
WATER	MIMOSA STREET PIPELINE REPLACEMENT	WSIG	12 836 056	4 017 399	31,30%
WATER	JILL MARCUS WATER SUPPLY	Internal	3 500 000	-	0,00%
WATER	HUMANSDORP GROUNDWATER SUPPLY	Internal	2 800 000	-	0,00%
			87 239 946	**26 099 419**	**29,92%**
COMMUNITY SERVICES					
DIRECTOR:COMMUNITY SERVICES	Furniture and Equipment	Internal	9 290	9 290	100,00%
DIRECTOR:COMMUNITY SERVICES	PROJECTOR	Internal	20 000	-	0,00%
ENVIRONMENTAL MANAGEMENT	Kouga Skip Bins	Internal	400 000	-	0,00%
FIRE SERVICES	Fire Services - Vehicle (DISTRICT)	DISTRICT	3 000 277	1 589 637	52,98%
LAW ENFORCEMENT	Computer Equipment - Operatons Room	Internal	569 423	-	0,00%
PARKS AND OPEN SPACES	GRASS CUTTER	Internal	200 000	-	0,00%
WASTE SERVICES	Supply and Delivery of Skip Trucks	Internal	1 800 000	-	0,00%
			5 998 990	**1 598 927**	**26,65%**

DEPARTMENT	PROJECT DESCRIPTION	FUNDING SOURCE	Approved Adjusted Budget 2023/24	Actuals as at 31 January 2024	%
ELECTRO AND MECHANICAL SERVICES					
Electricity	Furniture and Equipment	Internal	43 565	-	0,00%
FLEET AND WORKSHOP	Generator	Internal	266 435	266 435	100,00%
METERING & REVENUE	Bulk 66kv Overhead lines	INEP	1 371 165	290 695	21,20%
METERING & REVENUE	OCEAN VIEW 1250 ELECTRIFICATION	INEP	3 555 651	1 981 071	55,72%
METERING & REVENUE	ENERGY EFFICIENCY PROJECTS	EEDSM	3 478 261	-	0,00%
METERING & REVENUE	Electrification of Oceanview	INEP	1 146 184	880 670	76,83%
METERING & REVENUE	DESIGN: HIGH MAST LIGHTS	MIG	86 957	-	0,00%
			9 948 218	**3 418 872**	**34,37%**
FINANCE AND ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	Internal	882 006	123 633	14,02%
ASSET MANAGEMENT	Furniture and equipment	Internal	15 000	-	0,00%
BUDGET & FINANCIAL REPORTING	Furniture and Equipment	Internal	10 000	-	0,00%
Finance: Asset & Fleet Management	Computer Equipment	Internal	20 000	-	0,00%
Finance: SCM	Computer Equipment	Internal	80 000	-	0,00%
LOCAL ECONOMIC DEVELOPMENT	Township Economy Support (Agriculture)	Internal	100 000	-	0,00%
REVENUE	Computer Equipment	Internal	170 000	-	0,00%
SCM: DEMAND MANAGEMENT, RISK, PERFO	SCM Furniture	Internal	30 000	-	0,00%
			1 307 006	**123 633**	**9,46%**
OFFICE OF THE DMM					
IT	Computer Equipment	Internal	1 635 000	986 056	60,31%
MAYOR	Furniture and Equipment - Municipal Court	Internal	219 331	157 142	71,65%
WARD COUNCILLORS	Ward Development Capital	Internal	750 000	477 443	63,66%
WARD COUNCILLORS	FURNITURE&EQUIPMENT-WARD COUNCILLORS	Internal	60 000	-	0,00%
			2 664 331	**1 620 642**	**60,83%**
OFFICE OF THE MM					
INTEGRATED DEVELOPMENT	Furniture and Equipment	Internal	10 000	-	0,00%
MUNICIPAL MANAGER	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	Internal	37 632	22 050	58,59%
Risk and Internal Audit Unit	Furniture and equipment	Internal	55 000	-	0,00%
			102 632	**22 050**	**21,48%**
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	HANKEY 990-PHASE 2	DOH	15 330 180	-	0,00%
HUMAN SETTLEMENT	HANKEY 990-PHASE 3	DOH	4 510 553	-	0,00%
			19 840 733	**-**	**0,00%**
	Total		**127 101 856**	**32 883 543**	**25,87%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 January 2024

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 – M07 January 2024

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	263 776	20 511	164 719	(153 868)	318 587	-207%	263 776
Service charges		237 049	697 055	672 771	44 478	276 324	(392 450)	668 774	-170%	672 771
Other revenue		25 426	67 422	70 420	20 190	130 933	16 890	114 043	675%	70 420
Transfers and Subsidies - Operational		166 622	190 883	190 883	–	141 111	104 295	36 816	35%	190 883
Transfers and Subsidies - Capital		79 951	75 561	74 950	1 000	51 659	(42 131)	93 791	-223%	74 950
Interest		840 211	4 598	11 674	4 526	30 063	6 810	23 253	341%	11 674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667 606	(1 219 527)	(1 214 498)	(83 688)	(683 876)	(708 457)	(24 581)	3%	(1 214 498)
Interest		–	–	(6 612)	(1 017)	(7 201)	(3 857)	3 344	-87%	(6 612)
Transfers and Subsidies		–	–	(1 124)	–	–	(656)	(656)	100%	(1 124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 104 797**	**86 487**	**62 239**	**6 000**	**103 732**	**(1 173 426)**	**#######**	**109%**	**62 239**
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)	(127 102)	(4 126)	(37 776)	74 143	111 918	151%	(127 102)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71 169)**	**(79 343)**	**(127 102)**	**(4 126)**	**(37 776)**	**74 143**	**111 918**	**151%**	**(127 102)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(10 091)	(12 169)	(1 017)	(7 201)	–	7 201	0%	(12 169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**-**	**(10 091)**	**(12 169)**	**(1 017)**	**(7 201)**	**-**	**7 201**	**0%**	**(12 169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 033 629**	**(2 947)**	**(77 032)**	**857**	**58 755**	**(1 099 283)**			**(77 032)**
Cash/cash equivalents at beginning:		27 851	8 542	104 935		104 935	104 935			104 935
Cash/cash equivalents at month/year end:		2 061 479	5 596	27 903		163 690	(994 348)			27 903

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 January 2024 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M07 January 2024

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	259 514	281 488	281 488	17 953	185 719	164 201	21 517	13%	281 488
Service charges	547 619	621 867	602 433	44 872	330 086	351 419	(21 334)	-6%	602 433
Investment revenue	6 824	4 598	11 674	1 199	8 524	6 810	1 715	25%	11 674
Transfers and subsidies - Operational	177 339	190 883	194 142	1 066	142 402	113 249	29 153	26%	194 142
Other own revenue	193 879	60 121	204 086	6 946	45 808	119 050	(73 242)	-62%	204 086
Total Revenue (excluding capital transfers and contributions)	**1 185 175**	**1 158 957**	**1 293 823**	**72 036**	**712 539**	**754 730**	**(42 191)**	**-6%**	**1 293 823**
Employee costs	364 306	447 813	441 415	32 684	225 837	257 490	(31 654)	-12%	441 415
Remuneration of Councillors	13 700	15 140	15 140	1 217	8 979	8 832	147	2%	15 140
Depreciation and amortisation	124 787	109 663	109 663	9 139	63 971	63 969	1	0%	109 663
Interest	8 059	2 090	5 750	448	3 303	3 354	(51)	-2%	5 750
Inventory consumed and bulk purchases	382 970	458 626	455 961	38 992	274 135	265 977	8 158	3%	455 961
Transfers and subsidies	709	924	1 124	–	100	656	(556)	-85%	1 124
Other expenditure	373 435	234 060	403 340	13 047	99 429	235 018	(135 588)	-58%	403 340
Total Expenditure	**1 267 965**	**1 268 316**	**1 432 393**	**95 525**	**675 754**	**835 296**	**(159 542)**	**-19%**	**1 432 393**
Surplus/(Deficit)	**(82 789)**	**(109 359)**	**(138 571)**	**(23 489)**	**36 785**	**(80 567)**	**117 351**	**-146%**	**(138 571)**
Transfers and subsidies - capital (monetary allocations)	102 222	75 561	100 686	5 354	30 780	58 733	(27 953)	-48%	100 686
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**19 433**	**(33 798)**	**(37 885)**	**(18 136)**	**67 565**	**(21 833)**	**89 398**	**-409%**	**(37 885)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**19 433**	**(33 798)**	**(37 885)**	**(18 136)**	**67 565**	**(21 833)**	**89 398**	**-409%**	**(37 885)**
Capital expenditure & funds sources									
Capital expenditure	**113 966**	**79 343**	**127 102**	**3 588**	**32 884**	**74 143**	**(41 259)**	**-56%**	**127 102**
Capital transfers recognised	64 491	65 883	91 956	3 994	29 643	53 641	(23 998)	-45%	91 956
Borrowing	8 786	–	–	–	–	–	–		–
Internally generated funds	40 688	13 460	35 146	(407)	3 240	20 501	(17 261)	-84%	35 146
Total sources of capital funds	**113 966**	**79 343**	**127 102**	**3 588**	**32 884**	**74 143**	**(41 259)**	**-56%**	**127 102**
Financial position									
Total current assets	352 526	154 622	198 171		265 600				198 171
Total non current assets	2 305 137	2 302 442	2 334 326		2 263 055				2 334 326
Total current liabilities	340 668	154 259	213 650		200 973				213 650
Total non current liabilities	241 472	255 035	255 754		182 934				255 754
Community wealth/Equity	**2 087 378**	**2 047 771**	**2 063 093**		**2 144 749**				**2 063 093**
Cash flows									
Net cash from (used) operating	2 104 797	86 487	62 239	6 000	103 732	(1 173 426)	(1 277 158)	109%	62 239
Net cash from (used) investing	(71 169)	(79 343)	(127 102)	(4 126)	(37 776)	74 143	111 918	151%	(127 102)
Net cash from (used) financing	–	(10 091)	(12 169)	(1 017)	(7 201)	–	7 201		(12 169)
Cash/cash equivalents at the month/year end	**2 061 479**	**5 596**	**27 903**	**–**	**163 690**	**(994 348)**	**(1 158 038)**	**116%**	**27 903**

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	58 987	18 894	26 795	19 436	20 961	8 605	48 428	266 587	468 693
Creditors Age Analysis									
Total Creditors	43 803	333	20	243	(50)	12	114	208	44 683

Explanatory notes to Table C1 – 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) – M07 January 2024

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**	**558 025**	**(26 873)**	**293 104**	**325 515**	(32 410)	-10%	**558 025**
Executive and council		2 464	106	135	–	15	79	(63)	-80%	135
Finance and administration		570 368	422 533	557 890	(26 873)	293 089	325 436	(32 347)	-10%	557 890
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**22 893**	**16 716**	**37 059**	**1 120**	**9 299**	**21 618**	(12 318)	-57%	**37 059**
Community and social services		2 427	2 437	2 435	31	2 274	1 420	854	60%	2 435
Sport and recreation		8 640	10 338	10 802	1 071	6 636	6 301	335	5%	10 802
Public safety		2 748	1 378	1 604	1	275	935	(660)	-71%	1 604
Housing		5 849	–	19 841	–	–	11 574	(11 574)	-100%	19 841
Health		3 230	2 563	2 378	16	113	1 387	(1 274)	-92%	2 378
Economic and environmental services		**30 867**	**37 432**	**50 694**	**10 964**	**30 931**	**29 571**	1 359	5%	**50 694**
Planning and development		6 461	8 083	9 815	781	4 867	5 726	(858)	-15%	9 815
Road transport		7 002	6 910	13 140	5 225	9 939	7 665	2 274	30%	13 140
Environmental protection		17 404	22 439	27 739	4 958	16 124	16 181	(57)	0%	27 739
Trading services		**660 805**	**757 731**	**748 730**	**92 178**	**409 985**	**436 759**	(26 774)	-6%	**748 730**
Energy sources		313 432	408 372	370 684	30 023	205 063	216 232	(11 169)	-5%	370 684
Water management		195 564	161 300	182 887	26 021	94 942	106 684	(11 742)	-11%	182 887
Waste water management		99 252	113 711	118 439	16 473	66 340	69 090	(2 749)	-4%	118 439
Waste management		52 557	74 347	76 720	19 660	43 640	44 753	(1 114)	-2%	76 720
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1 287 398**	**1 234 518**	**1 394 508**	**77 390**	**743 319**	**813 463**	**(70 144)**	**-9%**	**1 394 508**
Expenditure - Functional										
Governance and administration		**384 164**	**306 226**	**322 658**	**20 156**	**148 688**	**187 953**	(39 265)	-21%	**322 658**
Executive and council		54 920	64 558	60 112	4 059	32 423	35 063	(2 641)	-8%	60 112
Finance and administration		329 172	241 417	262 087	16 093	116 224	152 622	(36 398)	-24%	262 087
Internal audit		73	251	460	5	42	268	(227)	-84%	460
Community and public safety		**98 259**	**121 818**	**119 108**	**10 341**	**62 476**	**69 478**	(7 002)	-10%	**119 108**
Community and social services		8 230	12 897	13 558	663	5 739	7 908	(2 170)	-27%	13 558
Sport and recreation		50 562	63 813	60 831	6 231	32 073	35 485	(3 412)	-10%	60 831
Public safety		26 931	30 247	30 280	2 459	16 704	17 663	(959)	-5%	30 280
Housing		5 390	7 037	6 606	406	3 708	3 854	(145)	-4%	6 606
Health		7 146	7 824	7 832	582	4 252	4 569	(317)	-7%	7 832
Economic and environmental services		**121 915**	**158 670**	**303 690**	**10 615**	**83 953**	**177 152**	(93 198)	-53%	**303 690**
Planning and development		24 223	31 432	35 970	2 148	15 815	20 982	(5 168)	-25%	35 970
Road transport		86 259	118 681	254 903	7 430	61 363	148 693	(87 329)	-59%	254 903
Environmental protection		11 434	8 556	12 817	1 037	6 775	7 477	(701)	-9%	12 817
Trading services		**657 391**	**674 375**	**678 927**	**54 368**	**377 955**	**396 040**	(18 086)	-5%	**678 927**
Energy sources		333 777	424 020	423 974	31 392	241 468	247 318	(5 850)	-2%	423 974
Water management		155 030	103 892	107 011	11 665	57 040	62 423	(5 383)	-9%	107 011
Waste water management		92 857	85 015	84 300	6 519	44 215	49 175	(4 960)	-10%	84 300
Waste management		75 728	61 449	63 643	4 792	35 232	37 125	(1 893)	-5%	63 643
Other		**6 236**	**7 227**	**8 010**	**45**	**2 682**	**4 672**	**(1 991)**	**-43%**	**8 010**
Total Expenditure - Functional	3	**1 267 965**	**1 268 316**	**1 432 393**	**95 525**	**675 754**	**835 296**	**(159 542)**	**-19%**	**1 432 393**
Surplus/ (Deficit) for the year		**19 433**	**(33 798)**	**(37 885)**	**(18 136)**	**67 565**	**(21 833)**	**89 398**	**-409%**	**(37 885)**

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 – M07 January 2024

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	422 753	(26 810)	288 203	246 606	41 597	16,9%	422 753
Vote 3 - CORPORATE SERVICES		9 373	1 194	789	–	129	460	(331)	-72,0%	789
Vote 4 - COMMUNITY SERVICES		225 297	127 808	263 317	26 217	78 008	153 602	(75 594)	-49,2%	263 317
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611 785	688 565	679 862	77 591	373 707	396 586	(22 879)	-5,8%	679 862
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		11 828	6 215	27 788	392	3 273	16 209	(12 936)	-79,8%	27 788
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**	**1 394 508**	**77 390**	**743 319**	**813 463**	**(70 144)**	**-8,6%**	**1 394 508**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60 197	70 802	67 881	4 264	34 707	39 595	(4 888)	-12,3%	67 881
Vote 2 - FINANCIAL SERVICES		212 317	115 941	132 685	7 278	59 002	77 388	(18 386)	-23,8%	132 685
Vote 3 - CORPORATE SERVICES		51 959	62 930	61 579	2 754	21 742	35 671	(13 930)	-39,0%	61 579
Vote 4 - COMMUNITY SERVICES		232 076	240 505	369 494	21 304	132 702	215 537	(82 835)	-38,4%	369 494
Vote 5 - INFRASTRUCTURE AND ENGINEERING		681 193	739 091	758 248	57 906	409 721	442 310	(32 589)	-7,4%	758 248
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30 209	38 427	41 967	2 009	17 842	24 480	(6 638)	-27,1%	41 967
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**	**1 431 853**	**95 514**	**675 716**	**834 981**	**(159 265)**	**-19,1%**	**1 431 853**
Surplus/ (Deficit) for the year	2	**19 551**	**(33 178)**	**(37 345)**	**(18 125)**	**67 603**	**(21 518)**	**89 122**	**-414,2%**	**(37 345)**

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 are 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) – M07 January 2024

Description R thousands	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		593 601	662 340	667 320	51 560	368 970	389 270	(20 300)	-5%	667 320
Service charges - Electricity		306 477	390 731	352 780	25 908	197 619	205 788	(8 170)	-4%	352 780
Service charges - Water		117 400	101 425	118 603	8 157	64 172	69 185	(5 013)	-7%	118 603
Service charges - Waste Water Management		61 797	63 314	64 268	5 628	34 895	37 490	(2 595)	-7%	64 268
Service charges - Waste management		61 945	66 396	66 782	5 179	33 400	38 956	(5 556)	-14%	66 782
Sale of Goods and Rendering of Services		9 189	7 790	9 000	460	3 646	5 250	(1 604)	-31%	9 000
Agency services		2 678	1 000	4 276	342	2 443	2 495	(52)	-2%	4 276
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20 845	18 595	30 145	1 320	17 465	17 584	(119)	-1%	30 145
Interest earned from Current and Non Current Assets		6 824	4 598	11 674	1 199	8 524	6 810	1 715	25%	11 674
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2 570	3 295	2 999	474	2 208	1 749	458	26%	2 999
Licence and permits		2 677	3 021	2 677	179	1 523	1 562	(39)	-2%	2 677
Operational Revenue		1 200	2 174	4 116	2 715	3 075	2 401	674	28%	4 116
Non-Exchange Revenue		591 574	496 618	626 503	20 476	343 569	365 460	(21 891)	-6%	626 503
Property rates		259 514	281 488	281 488	17 953	185 719	164 201	21 517	13%	281 488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132 853	10 334	134 597	(54)	4 965	78 515	(73 550)	-94%	134 597
Licence and permits		7 195	10 668	11 053	973	6 708	6 448	260	4%	11 053
Transfer and subsidies - Operational		177 339	190 883	194 142	1 066	142 402	113 249	29 153	26%	194 142
Interest		3 729	3 244	5 223	539	3 776	3 047	729	24%	5 223
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**	**1 293 823**	**72 036**	**712 539**	**754 730**	**(42 191)**	**-6%**	**1 293 823**
Expenditure By Type										
Employee related costs		364 306	447 813	441 415	32 684	225 837	257 490	(31 654)	-12%	441 415
Remuneration of councillors		13 700	15 140	15 140	1 217	8 979	8 832	147	2%	15 140
Bulk purchases - electricity		291 888	364 280	354 710	27 566	216 909	206 914	9 995	5%	354 710
Inventory consumed		91 082	94 345	101 252	11 425	57 225	59 063	(1 838)	-3%	101 252
Debt impairment		119 944	28 314	173 540	–	–	101 232	(101 232)	-100%	173 540
Depreciation and amortisation		124 787	109 663	109 663	9 139	63 971	63 969	1	0%	109 663
Interest		8 059	2 090	5 750	448	3 303	3 354	(51)	-2%	5 750
Contracted services		87 336	104 476	125 875	5 687	48 121	73 416	(25 295)	-34%	125 875
Transfers and subsidies		709	924	1 124	–	100	656	(556)	-85%	1 124
Irrecoverable debts written off		87 459	7 305	13 835	–	4 168	8 070	(3 903)	-48%	13 835
Operational costs		76 926	93 964	90 090	7 360	47 140	52 300	(5 159)	-10%	90 090
Losses on Disposal of Assets		1 345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1 267 965**	**1 268 316**	**1 432 393**	**95 525**	**675 754**	**835 296**	**(159 542)**	**-19%**	**1 432 393**
Surplus/(Deficit)		**(82 789)**	**(109 359)**	**(138 571)**	**(23 489)**	**36 785**	**(80 567)**	**117 351**	**(0)**	**(138 571)**

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) – M07 January 2024

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		307	760	1 077	32	657	628	28	5%	1 077
Vote 2 - FINANCIAL SERVICES		1 802	–	2 827	35	1 110	1 649	(539)	-33%	2 827
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17 374	1 362	4 199	9	1 599	2 449	(850)	-35%	4 199
Vote 5 - INFRASTRUCTURE AND ENGINEERING		93 551	76 521	95 776	3 228	28 371	55 869	(27 498)	-49%	95 776
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	19 941	(116)	–	11 632	(11 632)	-100%	19 941
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**	**123 819**	**3 189**	**31 736**	**72 228**	**(40 491)**	**-56%**	**123 819**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	55	–	–	32	(32)	-100%	55
Vote 2 - FINANCIAL SERVICES		56	–	15	–	–	9	(9)	-100%	15
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	1 800	–	–	1 050	(1 050)	-100%	1 800
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	1 413	399	1 147	824	323	39%	1 413
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	–	3 283	399	1 147	1 915	**(768)**	**-40%**	3 283
Total Capital Expenditure	3	**113 966**	**79 343**	**127 102**	**3 588**	**32 884**	**74 143**	**(41 259)**	**-56%**	**127 102**
Capital Expenditure - Functional Classification										
Governance and administration		**11 436**	**760**	**4 829**	**77**	**2 042**	**2 817**	(775)	-28%	**4 829**
Executive and council		307	760	1 096	41	666	639	26	4%	1 096
Finance and administration		11 106	–	3 678	35	1 376	2 145	(769)	-36%	3 678
Internal audit		23	–	55	–	–	32	(32)	-100%	55
Community and public safety		**339**	**1 362**	**23 041**	**–**	**1 590**	**13 441**	(11 851)	-88%	**23 041**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	200	–	–	117	(117)	-100%	200
Public safety		–	1 362	3 000	–	1 590	1 750	(161)	-9%	3 000
Housing		–	–	19 841	–	–	11 574	(11 574)	-100%	19 841
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13 080**	**6 497**	**16 297**	**382**	**9 083**	**9 507**	(424)	-4%	**16 297**
Planning and development		(161)	3 157	9 127	319	3 444	5 324	(1 880)	-35%	9 127
Road transport		13 241	3 339	6 771	63	5 639	3 950	1 690	43%	6 771
Environmental protection		–	–	400	–	–	233	(233)	-100%	400
Trading services		**89 111**	**70 124**	**82 934**	**3 138**	**20 169**	**48 378**	(28 209)	-58%	**82 934**
Energy sources		(47 280)	19 652	9 682	262	3 152	5 648	(2 495)	-44%	9 682
Water management		124 204	26 087	32 608	2 287	6 731	19 022	(12 291)	-65%	32 608
Waste water management		3 400	24 385	38 844	589	10 286	22 659	(12 373)	-55%	38 844
Waste management		8 786	–	1 800	–	–	1 050	(1 050)	-100%	1 800
Other		–	600	–	(9)	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**113 966**	**79 343**	**127 102**	**3 588**	**32 884**	**74 143**	**(41 259)**	**-56%**	**127 102**
Funded by:										
National Government		64 491	64 521	69 115	3 994	28 054	40 317	(12 264)	-30%	69 115
Provincial Government		–	–	19 841	–	–	11 574	(11 574)	-100%	19 841
District Municipality		–	1 362	3 000	–	1 590	1 750	(161)	-9%	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**	**91 956**	**3 994**	**29 643**	**53 641**	**(23 998)**	**-45%**	**91 956**
Borrowing	6	8 786	–	–	–	–	–	–		–
Internally generated funds		40 688	13 460	35 146	(407)	3 240	20 501	(17 261)	-84%	35 146
Total Capital Funding	7	**113 966**	**79 343**	**127 102**	**3 588**	**32 884**	**74 143**	**(41 259)**	**-56%**	**127 102**

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 – M07 January 2024

Description	Ref	2022/23	Budget Year 2023/24			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		104 935	5 596	27 854	163 690	27 854
Trade and other receivables from exchange transactions		73 873	55 239	77 030	62 935	77 030
Receivables from non-exchange transactions		17 812	24 619	29 014	22 192	29 014
Current portion of non-current receivables		–	–	–	–	–
Inventory		18 598	17 110	18 741	16 784	18 741
VAT		134 766	50 443	45 422	–	45 422
Other current assets		2 542	1 616	109	–	109
Total current assets		**352 526**	**154 622**	**198 171**	**265 600**	**198 171**
Non current assets						
Investments		–	–	–	–	–
Investment property		262 608	262 608	262 608	262 571	262 608
Property, plant and equipment		2 041 926	2 039 424	2 071 115	2 000 590	2 071 115
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	603	(106)	603
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2 305 137**	**2 302 442**	**2 334 326**	**2 263 055**	**2 334 326**
TOTAL ASSETS		**2 657 663**	**2 457 064**	**2 532 496**	**2 528 655**	**2 532 496**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11 342	9 484	12 169	4 968	12 169
Consumer deposits		29 060	23 673	29 060	31 288	29 060
Trade and other payables from exchange transactions		126 241	77 412	124 507	95 372	124 507
Trade and other payables from non-exchange transactions		30 756	–	(0)	–	(0)
Provision		53 931	43 689	47 914	69 344	47 914
VAT		89 337	–	(0)	–	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**340 668**	**154 259**	**213 650**	**200 973**	**213 650**
Non current liabilities						
Financial liabilities		24 202	8 637	11 207	28 343	11 207
Provision		125 237	126 686	137 116	154 591	137 116
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92 032	119 711	107 431	–	107 431
Total non current liabilities		**241 472**	**255 035**	**255 754**	**182 934**	**255 754**
TOTAL LIABILITIES		**582 139**	**409 293**	**469 404**	**383 907**	**469 404**
NET ASSETS	2	**2 075 524**	**2 047 771**	**2 063 093**	**2 144 749**	**2 063 093**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 087 378	2 047 771	2 063 093	2 144 749	2 063 093
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 087 378**	**2 047 771**	**2 063 093**	**2 144 749**	**2 063 093**

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 – M07 January 2024

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	263 776	20 511	164 719	(153 868)	318 587	-207%	263 776
Service charges		237 049	697 055	672 771	44 478	276 324	(392 450)	668 774	-170%	672 771
Other revenue		25 426	67 422	70 420	20 190	130 933	16 890	114 043	675%	70 420
Transfers and Subsidies - Operational		166 622	190 883	190 883	–	141 111	104 295	36 816	35%	190 883
Transfers and Subsidies - Capital		79 951	75 561	74 950	1 000	51 659	(42 131)	93 791	-223%	74 950
Interest		840 211	4 598	11 674	4 526	30 063	6 810	23 253	341%	11 674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667 606	(1 219 527)	(1 214 498)	(83 688)	(683 876)	(708 457)	(24 581)	3%	(1 214 498)
Interest		–	–	(6 612)	(1 017)	(7 201)	(3 857)	3 344	-87%	(6 612)
Transfers and Subsidies		–	–	(1 124)	–	–	(656)	(656)	100%	(1 124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 104 797**	**86 487**	**62 239**	**6 000**	**103 732**	**(1 173 426)**	**#######**	**109%**	**62 239**
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)	(127 102)	(4 126)	(37 776)	74 143	111 918	151%	(127 102)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71 169)**	**(79 343)**	**(127 102)**	**(4 126)**	**(37 776)**	**74 143**	**111 918**	**151%**	**(127 102)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(10 091)	(12 169)	(1 017)	(7 201)	–	7 201	0%	(12 169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**-**	**(10 091)**	**(12 169)**	**(1 017)**	**(7 201)**	**-**	**7 201**	**0%**	**(12 169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 033 629**	**(2 947)**	**(77 032)**	**857**	**58 755**	**(1 099 283)**			**(77 032)**
Cash/cash equivalents at beginning:		27 851	8 542	104 935		104 935	104 935			104 935
Cash/cash equivalents at month/year end:		2 061 479	5 596	27 903		163 690	(994 348)			27 903

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 January 2024, compared to the position as at 30 June 2023.

Debtors' Age Analysis (Inclusive of VAT) as at 31 January 2024

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	23 292	8 532	19 031	12 332	5 591	3 597	23 838	76 960	173 174
Trade and Other Receivables from Exchange Transactions - Electricity	29 007	2 219	1 642	1 237	1 519	713	2 433	12 503	51 273
Receivables from Non-exchange Transactions - Property Rates	17 602	3 928	2 203	2 170	9 659	1 157	4 342	26 782	67 844
Receivables from Exchange Transactions - Waste Water Management	9 713	1 904	1 452	1 364	1 511	1 137	6 350	32 233	55 665
Receivables from Exchange Transactions - Waste Management	6 524	1 386	1 281	1 164	1 119	1 076	5 726	42 525	60 800
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1 233	408	771	755	833	500	3 939	58 530	66 969
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(28 384)	516	414	414	729	424	1 800	17 054	(7 032)
Total By Income Source	**58 987**	**18 894**	**26 795**	**19 436**	**20 961**	**8 605**	**48 428**	**266 587**	**468 693**
Debtors Age Analysis By Customer Group									
Organs of State	1 557	1 970	654	542	2 079	286	706	5 899	13 693
Commercial	9 312	549	499	420	656	198	1 241	6 366	19 241
Households	48 116	16 374	25 640	18 474	18 226	8 121	46 476	254 320	435 745
Other	2	1	1	1	1	1	5	2	14
Total By Customer Group	**58 987**	**18 894**	**26 795**	**19 436**	**20 961**	**8 605**	**48 428**	**266 587**	**468 693**

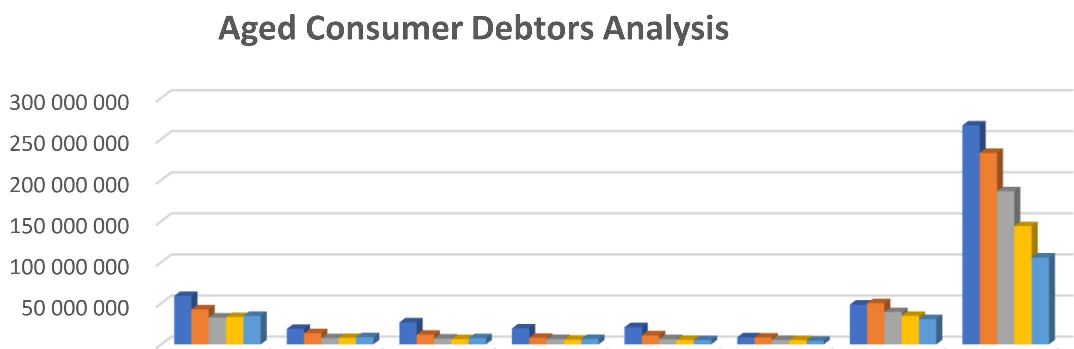
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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 analysis indicates that from 30 June 2023 to 31 January 2024, the overdue debts have increased by R 73,584 million from R 336,122 million to R 409,706 million, as follows:

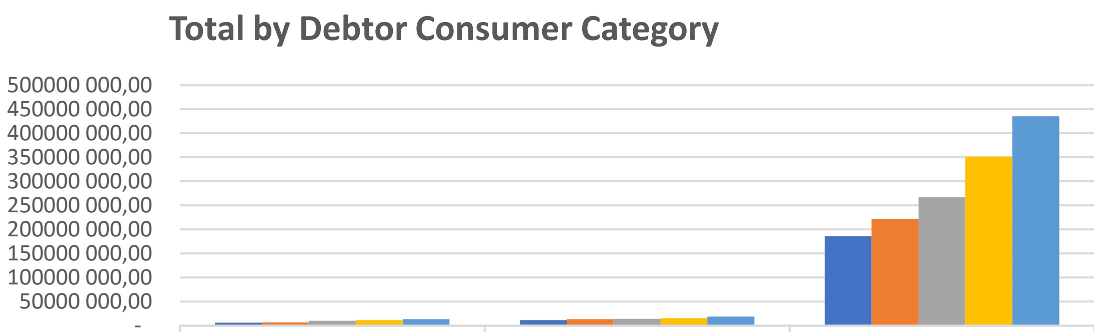
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-Jan-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108 222	149 881	41 659
Trade and Other Receivables from Exchange Transactions - Electricity	19 479	22 267	2 788
Receivables from Non-exchange Transactions - Property Rates	40 157	50 242	10 086
Receivables from Exchange Transactions - Waste Water Management	43 229	45 952	2 723
Receivables from Exchange Transactions - Waste Management	53 040	54 276	1 236
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51 327	65 735	14 409
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20 669	21 352	683
Total By Income Source	**336 122**	**409 706**	**73 584**
Debtors Age Analysis By Customer Group			
Organs of State	10 365	12 136	1 771
Commercial	8 845	9 929	1 084
Households	316 912	387 630	70 718
Other	–	12	12
Total By Customer Group	**336 122**	**409 706**	**73 584**

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 January 2024	58 987 213	18 893 724	26 794 709	19 436 261	20 960 897	8 604 962	48 428 237	266 586 84
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	6386 577,00	11420 048,00	186107 087,00
Budget Year 2020/21	6936 640,55	13633 927,71	222320 049,31
Budget Year 2021/22	10058 004,67	14079 073,86	267455 731,94
Budget Year 2022/23	11295 968,77	15936 031,43	351468 068,65
Budget Year 2023/24	13692 802,11	19240 997,45	435745 251,05

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	31 607	6	6	6	(199)	–	–	–	**31 427**
Bulk Water	5 261	14	16	15	78	13	306	(1 492)	**4 212**
PAYE deductions	5 674								**5 674**
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	2 987	590	18	25	–	1	8	1 748	**5 377**
Auditor General									–
Other									–
Total By Customer Type	**45 528**	**610**	**40**	**46**	**(121)**	**14**	**314**	**257**	**46 689**

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

Eskom	R 31,427 million
NMBM	R 4,212 million
PAYE	R 5,674 million
Other Creditors	R 5,377 million
Total	**R 46,689 million**

It is to be noted that the Eskom amount of R 31,427 million, represents the current account for January 2024, which will be fully paid on 23 February 2023.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M07 January 2024.

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	-	140,240	140,240	–	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	-	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	-	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	-	140,353	145,832	4,938	192,144
Capital Transfers and Grants							
National Government:	76,067	76,067	1,000	51,659	50,659	2,000	76,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	1,000	4,000	1,000		4,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	–	2,700	4,700	2,000	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	–	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	1,000	54,659	53,659	2,000	79,067
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	271,211	1,000	195,013	199,491	6,938	271,211

Below is an analysis of the spending associated with the grants as at 31 January 2024:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M07 January 2024.

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	390	138,020	138,907	887	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 [Schedule 5B]	2,458	2,458	–	807	1,434	626	44%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	58	680	1,003	323	32%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	333	1,153	1,090	(63)	-6%	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	390	138,133	144,499	6,365	170%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	79,067	5,354	30,511	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	1,728	2,166	3,000			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	179	2,278	4,700		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	384	18,381	37,367	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	3,063	7,686	30,000	–	0%	30,000
District Municipality:	1,362	3,000	–	1,590	3,000	–	–	3,000
Fire Services Subsidy	1,362	3,000	–	1,590	3,000	–	0%	3,000
Total capital expenditure of Transfers and Grants	80,429	82,067	5,354	32,100	82,067	–	0%	82,067
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	274,211	5,744	170,234	226,566	6,365	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.

Grants received from National Government.

DORA Operating Grants

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

DORA Allocation:	R 1,720,000
Amount of Grant Received:	R 1,720,000
Expenditure to date:	R 679,890
Unspent as at 31 January 2024:	R 1,040,109

The spending of the grant amounted to 39.53% as at 31 January 2024, 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 807,389
Unspent as at 31 January 2024:	R 913,610

The spending of the grant amounted to 46.91% as at 31 January 2024, compared to the amount of the grant received.

DORA Capital Grants

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

DORA Allocation:	R 37,367,000
Amount of Grant Received:	R 28,378,000
Expenditure to date:	R 19,534,063
Unspent as at 31 January 2024:	R 8,843,936

The spending of the grant amounted to 68.84% as at 31 January 2024, 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.

Revised DORA Allocation:	R 4,089,000
Current Year Receipts:	R 2,700,000
Expenditure to date:	R 2,278,232
Unspent as at 31 January 2024:	R 421,768

The spending of the grant amounted to 84.38% as at 31 January 2024, compared to the amount of the grant received.

<u>Approved INEP Rollovers</u>

2022/23 unspent amount:	R 2,894,953
Expenditure to date:	R 1,347,070
Unspent as at 31 January 2024:	R 1,547,883

The spending of the grant amounted to 46.53% as at 31 January 2024, compared to the approved rollover amount.

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 7,685,583
Unspent as at 31 January 2024:	R 10,314,416

The spending of the grant amounted to 42.70% as at 31 January 2024, 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 4,000,000
Expenditure to date:	R 0.00
Unspent as at 31 January 2024:	R 4,000,000

The spending of the grant amounted to 0% as at 31 January 2024, 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 2,165,533
Unspent as at 31 January 2024:	R 834,466

The spending of the grant amounted to 72.18% as at 31 January 2024, 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	3,258,143	2,332,238	925,904
Human Settlement	19,840,733	-	19,840,733
Total	**23,098,876**	**2,332,238**	**20,766,638**

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M07 JANUARY 2024.

Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		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	6,003	5,893	111	2%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	11	71	–	71		–
Motor Vehicle Allowance		3,066	3,407	3,407	272	2,002	1,987	15	1%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	902	952	(50)	-5%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,217**	**8,979**	**8,832**	**147**	**2%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	8,210	516	3,710	4,789	(1,080)	-23%	8,210
Pension and UIF Contributions		61	117	117	5	38	68	(30)	-45%	117
Medical Aid Contributions		31	52	52	3	19	31	(12)	-39%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	–	892	(892)	-100%	1,528
Motor Vehicle Allowance		490	2,072	1,922	43	303	1,121	(818)	-73%	1,922
Cellphone Allowance		10	10	10	1	12	6	7	111%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	3	(2)	-88%	5
Payments in lieu of leave		4,195	4,743	4,543	590	3,455	2,650	805	30%	4,543
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**10,211**	**16,202**	**16,387**	**1,159**	**7,537**	**9,559**	**(2,022)**	**-21%**	**16,387**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	267,621	20,417	135,316	156,112	(20,796)	-13%	267,621
Pension and UIF Contributions		33,322	36,936	37,186	2,970	20,792	21,691	(900)	-4%	37,186
Medical Aid Contributions		17,746	18,588	18,788	1,668	10,744	10,960	(216)	-2%	18,788
Overtime		27,987	29,013	28,663	3,964	17,443	16,720	723	4%	28,663
Performance Bonus		23	25	25	–	25	14	10	73%	25
Motor Vehicle Allowance		10,408	11,356	11,856	903	6,461	6,916	(456)	-7%	11,856
Cellphone Allowance		21	56	56	1	7	33	(25)	-78%	56
Housing Allowances		722	1,234	1,234	58	433	720	(287)	-40%	1,234
Other benefits and allowances		32,223	34,740	35,580	1,446	26,038	20,755	5,283	25%	35,580
Post-retirement benefit obligations	2	15,362	20,887	20,887	–	1	12,184	(12,184)	-100%	20,887
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,006**	**462,953**	**456,555**	**33,900**	**234,816**	**266,322**	**(31,506)**	**-12%**	**456,555**
TOTAL MANAGERS AND STAFF		**364,306**	**447,813**	**441,415**	**32,684**	**225,837**	**257,490**	**(31,654)**	**-12%**	**441,415**

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 Adjusted Budget 2023/24**	**Actuals as at 31 January 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.21%	1.32%	0.32%
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	0.00
Liquidity							
Current Ratio	Current assets / current liabilities	1.26	1.07	0,51	0,78	0.93:1	1.27:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	0,42	0.13:1	0.77:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	86.71%	92%	84.17%

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 Adjusted Budget 2023/24	Actuals as at 31 January 2024
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	0.29 Months	1.10 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	28,30%	30.82%	33.42%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	94,66%	95%	25.87%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	3,79%	4.21%	3.78%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	2,32%	2.91%	1.28%
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%	84.99%	78.65%

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 0.32% as at 31 January 2024, compared to the approved adjusted budget ratio of 1.31%.

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 January 2024, the ratio indicates 0.00, compared to the approved adjusted 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:

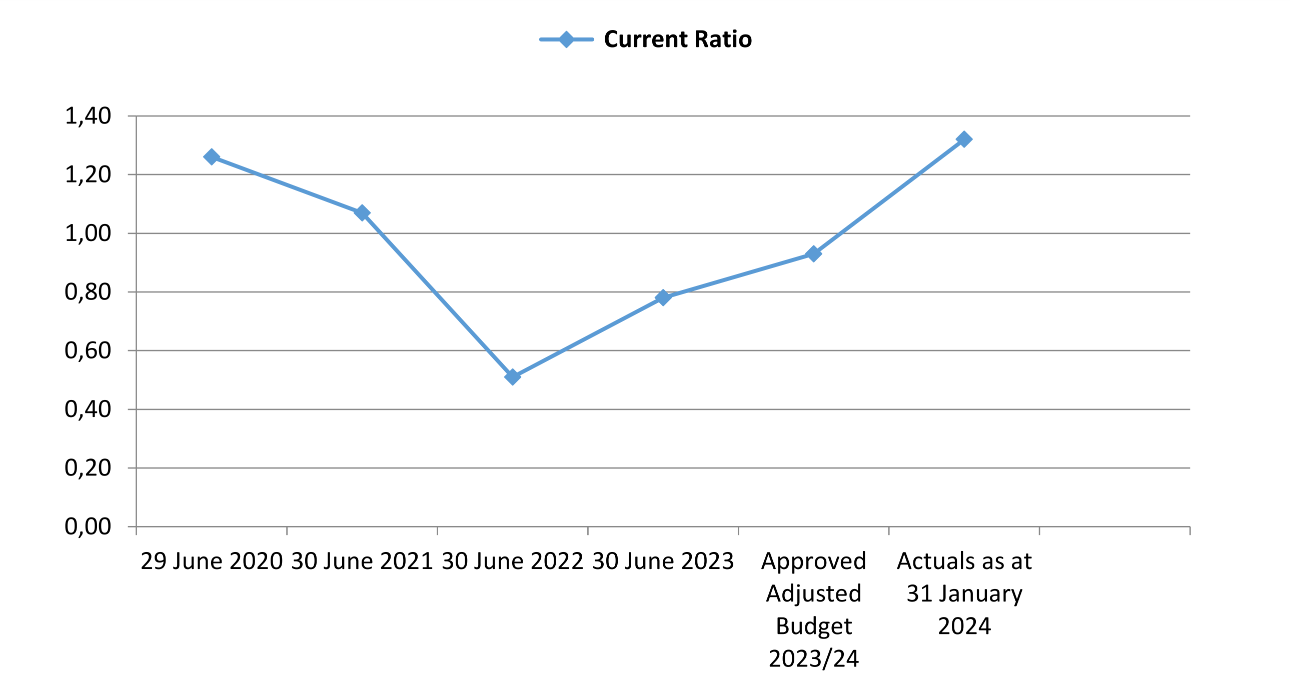
Current assets/Current liabilities

The ratio as at 31 January 2024 was 1.27:1, compared to the approved adjusted budget ratio of 0.93:1

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

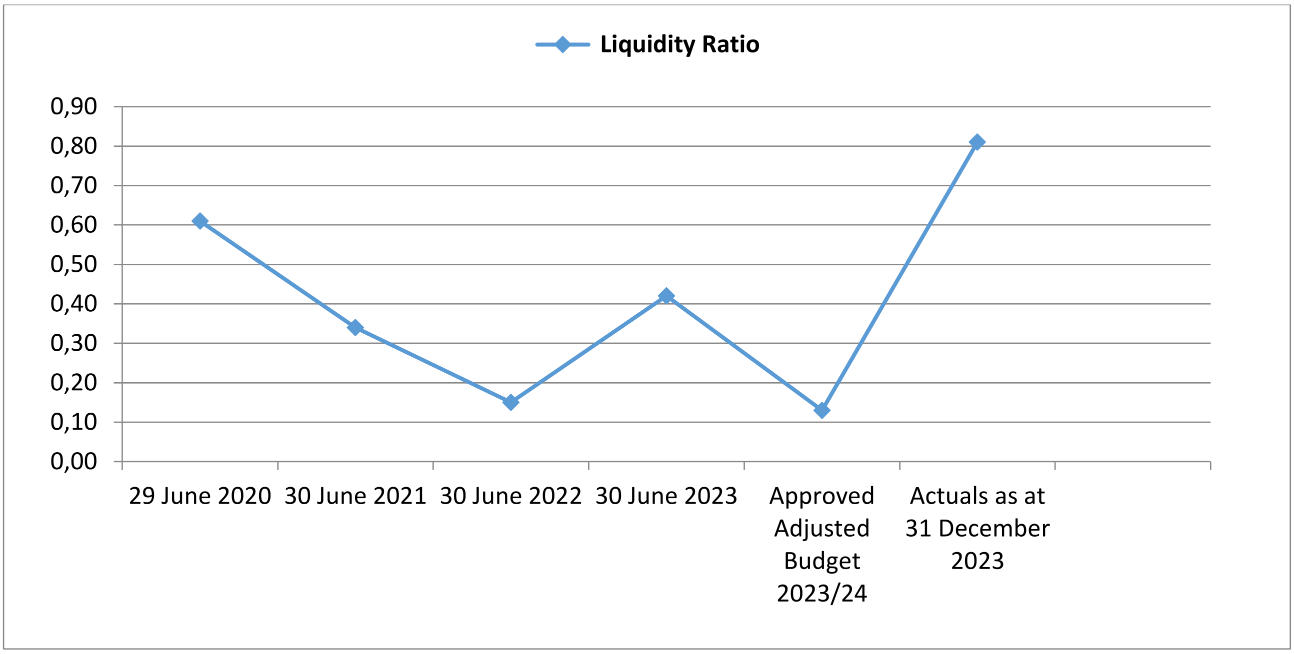
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 January 2024 was 0.81:1 compared to the approved adjusted budget ratio of 0.13:1.

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



4.2. Revenue Management

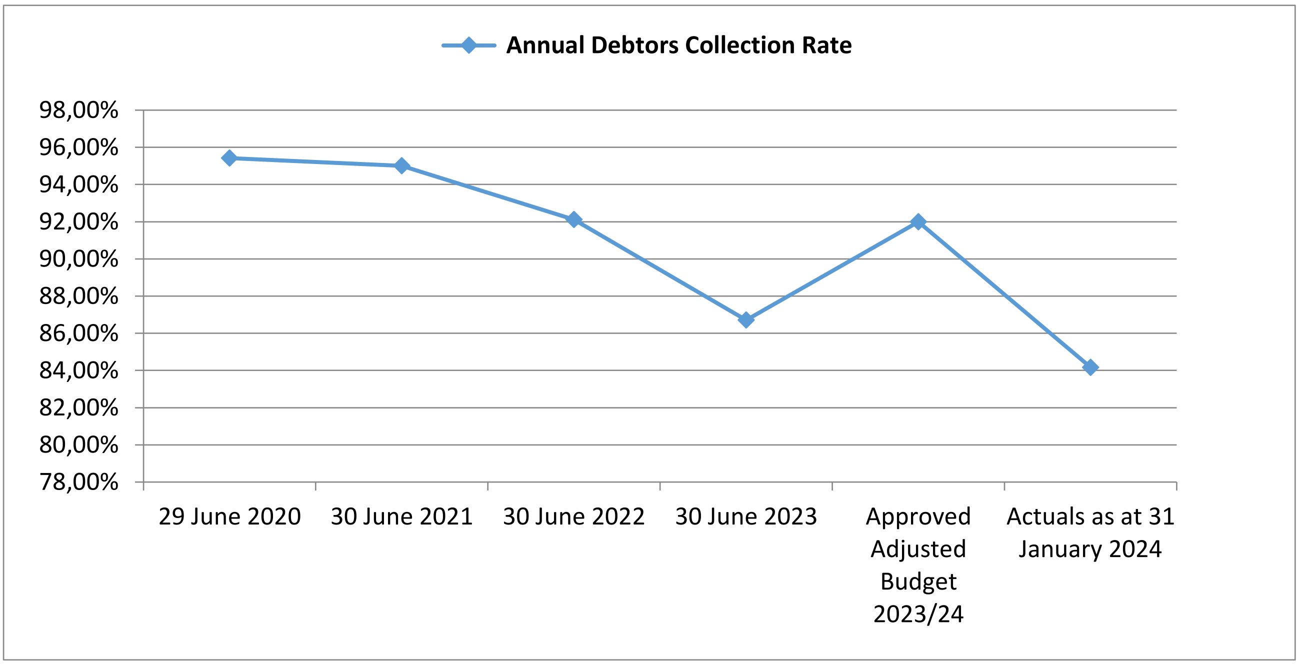
4.2.1. Annual Debtors Collection Rate

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 January 2024 was 84.17%, compared to the approved adjusted budget collection rate of 92%. The actual collection rate for January is 110.72%.



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.

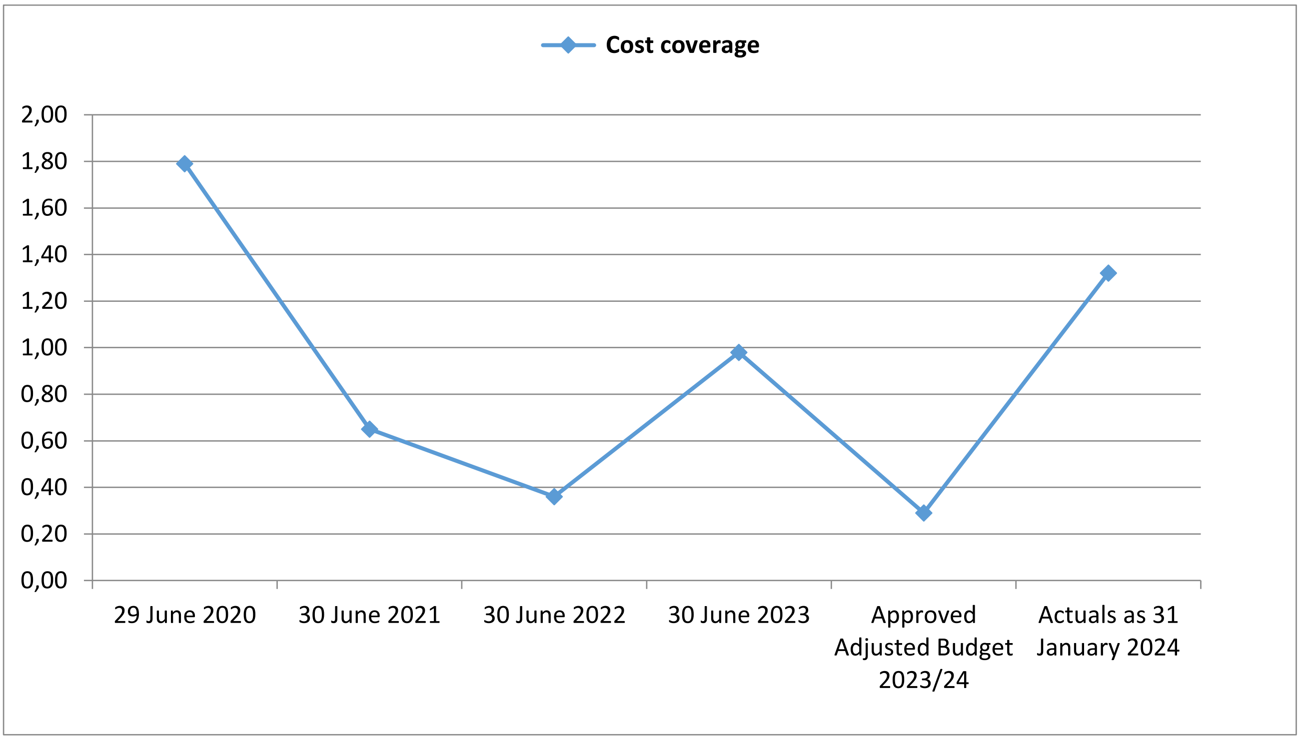
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 January 2024, the Ratio was 1.32 months, compared to the approved adjusted budget ratio of 0.29 months.

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



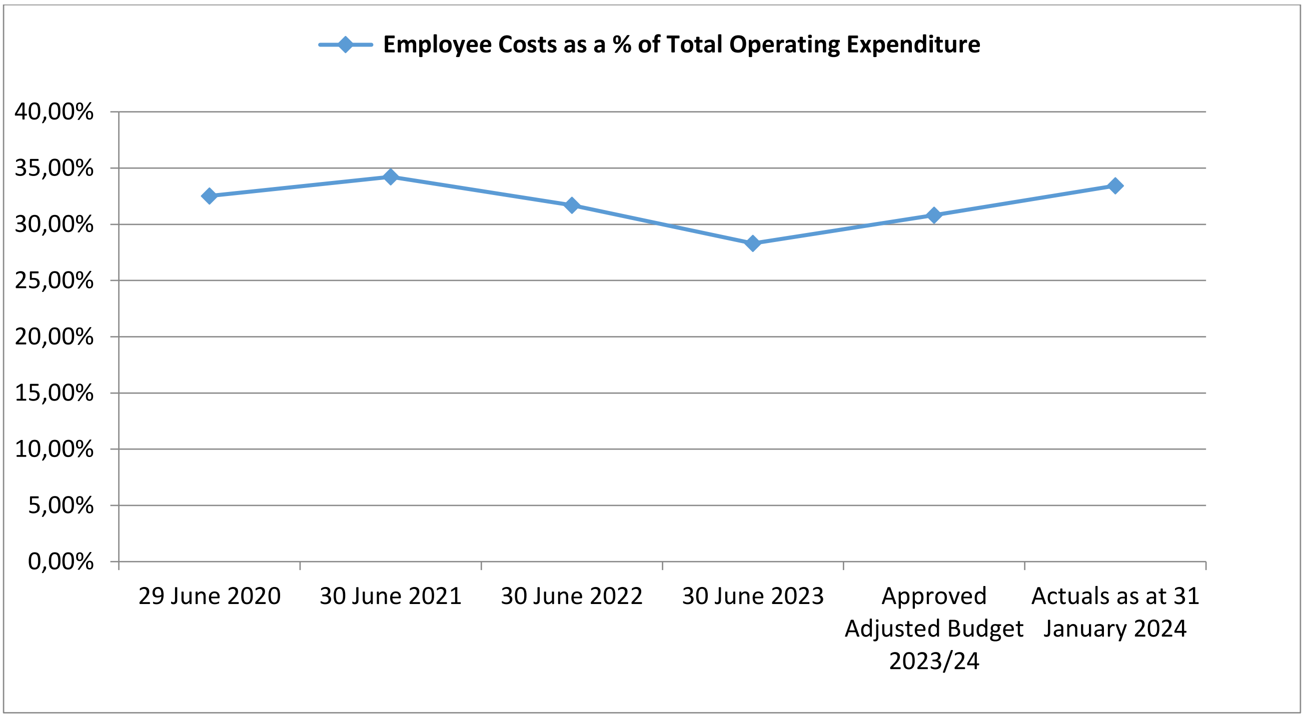
4.3.2. Employee costs as a % of Total Operating Expenditure

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 January 2024, Employee Related Costs constituted 33.42% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 30.82%.



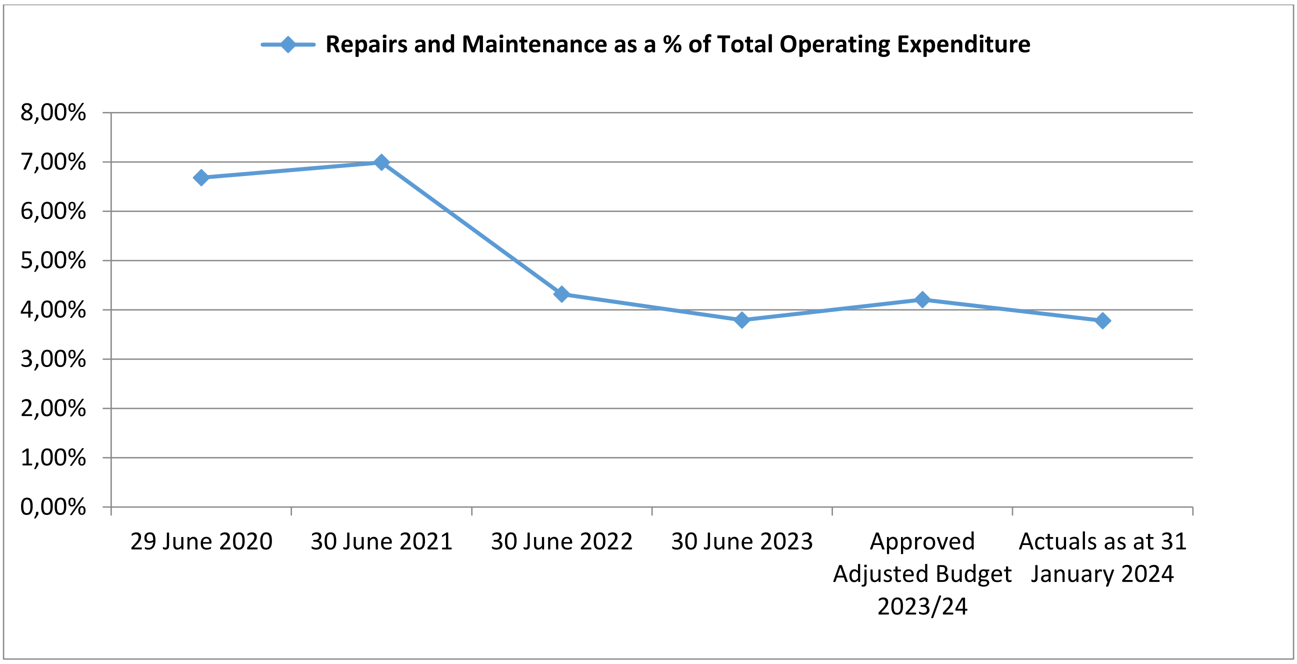
4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 January 2024, the ratio was 3.78%, compared to the approved adjusted budget ratio of 4.21%.



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

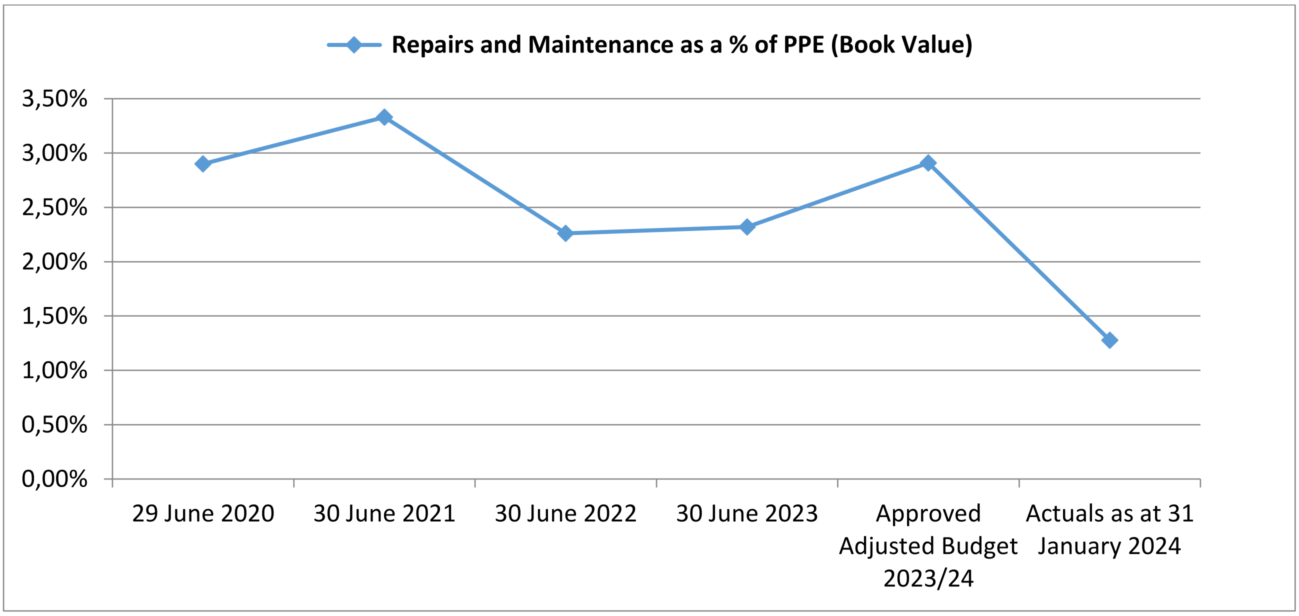
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 January 2024, repairs and maintenance expenditure constituted 1.28% of the book value of PPE, compared to the approved adjusted budget ratio of 2.91%.

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



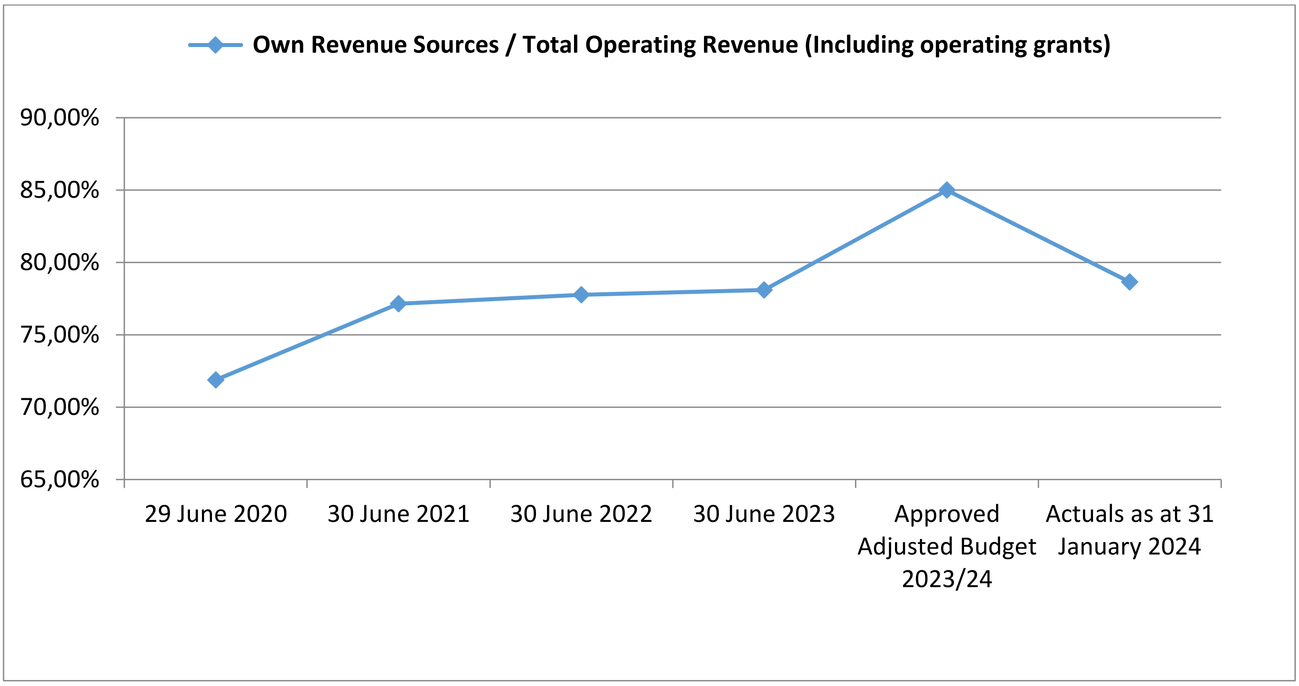
Own Revenue Generation

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 January 2024, the Municipality's own revenue sources constituted 78.65% of its total Operating Income, compared to the approved adjusted budget ratio of 84.99%.



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 January 2024 amounted to 25.87%, compared to the approved adjusted budget ratio of 95%.