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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO FEBRUARY 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 29 FEBRUARY 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, MTREF 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 February 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 786,617 million, whilst operating expenditure amounted to R 762,782 million, resulting in an operating surplus of R 23,835 million.
- Capital expenditure constituted 32.86 % of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 80,961 million (24.09%) since June 2023.
- An amount of R 42,919 million is owing to creditors, 97.13% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 42,372,875 (40.38%) since June 2023, from R 104,934,592 to R 147,307,466.

Below is an analysis of the Investment Portfolio as at 29 February 2024.

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 29 February 2024
Standard Bank	17,575,390	8,135,902	1,065,183	-		26,776,474
ABSA	17,594,065	8,031,958	1,226,278	3,750,368	1,525	23,100,408
Nedbank	17,580,745	8,103,885	1,115,053	3,750,000		23,049,682
RMB	13,004,007	99,292,920	1,837,760	102,348,743		11,785,945
INVESTEC	17,580,053	8,104,600	1,115,027	3,750,000		23,049,680
Total	83,334,259.83	131,669,265.27	6,359,300.90	113,599,111.02	1,525.00	107,762,190
INVESTMENT	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 29 February 2024
General Account	54,340,431	73,850,349	3,549,054	69,147,972	1,525	62,590,337
Conditional Grants	9,153,096	55,798,000	1,751,260	44,451,139	-	22,251,217
Housing Funds	19,840,733	2,020,916	1,058,987		-	22,920,636
Total	83,334,259.83	131,669,265.27	6,359,300.90	113,599,111.02	1,525.00	107,762,190
Cheque Accounts FNB 52540020791	15,413,743	12,063,845				27,477,588
Cheque Accounts FNB 52540033304	3,874,471	3,285,733				7,160,204
Cheque Accounts FNB 62682103591	780	98				878
Cheque Accounts FNB 63022194441	2,311,338	2,595,268				4,906,606
	21,600,332	17,944,944	-	-	-	39,545,276
Total	104,934,592	149,614,210	6,359,301	113,599,111	1,525	147,307,466

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

Cash backed Reserves.

Bank Balances and Cash	R 39,545,276
Short-term Investment Deposits	R 107,762,190
	R 147,307,466

Application of Cash

Unspent Conditional Grants	R 41,232,732
Operational and capital commitments	R 12,657,862
Outstanding Creditors Liability	R 42,919,110
	R 96,809,704

Cash Reserves more than commitments:	**R 50,497,762**

The cash backed reserves exceed commitments at this stage by an amount of R 50,497,762. It should be noted the excess of reserves over commitments as at 29 February 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 29 February 2023	Approved Adjusted Budget 2023/24	Actuals as at 29 February 2024
Current Ratio	0.51:1	0.78:1	1.5:1 to 2:1	1.11:1	0.93:1	1.48:1
Liquidity Ratio	0.15:1	0.42:1		0.64:1	0.13:1	0.85:1
Cost Coverage (Excluding unspent conditional grants)	0:36 Months	0.98 Months	1 Month to 3 Months	0.67 Months	0.29 Months	1.11 Months
Debtors Collection Rate	94.32%	86.71%	95%	87.37%	92%	84.45%
Capital Expenditure	123.92%	94.66%	95%	39.94%	95%	32.86%

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 29 February 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 _DAVID DE JAGER

(Acting) Municipal Manager of Kouga Local Municipal

Signature…………………………………………………

Date…………14 March 2024…………………….

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO FEBRUARY 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	74 078	786,617	862,548	(75,931)
Total Expenditure	1 268 316	1 433 047	87 028	762 782	954 927	(192 144)
Surplus/(Deficit)	(109 359)	(139 224)	(12 950)	23 835	(92 378)	116 213

The statement of financial performance reflects an operating surplus of R 23,835 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**	**422,450**	**63.31%**
Service charges - Electricity	352,780	229,214	64.97%
Service charges - Water	118,603	70,557	59.49%
Service charges - Waste Water Management	64,268	40,092	62.38%
Service charges - Waste management	66,782	38,576	57.76%
Sale of Goods and Rendering of Services	9,000	4,174	46.37%
Agency services	4,276	2,798	65.42%
Interest earned from Receivables	30,145	20,130	66.78%
Interest earned from Current and Non Current Assets	11,674	9,619	82.40%
Rental from Fixed Assets	2,999	2,434	81.15%
Licence and permits	2,677	1,728	64.53%
Operational Revenue	4,116	3,129	76.03%
Non-Exchange Revenue	**626,503**	**364,167**	**58.13%**
Property rates	281,488	204,250	72.56%
Fines, penalties and forfeits	134,597	5,024	3.73%
Licence and permits	11,053	7,041	63.70%
Transfer and subsidies - Operational	194,142	143,556	73.94%
Interest	5,223	4,296	82.26%
Total Revenue (excluding capital transfers and contributions)	**1,293,823**	**786,617**	**60.80%**

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 29 February 2024, the municipality has recognised 72.56% 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 R147,307 million. The investment amount of R147,307 million includes call accounts amounting to R41,232 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.

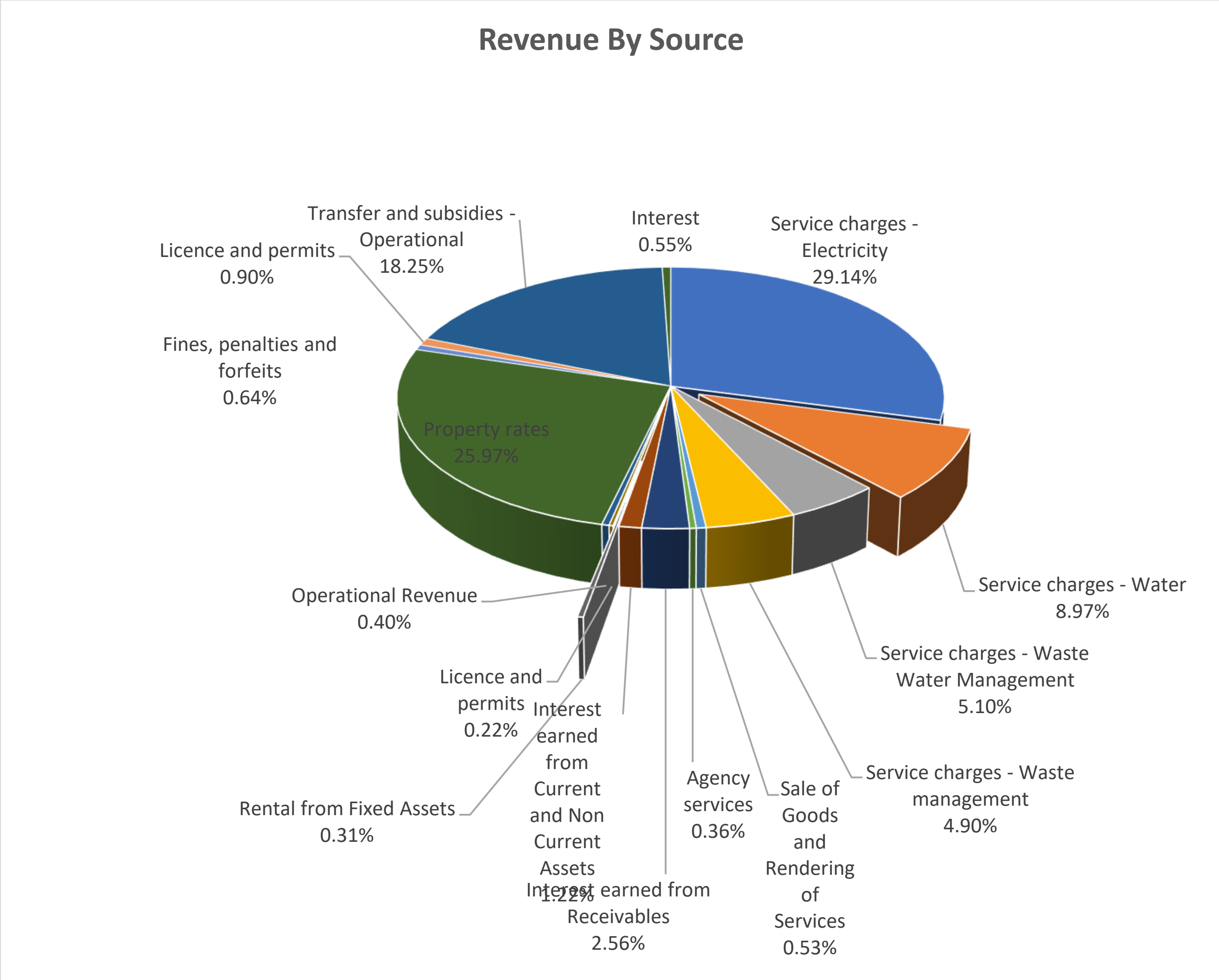
- **Operational revenue**
  Other revenue is largely influenced by the augmentation fees received amounting to R 2,681 million, compared to the zero budgeted amount.

- **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 49,840 million as at 29 February 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
Transfer and subsidies - Operational 18.25%
Interest 0.55%
Service charges - Electricity 29.14%
Licence and permits 0.90%
Fines, penalties and forfeits 0.64%
Property rates 25.97%
Operational Revenue 0.40%
Service charges - Water 8.97%
Service charges - Waste Water Management 5.10%
Licence and permits 0.22%
Interest earned from Current and Non Current Assets 1.22%
Agency services 0.36%
Sale of Goods and Rendering of Services 0.53%
Service charges - Waste management 4.90%
Rental from Fixed Assets 0.31%
Interest earned from Receivables 2.56%

Expenditure

Main expenditure types for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Expenditure By Type	-	-	-
Employee related costs	441,415	256,224	58.05%
Remuneration of councillors	15,140	10,158	67.09%
Bulk purchases - electricity	354,710	242,179	68.28%
Inventory consumed	100,679	65,589	65.15%
Debt impairment	173,540	–	0.00%
Depreciation and amortisation	109,663	73,110	66.67%
Interest	5,750	3,744	65.11%
Contracted services	126,818	56,118	44.25%
Transfers and subsidies	1,124	400	35.58%
Irrecoverable debts written off	13,835	4,168	30.12%
Operational costs	90,372	51,093	56.54%
Total Expenditure	**1,433,047**	**762,782**	**53.23%**

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.

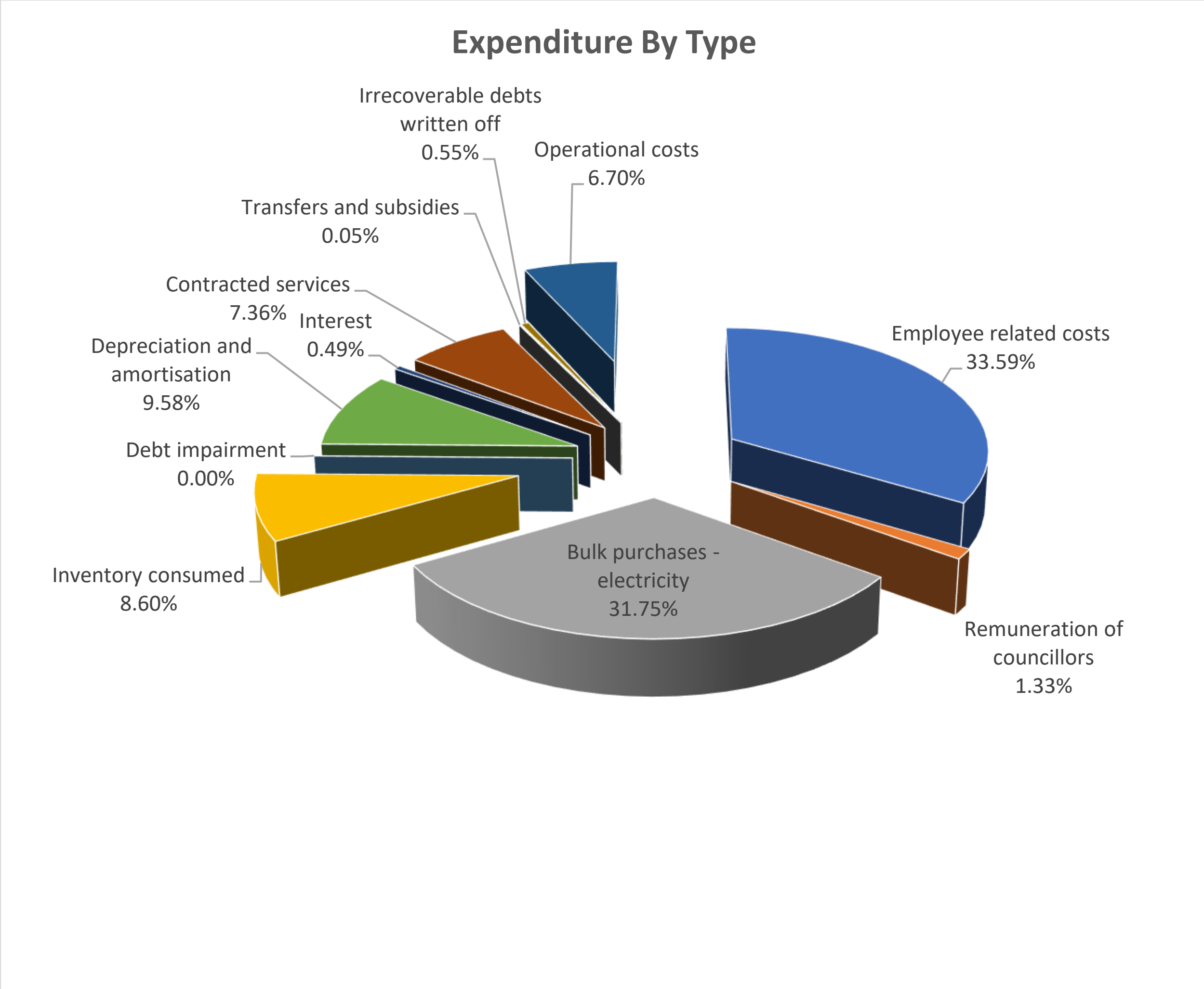
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 29 February 2024	%
Adventure Race World Championship	1,000,000	1,000,000	100.00%
Addressing of Anomalies	300,000	2,500	0.83%
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	563,438	50.90%
Clearing and Grass Cutting Services	1,446,576	872,785	60.33%
Conducting of feasibility studies (EIA)	2,000,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	97,581	16.59%
Consultants and Professional Services	7,580,054	1,922,405	25.36%
Destination Marketing and Promotion	500,000	28,331	5.67%
Drivers Licence Cards	598,675	340,727	56.91%
Dune Stabilisation	1,200,000	768,272	64.02%
DP WORLD TOUR	400,000	-	0.00%
Electricity Generation Project	2,000,000	373,700	18.69%
Employee Wellness	13,196	18,269	138.44%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	48,485	48.48%
Internal Auditors	125,000	27,800	22.24%
KLTO	300,000	300,000	100.00%
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	2,217,170	38.29%
Legal Cost:Collection	856,000	624,254	72.93%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	6,475,077	2,989,717	46.17%
Maintenance of Electrical Infrastructure	5,300,000	3,113,972	58.75%
Maintenance of Equipment	747,073	281,036	37.62%
Maintenance of Sanitation Infrastructure	6,350,145	2,238,972	35.26%
Maintenance of Vehicles	8,962,661	4,860,249	54.23%
Maintenance of Water Infrastructure	889,659	177,856	19.99%
Media Monitoring	140,000	26,553	18.97%
Occupational Health and Safety	1,254,657	626,159	49.91%
Other Contracted Services	3,116,734	1,982,665	63.61%
Payroll data cleansing	400,000	94,689	23.67%
Personnel and Labour	16,670,857	7,831,808	46.98%
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 C	234,600	-	0.00%
Qualification Verification	350,000	273,569	78.16%
Restricted Water Flow	588,300	1,480	0.25%
Revision of SDF	850,000	-	0.00%
Roads Maintenance	20,741,238	8,965,614	43.23%
Security Services	6,443,152	4,288,001	66.55%
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	69,484	17.46%
Tourism &Travel Trade Show	600,000	-	0.00%
Valuer	1,200,000	970,405	80.87%
Water Quality	199,558	156,553	78.45%
Winterfest	1,725,461	225,000	13.04%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
	126,818,318	**56,118,238**	**44.25%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 29 February 2024	%
Achievements and Awards	1,350,000	589,271	43.65%
Advertising, Publicity and Marketing	3,233,244	1,622,431	50.18%
Bank Charges	1,150,000	891,168	77.49%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	1,337,090	46.16%
Claims paid to Third Parties	400,000	172,193	43.05%
External Audit Fees	4,500,000	4,262,598	94.72%
External Computer Service:Internet Charge	4,500,000	3,698,632	82.19%
Hire Charges	9,883,886	4,942,238	50.00%
Insurance Claims	1,200,000	304,209	25.35%
Insurance Underwriting:Premiums	4,199,701	3,908,651	93.07%
Leases:Furniture and Office Equipment	3,878,688	2,291,800	59.09%
Leases:Other Assets	3,963,740	2,981,284	75.21%
Motor Vehicle Licence and Registrations	1,596,047	559,176	35.04%
Other	1,121,064	193,995	17.30%
Postage/Stamps/Franking Machines	2,664,405	1,188,329	44.60%
Printing, Publications and Books	10,000	913	9.13%
Registration Fees:Professional and Regulatory Bodies	315,132	56,813	18.03%
Registration Fees:Seminars, Conferences, Workshops	1,912,108	1,151,243	60.21%
Remuneration to Ward Committees	2,700,000	1,400,400	51.87%
Riparian Levies	7,465,557	5,875,929	78.71%
Signage	495,352	247,003	49.86%
Skills Development Fund Levy	3,964,204	2,542,581	64.14%
Software Licences	8,211,461	3,373,964	41.09%
Storage of Files (Archiving)	100,000	23,624	23.62%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	3,780,000	1,950,147	51.59%
Travel and Subsistence	3,620,644	1,396,928	38.58%
Uniform and Protective Clothing	3,726,655	2,182,978	58.58%
Vehicle Tracking	942,637	590,105	62.60%
Workmen's Compensation Fund	2,158,836	1,357,418	62.88%
	90,371,952	**51,093,109**	**56.54%**



Repairs and Maintenance

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

Item Description	Budget Year 2023/24		
	Adjusted Budget 2023/24	**Actuals as at 29 February 2024**	**%**
Maintenance of Equipment	1,130,632	635,315	56.19%
Maintenance of Vehicles	10,855,627	6,606,368	60.86%
Maintenance of Buildings and Facilities	7,421,728	3,763,599	50.71%
Maintenance of Water Infrastructure	6,964,737	3,867,185	55.53%
Roads Maintenance	9,744,132	4,337,989	44.52%
Sport and Recreation Facilities	447,169	371,531	83.09%
Maintenance of Electrical Infrastructure	10,577,250	7,004,020	66.22%
Maintenance of Sanitation Infrastructure	7,567,570	2,795,519	36.94%
Hire Charges	4,750,875	1,471,214	30.97%
Total	**59,459,720**	**30,852,739**	**51.89%**

It is to be noted that actual repairs and maintenance expenditure constituted 51.89% 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	229,214	64.97%
Interest earned from Receivables	1,964	1,676	85.31%
Transfers and subsidies - Operational	4,955	3,716	75.00%
Total Revenue	**359,700**	**234,606**	**65.22%**
Expenditure By Type			
Employee related costs	16,457	11,314	68.75%
Bulk purchases - electricity	354,710	242,179	68.28%
Inventory consumed	8,353	5,650	67.63%
Debt impairment	16,366	–	0.00%
Depreciation and amortisation	6,944	5,521	79.51%
Contracted services	12,446	5,086	40.87%
Irrecoverable debts written off	4,350	186	4.28%
Operational costs	4,348	1,648	37.91%
Total Expenditure	**423,974**	**271,583**	**64.06%**
Surplus/(Deficit)	**(64,274)**	**(36,977)**	

1.5.1.1 Revenue

- The electricity revenue reflects 64.97% of budget as at 29 February 2024, and this is in line with the projected budget ratio of 66.67% as at 29 February 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 68.28% of budget expenditure as at 29 February 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 36,977 million as at 29 February 2024 and the deficit amount equates to 15.76%, 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	70,557	59.49%
Interest earned from Receivables	14,487	9,515	65.68%
Transfers and subsidies - Operational	19,797	14,848	75.00%
Total Revenue	**152,887**	**94,920**	**62.08%**
Expenditure By Type			
Employee related costs	27,733	16,664	60.09%
Inventory consumed	47,794	34,317	71.80%
Debt impairment	8,432	–	0.00%
Depreciation and amortisation	16,097	10,001	62.13%
Contracted services	2,641	825	31.25%
Irrecoverable debts written off	2,241	1,775	79.20%
Operational costs	2,072	1,438	69.37%
Total Expenditure	**107,011**	**65,020**	**60.76%**
Surplus/(Deficit)	**45,876**	**29,900**	

1.5.2.1 Revenue

- The water revenue reflects 59.49% of budget as at 29 February 2024, and this is in line with the projected budget ratio of 66.67% as at 29 February 2024.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 39,548 million for the bulk water purchases and the expenditure amount of R 28,571 million (72.25% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 29,900 million as at 29 February 2024 and equates to 31.50% 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	40,092	62.38%
Interest earned from Receivables	5,327	3,510	65.89%
Transfers and subsidies - Operational	13,345	10,009	75.00%
Total Revenue	**82,941**	**53,611**	**64.64%**
Expenditure By Type			
Employee related costs	24,642	17,415	70.67%
Inventory consumed	12,236	7,123	58.21%
Debt impairment	4,398	–	0.00%
Depreciation and amortisation	28,156	18,688	66.37%
Contracted services	5,329	1,854	34.79%
Irrecoverable debts written off	1,169	714	61.03%
Operational costs	8,370	4,280	51.14%
Total Expenditure	**84,300**	**50,073**	**59.40%**
Surplus/(Deficit)	**(1,359)**	**3,538**	

1.5.3.1 Revenue

- The wastewater revenue reflects 62.38% of budget as at 29 February 2024, and this is in line with the projected budget ratio of 66.67% as at 29 February 2024.
- Interest earned from receivables reflects 65.89% 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 3,538 million as at 29 February 2024 and equates to 6.60% 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	38,576	57.76%
Sale of Goods and Rendering of Services	8	3	39.30%
Interest earned from Receivables	8,037	5,181	64.46%
Operational Revenue	150	–	0.00%
Transfers and subsidies - Operational	27,381	20,768	75.85%
Total Revenue	**102,358**	**64,527**	**63.04%**
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	16,915	1,844	10.90%
Irrecoverable debts written off	1,257	1,844	146.71%
Operational costs	5,451	1,295	23.76%
Total Expenditure	**76,287**	**17,494**	**22.93%**
Surplus/(Deficit)	**26,071**	**47,034**	

1.5.4.1 Revenue

- The waste revenue reflects 57.76% of budget as at 29 February 2024, and this is slightly lower than the projected budget ratio of 66.67% as at February 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 47,034 million as at 29 February 2024 and equates to 72.89% of total revenue. Council approved a surplus budget of R 26,071 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	16,570	7,809	11,047	(3,238)
2. Travel claims	3,412	3,471	1,397	2,314	(917)
4. Overtime	20,282	19,932	13,806	13,288	518
5. Catering Costs	1,489	1,107	563	738	(175)
6. Events, Advertising and sponsorships	5,019	4,194	1,753	2,796	(1,043)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,912	1,151	1,275	(123)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,249	3	833	(830)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	1,983	1,983	1,983	1,983	–
Total	**46,737**	**50,419**	**28,466**	**34,274**	**(5,808)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 5,808 million as at 29 February 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 29 February 2024			
R thousands	Operating budget	Capital Budget	Total Budget per vote	Operating Actuals	Capital Actuals	Total Expenditure per Vote	Unauthorised Expenditure
Civil & Water Services	325,015	87,240	412,255	171,603	33,035	204,639	–
Community Services	385,428	5,999	391,427	142,053	1,599	143,652	–
Electro & Mechanical Services	419,966	9,948	429,914	291,818	5,125	296,943	–
Finance and Economic Development	120,456	2,057	122,513	66,371	782	67,153	–
Office of the DMM	123,695	1,914	125,609	55,544	1,180	56,724	–
Office of the MM	29,921	103	30,024	20,662	42	20,704	–
Planning and Development	28,565	19,841	48,406	14,731	–	14,731	–
Total Expenditure by Vote	**1,433,047**	**127,102**	**1,560,149**	**762,782**	**41,763**	**804,545**	**–**

The assessment reflects no unauthorised expenditure as at 29 February 2024.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

Summary Capital Expenditure and Funding

The capital expenditure as at 29 February 2024, constituted 32.86% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 41% of approved adjusted grant funding budget.
- Internally generated funds are 11.55% 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	1,017	1,132	112	769	67.92%
Vote 2 - FINANCIAL SERVICES	282	1,207	103	226	18.75%
Vote 3 - CORPORATE SERVICES	1,000	1,635	23	1,009	61.69%
Vote 4 - COMMUNITY SERVICES	3,000	5,999	–	1,599	26.65%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	85,280	97,188	8,642	38,160	39.26%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	2,700	19,941	–	–	0.00%
Total Capital Multi-year expenditure	**93,279**	**127,102**	**8,879**	**41,763**	**32.86%**

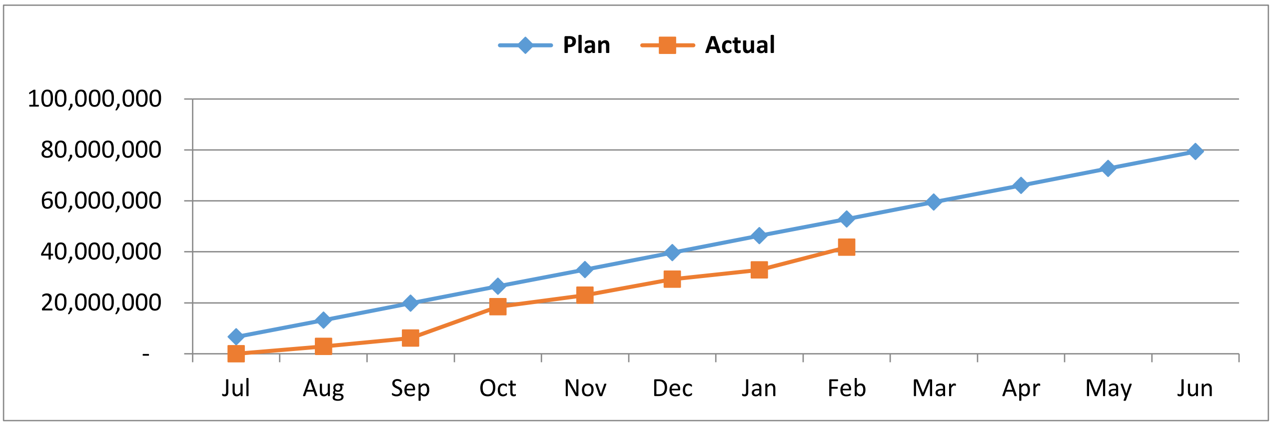
The capital expenditure as at 29 February 2024, constituted 32.86% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 67.92% of R 1,132 million budget.
- Financial Services is 18.75% of R 1,207 million budget.
- Corporate Services is 61.69% of R 1,635 million budget.
- Community Services is 26.65% of R 5,999 million budget.
- Infrastructure & Engineering is 39.26% of R 97,188 million budget.
- Planning Development and Tourism is 0% of R19,941 million budget.

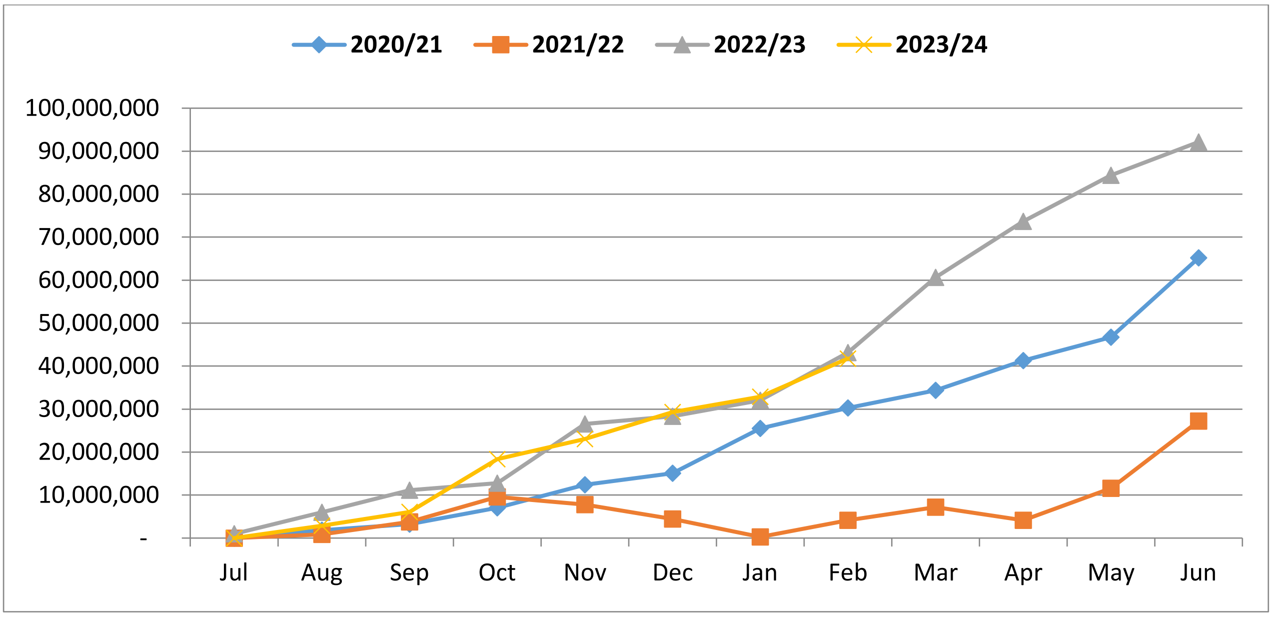
Monthly capital expenditure

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 29 February 2024.

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Approved Adjusted Budget 2023/24	Actuals as at 29 February 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADING LOERIE SPORTS FACILITIES	5,296,905	3,482,232	65.74%
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	1,800,000	632,987	35.17%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within K	1,919,609	177,043	9.22%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	3,339,130	3,064,353	91.77%
ROADS AND STORMWATER	MDRG	ST FRANCIS CANAL BRIDGE	2,608,696	2,601,965	99.74%
ROADS AND STORMWATER	Internal	UPGRADING KOUGA GRAVEL ROADS	800,000	692,604	86.58%
ROADS AND STORMWATER	Internal	PLATE COMPACTOR	23,000	-	0.00%
Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	323,486	160,023	49.47%
Sewerage	Internal	Piped Reticulation - St Francis Bay	122,559	4,500	3.67%
SEWERAGE	Internal	Upgrade Loerie sewer pump station	172,265	49,963	29.00%
SEWERAGE	MIG	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA	430,645	113,047	26.25%
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	207,805	4,830	2.32%
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	8,403,632	5,270,173	62.71%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	208,695	51,875	24.86%
SEWERAGE	MIG	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12,894,619	8,953,111	69.43%
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	1,224,891	-	0.00%
SEWERAGE	Internal	HANKEY WWTW	5,155,634	-	0.00%
SEWERAGE	Internal	LA MER NEW SEWER RISING MAIN	9,700,000	-	0.00%
SEWERAGE	Internal	Upgrade Loerie sewer pump station	-	-	0.00%
Water	Internal	Replace 250mm Water Main Canal Road St Francis Ba	100,687	5,657	5.62%
Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	120,733	40,900	33.88%
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	2,608,695	636,410	24.40%
WATER	WSIG	GROUND WATER DEVELOPMENT IN KOUGA	869,565	593,315	68.23%
WATER	WSIG	PARADISE BEACH WATER TOWER	9,772,639	2,094,409	21.43%
WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	12,836,056	4,405,855	34.32%
WATER	Internal	JILL MARCUS WATER SUPPLY	3,500,000	-	0.00%
WATER	Internal	HUMANSDORP GROUNDWATER SUPPLY	2,800,000	-	0.00%
			87,239,946	**33,035,251**	**37.87%**
COMMUNITY SERVICES					
DIRECTOR:COMMUNITY SERVICES	Internal	Furniture and Equipment	9,290	9,290	100.00%
DIRECTOR:COMMUNITY SERVICES	Internal	PROJECTOR	20,000	-	0.00%
ENVIRONMENTAL MANAGEMENT	Internal	Kouga Skip Bins	400,000	-	0.00%
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	3,000,277	1,589,637	52.98%
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	569,423	-	0.00%
PARKS AND OPEN SPACES	Internal	GRASS CUTTER	200,000	-	0.00%
WASTE SERVICES	Internal	Supply and Delivery of Skip Trucks	1,800,000	-	0.00%
			5,998,990	**1,598,927**	**26.65%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Approved Adjusted Budget 2023/24	Actuals as at 29 February 2024	%
ELECTRO & MECHANICAL SERVICES					
Electricity	Internal	Furniture and Equipment	43,565	-	0.00%
FLEET AND WORKSHOP	Internal	Generator	266,435	266,435	100.00%
METERING & REVENUE	INEP	Bulk 66kv Overhead lines	1,371,165	532,063	38.80%
METERING & REVENUE	INEP	OCEAN VIEW 1250 ELECTRIFICATION	3,555,651	2,587,242	72.76%
METERING & REVENUE	EEDSM	ENERGY EFFICIENCY PROJECTS	3,478,261	841,632	24.20%
METERING & REVENUE	INEP	Electrification of Oceanview	1,146,184	897,521	78.31%
METERING & REVENUE	MIG	DESIGN: HIGH MAST LIGHTS	86,957	-	0.00%
METERING & REVENUE		Electrification of Oceanview	-	-	0.00%
			9,948,218	**5,124,894**	**51.52%**
FINANCIAL & ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	882,006	142,883	16.20%
ASSET MANAGEMENT	Internal	Furniture and equipment	15,000	-	0.00%
BUDGET & FINANCIAL REPORTING	Internal	Furniture and Equipment	10,000	-	0.00%
Finance: Asset & Fleet Management	Internal	Computer Equipment	20,000	-	0.00%
Finance: Budget & Financial Reporting	Internal	Ward Development Capital	750,000	555,374	74.05%
Finance: SCM	Internal	Computer Equipment	80,000	-	0.00%
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100,000	-	0.00%
REVENUE	Internal	Computer Equipment	170,000	83,416	49.07%
SCM: DEMAND MANAGEMENT, RISK, PERFORM	Internal	SCM Furniture	30,000	-	0.00%
TOURISM	Internal	Furniture and Equipment	-	-	0.00%
			2,057,006	**781,673**	**38.00%**
OFFICE OF THE DMM					
Finance: IT	Internal	Computer Equipment	1,635,000	1,008,646	61.69%
MAYOR	Internal	Furniture and Equipment - Municipal Court	219,331	171,536	78.21%
WARD COUNCILLORS	Internal	FURNITURE&EQUIPMENT-WARD COUNCILLORS	60,000	-	0.00%
			1,914,331	**1,180,183**	**61.65%**
OFFICE OF THE MM					
INTEGRATED DEVELOPMENT	Internal	Furniture and Equipment	10,000	8,599	86%
MUNICIPAL MANAGER	Internal	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	37,632	33,289	88%
Risk and Internal Audit Unit	Internal	Furniture and equipment	55,000	-	0%
			102,632	**41,888**	**41%**
PLANNING & DEVELOPMENT					
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 2	15,330,180	-	0.00%
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 3	4,510,553	-	0.00%
TOWN AND REGIONAL PLANNING	DOH	IMPLEMENTATION OF JEFFREYS BAY PRECINCT PLAN	-	-	0.00%
			19,840,733	**-**	**0.00%**
		Total	**127,101,856**	**41,762,816**	**32.86%**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

Projected Cash Flow Statement as at 29 February 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 – M08 February 2024

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87,932	270,495	263,776	16,642	181,361	180,330	1,031	1%	263,776
Service charges		237,049	697,055	672,771	41,448	317,772	464,703	(146,931)	-32%	672,771
Other revenue		25,426	67,422	70,420	12,918	143,850	44,948	98,902	220%	70,420
Transfers and Subsidies - Operational		166,622	190,883	190,883	600	141,711	127,256	14,455	11%	190,883
Transfers and Subsidies - Capital		79,951	75,561	74,950	2,586	54,245	50,374	3,871	8%	74,950
Interest		840,211	4,598	11,674	4,484	34,547	3,065	31,482	1027%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667,606	(1,219,527)	(1,214,498)	(82,799)	(766,675)	(813,018)	(46,344)	6%	(1,214,498)
Interest		–	–	(6,612)	(1,025)	(8,226)	–	8,226	0%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	–	–		(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,104,797**	**86,487**	**62,239**	**(5,146)**	**98,586**	**57,658**	**(40,928)**	**-71%**	**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)	(10,211)	(47,987)	(52,895)	(4,908)	9%	(127,102)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(127,102)**	**(10,211)**	**(47,987)**	**(52,895)**	**(4,908)**	**9%**	**(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)	(1,025)	(8,226)	(6,727)	1,499	-22%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,025)**	**(8,226)**	**(6,727)**	**1,499**	**-22%**	**(12,169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,033,629**	**(2,947)**	**(77,032)**	**(16,382)**	**42,373**	**(1,965)**			**(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		147,307	102,971			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 February 2024 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M08 February 2024

Description	2022/23	Budget Year 2023/24							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	259,514	281,488	281,488	18,532	204,250	187,659	16,592	9%	281,488
Service charges	547,619	621,867	602,433	48,353	378,439	401,622	(23,183)	-6%	602,433
Investment revenue	6,824	4,598	11,674	1,095	9,619	7,782	1,836	24%	11,674
Transfers and subsidies - Operational	177,339	190,883	194,142	1,154	143,556	129,428	14,129	11%	194,142
Other own revenue	193,879	60,121	204,086	4,945	50,753	136,057	(85,305)	-63%	204,086
Total Revenue (excluding capital transfers and contributions)	**1,185,175**	**1,158,957**	**1,293,823**	**74,078**	**786,617**	**862,548**	**(75,931)**	**-9%**	**1,293,823**
Employee costs	364,306	447,813	441,415	30,387	256,224	294,275	(38,051)	-13%	441,415
Remuneration of Councillors	13,700	15,140	15,140	1,179	10,158	10,093	64	1%	15,140
Depreciation and amortisation	124,787	109,663	109,663	9,139	73,110	73,108	2	0%	109,663
Interest	8,059	2,090	5,750	440	3,744	3,833	(89)	-2%	5,750
Inventory consumed and bulk purchases	382,970	458,626	455,389	33,634	307,768	303,592	4,176	1%	455,389
Transfers and subsidies	709	924	1,124	300	400	750	(350)	-47%	1,124
Other expenditure	373,435	234,060	404,565	11,950	111,379	269,275	(157,896)	-59%	404,565
Total Expenditure	**1,267,965**	**1,268,316**	**1,433,047**	**87,028**	**762,782**	**954,927**	**(192,144)**	**-20%**	**1,433,047**
Surplus/(Deficit)	**(82,789)**	**(109,359)**	**(139,224)**	**(12,950)**	**23,835**	**(92,378)**	**116,213**	**-126%**	**(139,224)**
Transfers and subsidies - capital (monetary allocations)	102,222	75,561	100,686	10,829	41,609	67,124	(25,515)	-38%	100,686
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**19,433**	**(33,798)**	**(38,539)**	**(2,121)**	**65,444**	**(25,255)**	**90,698**	**-359%**	**(38,539)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**19,433**	**(33,798)**	**(38,539)**	**(2,121)**	**65,444**	**(25,255)**	**90,698**	**-359%**	**(38,539)**
Capital expenditure & funds sources									
Capital expenditure	**113,966**	**79,343**	**127,102**	**8,879**	**41,763**	**84,734**	**(42,972)**	**-51%**	**127,102**
Capital transfers recognised	64,491	65,883	91,956	8,060	37,703	61,304	(23,601)	-38%	91,956
Borrowing	8,786	–	–	–	–	–	–		–
Internally generated funds	40,688	13,460	35,146	820	4,060	23,430	(19,370)	-83%	35,146
Total sources of capital funds	**113,966**	**79,343**	**127,102**	**8,879**	**41,763**	**84,734**	**(42,972)**	**-51%**	**127,102**
Financial position									
Total current assets	352,526	154,622	198,743		345,174				198,743
Total non current assets	2,305,137	2,302,442	2,334,326		2,275,731				2,334,326
Total current liabilities	340,668	154,259	214,875		322,620				214,875
Total non current liabilities	241,472	255,035	255,754		242,677				255,754
Community wealth/Equity	**2,087,378**	**2,047,771**	**2,063,093**		**2,243,084**				**2,063,093**
Cash flows									
Net cash from (used) operating	2,104,797	(2,036,247)	(2,011,587)	187,185	1,664,861	(1,341,058)	(3,005,919)	224%	(898,716)
Net cash from (used) investing	(71,169)	(79,343)	(127,102)	(8,322)	(47,771)	84,734	132,505	156%	127,102
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**2,061,479**	**(2,107,048)**	**(2,033,754)**	**–**	**1,792,645**	**(1,151,389)**	**(2,944,034)**	**256%**	**(596,059)**

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	60,962	18,141	16,406	23,622	18,039	19,240	47,391	274,244	478,045
Creditors Age Analysis									
Total Creditors	41,688	232	44	303	188	(121)	310	274	42,919

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) – M08 February 2024

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**572,832**	**422,639**	**558,025**	**20,283**	**313,387**	**372,017**	(58,630)	-16%	**558,025**
Executive and council		2,464	106	135	20	36	90	(54)	-60%	135
Finance and administration		570,368	422,533	557,890	20,263	313,351	371,927	(58,575)	-16%	557,890
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**22,893**	**16,716**	**37,059**	**2,017**	**11,316**	**24,706**	(13,390)	-54%	**37,059**
Community and social services		2,427	2,437	2,435	19	2,293	1,623	670	41%	2,435
Sport and recreation		8,640	10,338	10,802	400	7,036	7,201	(165)	-2%	10,802
Public safety		2,748	1,378	1,604	1,586	1,861	1,069	792	74%	1,604
Housing		5,849	–	19,841	–	–	13,227	(13,227)	-100%	19,841
Health		3,230	2,563	2,378	12	126	1,585	(1,460)	-92%	2,378
Economic and environmental services		**30,867**	**37,432**	**50,694**	**4,413**	**35,344**	**33,796**	1,548	5%	**50,694**
Planning and development		6,461	8,083	9,815	768	5,636	6,543	(908)	-14%	9,815
Road transport		7,002	6,910	13,140	1,994	11,933	8,760	3,173	36%	13,140
Environmental protection		17,404	22,439	27,739	1,651	17,775	18,492	(717)	-4%	27,739
Trading services		**660,805**	**757,731**	**748,730**	**58,194**	**468,179**	**499,153**	(30,975)	-6%	**748,730**
Energy sources		313,432	408,372	370,684	33,866	238,929	247,122	(8,194)	-3%	370,684
Water management		195,564	161,300	182,887	8,867	103,809	121,925	(18,116)	-15%	182,887
Waste water management		99,252	113,711	118,439	10,882	77,222	78,960	(1,737)	-2%	118,439
Waste management		52,557	74,347	76,720	4,579	48,218	51,147	(2,928)	-6%	76,720
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,287,398**	**1,234,518**	**1,394,508**	**84,907**	**828,226**	**929,672**	**(101,446)**	**-11%**	**1,394,508**
Expenditure - Functional										
Governance and administration		**384,164**	**306,226**	**323,312**	**18,782**	**167,470**	**215,106**	(47,636)	-22%	**323,312**
Executive and council		54,920	64,558	60,112	3,861	36,284	40,072	(3,789)	-9%	60,112
Finance and administration		329,172	241,417	262,740	14,920	131,144	174,727	(43,583)	-25%	262,740
Internal audit		73	251	460	1	42	307	(264)	-86%	460
Community and public safety		**98,259**	**121,818**	**119,123**	**8,208**	**70,684**	**79,414**	(8,730)	-11%	**119,123**
Community and social services		8,230	12,897	13,558	685	6,424	9,038	(2,614)	-29%	13,558
Sport and recreation		50,562	63,813	60,846	4,115	36,188	40,564	(4,376)	-11%	60,846
Public safety		26,931	30,247	30,280	2,340	19,045	20,187	(1,142)	-6%	30,280
Housing		5,390	7,037	6,606	429	4,137	4,404	(267)	-6%	6,606
Health		7,146	7,824	7,832	638	4,890	5,221	(332)	-6%	7,832
Economic and environmental services		**121,915**	**158,670**	**303,175**	**11,583**	**95,537**	**202,116**	(106,579)	-53%	**303,175**
Planning and development		24,223	31,432	35,970	2,144	17,959	23,980	(6,021)	-25%	35,970
Road transport		86,259	118,681	254,903	8,847	70,210	169,935	(99,724)	-59%	254,903
Environmental protection		11,434	8,556	12,302	592	7,367	8,201	(834)	-10%	12,302
Trading services		**657,391**	**674,375**	**679,427**	**47,952**	**425,907**	**452,951**	(27,044)	-6%	**679,427**
Energy sources		333,777	424,020	423,974	30,115	271,583	282,649	(11,066)	-4%	423,974
Water management		155,030	103,892	107,011	7,980	65,020	71,340	(6,320)	-9%	107,011
Waste water management		92,857	85,015	84,300	5,858	50,073	56,200	(6,127)	-11%	84,300
Waste management		75,728	61,449	64,143	3,998	39,230	42,762	(3,532)	-8%	64,143
Other		**6,236**	**7,227**	**8,010**	**503**	**3,185**	**5,340**	**(2,155)**	**-40%**	**8,010**
Total Expenditure - Functional	3	**1,267,965**	**1,268,316**	**1,433,047**	**87,028**	**762,782**	**954,927**	**(192,144)**	**-20%**	**1,433,047**
Surplus/ (Deficit) for the year		**19,433**	**(33,798)**	**(38,539)**	**(2,121)**	**65,444**	**(25,255)**	**90,698**	**-359%**	**(38,539)**

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 – M08 February 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	20,252	308,455	281,835	26,619	9.4%	422,753
Vote 3 - CORPORATE SERVICES		9,373	1,194	789	20	149	526	(377)	-71.6%	789
Vote 4 - COMMUNITY SERVICES		225,297	127,808	263,317	8,856	86,864	175,545	(88,681)	-50.5%	263,317
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,785	688,565	679,862	55,218	428,924	453,241	(24,317)	-5.4%	679,862
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		11,828	6,215	27,788	561	3,834	18,525	(14,691)	-79.3%	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**	**84,907**	**828,226**	**929,672**	**(101,446)**	**-10.9%**	**1,394,508**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,197	70,802	67,881	4,431	39,138	45,252	(6,114)	-13.5%	67,881
Vote 2 - FINANCIAL SERVICES		212,317	115,941	132,685	6,459	65,461	88,443	(22,983)	-26.0%	132,685
Vote 3 - CORPORATE SERVICES		51,959	62,930	62,232	2,843	24,584	41,069	(16,485)	-40.1%	62,232
Vote 4 - COMMUNITY SERVICES		232,076	240,505	369,494	17,104	149,806	246,328	(96,522)	-39.2%	369,494
Vote 5 - INFRASTRUCTURE AND ENGINEERING		681,193	739,091	758,248	53,654	463,375	505,497	(42,123)	-8.3%	758,248
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	41,967	2,450	20,291	27,977	(7,686)	-27.5%	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**	**1,432,507**	**86,939**	**762,655**	**954,567**	**(191,911)**	**-20.1%**	**1,432,507**
Surplus/ (Deficit) for the year	2	**19,551**	**(33,178)**	**(37,999)**	**(2,033)**	**65,571**	**(24,895)**	**90,465**	**-363.4%**	**(37,999)**

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) – M08 February 2024

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		593,601	662,340	667,320	53,480	422,450	444,880	(22,430)	-5%	667,320
Service charges - Electricity		306,477	390,731	352,780	31,595	229,214	235,187	(5,973)	-3%	352,780
Service charges - Water		117,400	101,425	118,603	6,385	70,557	79,069	(8,512)	-11%	118,603
Service charges - Waste Water Management		61,797	63,314	64,268	5,197	40,092	42,846	(2,754)	-6%	64,268
Service charges - Waste management		61,945	66,396	66,782	5,176	38,576	44,521	(5,945)	-13%	66,782
Sale of Goods and Rendering of Services		9,189	7,790	9,000	527	4,174	6,000	(1,826)	-30%	9,000
Agency services		2,678	1,000	4,276	355	2,798	2,851	(53)	-2%	4,276
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	30,145	2,665	20,130	20,096	34	0%	30,145
Interest earned from Current and Non Current Assets		6,824	4,598	11,674	1,095	9,619	7,782	1,836	24%	11,674
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,570	3,295	2,999	226	2,434	1,999	434	22%	2,999
Licence and permits		2,677	3,021	2,677	205	1,728	1,785	(57)	-3%	2,677
Operational Revenue		1,200	2,174	4,116	54	3,129	2,744	385	14%	4,116
Non-Exchange Revenue		591,574	496,618	626,503	20,598	364,167	417,668	(53,501)	-13%	626,503
Property rates		259,514	281,488	281,488	18,532	204,250	187,659	16,592	9%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132,853	10,334	134,597	58	5,024	89,731	(84,707)	-94%	134,597
Licence and permits		7,195	10,668	11,053	333	7,041	7,369	(328)	-4%	11,053
Transfer and subsidies - Operational		177,339	190,883	194,142	1,154	143,556	129,428	14,129	11%	194,142
Interest		3,729	3,244	5,223	521	4,296	3,482	814	23%	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**	**74,078**	**786,617**	**862,548**	**(75,931)**	**-9%**	**1,293,823**
Expenditure By Type										
Employee related costs		364,306	447,813	441,415	30,387	256,224	294,275	(38,051)	-13%	441,415
Remuneration of councillors		13,700	15,140	15,140	1,179	10,158	10,093	64	1%	15,140
Bulk purchases - electricity		291,888	364,280	354,710	25,269	242,179	236,473	5,706	2%	354,710
Inventory consumed		91,082	94,345	100,679	8,364	65,589	67,119	(1,530)	-2%	100,679
Debt impairment		119,944	28,314	173,540	–	–	115,694	(115,694)	-100%	173,540
Depreciation and amortisation		124,787	109,663	109,663	9,139	73,110	73,108	2	0%	109,663
Interest		8,059	2,090	5,750	440	3,744	3,833	(89)	-2%	5,750
Contracted services		87,336	104,476	126,818	7,997	56,118	84,533	(28,414)	-34%	126,818
Transfers and subsidies		709	924	1,124	300	400	750	(350)	-47%	1,124
Irrecoverable debts written off		87,459	7,305	13,835	–	4,168	9,223	(5,055)	-55%	13,835
Operational costs		76,926	93,964	90,372	3,953	51,093	59,826	(8,733)	-15%	90,372
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1,267,965**	**1,268,316**	**1,433,047**	**87,028**	**762,782**	**954,927**	**(192,144)**	**-20%**	**1,433,047**
Surplus/(Deficit)		**(82,789)**	**(109,359)**	**(139,224)**	**(12,950)**	**23,835**	**(92,378)**	**116,213**	**(0)**	**(139,224)**

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) – M08 February 2024

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		307	760	1,077	112	769	718	51	7%	1,077
Vote 2 - FINANCIAL SERVICES		1,802	–	2,827	125	1,235	1,885	(650)	-34%	2,827
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	4,199	–	1,599	2,799	(1,200)	-43%	4,199
Vote 5 - INFRASTRUCTURE AND ENGINEERING		93,551	76,521	95,776	8,625	36,996	63,850	(26,854)	-42%	95,776
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	19,941	–	–	13,294	(13,294)	-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**	**8,862**	**40,599**	**82,546**	**(41,947)**	**-51%**	**123,819**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	55	–	–	37	(37)	-100%	55
Vote 2 - FINANCIAL SERVICES		56	–	15	–	–	10	(10)	-100%	15
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	1,800	–	–	1,200	(1,200)	-100%	1,800
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	1,413	17	1,164	942	222	24%	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	17	1,164	2,188	**(1,024)**	**-47%**	3,283
Total Capital Expenditure	3	**113,966**	**79,343**	**127,102**	**8,879**	**41,763**	**84,734**	**(42,972)**	**-51%**	**127,102**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**4,829**	**229**	**2,271**	**3,219**	(948)	-29%	**4,829**
Executive and council		307	760	1,096	104	769	731	39	5%	1,096
Finance and administration		11,106	–	3,678	125	1,501	2,452	(950)	-39%	3,678
Internal audit		23	–	55	–	–	37	(37)	-100%	55
Community and public safety		**339**	**1,362**	**23,041**	**84**	**1,674**	**15,361**	(13,687)	-89%	**23,041**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	200	84	84	133	(49)	-37%	200
Public safety		–	1,362	3,000	–	1,590	2,000	(411)	-21%	3,000
Housing		–	–	19,841	–	–	13,227	(13,227)	-100%	19,841
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**16,297**	**1,492**	**10,575**	**10,865**	(290)	-3%	**16,297**
Planning and development		(161)	3,157	9,127	773	4,216	6,084	(1,868)	-31%	9,127
Road transport		13,241	3,339	6,771	720	6,359	4,514	1,845	41%	6,771
Environmental protection		–	–	400	–	–	267	(267)	-100%	400
Trading services		**89,111**	**70,124**	**82,934**	**7,074**	**27,243**	**55,290**	(28,047)	-51%	**82,934**
Energy sources		(47,280)	19,652	9,682	1,706	4,858	6,455	(1,596)	-25%	9,682
Water management		124,204	26,087	32,608	1,046	7,777	21,739	(13,962)	-64%	32,608
Waste water management		3,400	24,385	38,844	4,322	14,608	25,896	(11,289)	-44%	38,844
Waste management		8,786	–	1,800	–	–	1,200	(1,200)	-100%	1,800
Other		–	600	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**113,966**	**79,343**	**127,102**	**8,879**	**41,763**	**84,734**	**(42,972)**	**-51%**	**127,102**
Funded by:										
National Government		64,491	64,521	69,115	8,060	36,113	46,077	(9,964)	-22%	69,115
Provincial Government		–	–	19,841	–	–	13,227	(13,227)	-100%	19,841
District Municipality		–	1,362	3,000	–	1,590	2,000	(411)	-21%	3,000
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**64,491**	**65,883**	**91,956**	**8,060**	**37,703**	**61,304**	**(23,601)**	**-38%**	**91,956**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		40,688	13,460	35,146	820	4,060	23,430	(19,370)	-83%	35,146
Total Capital Funding	7	**113,966**	**79,343**	**127,102**	**8,879**	**41,763**	**84,734**	**(42,972)**	**-51%**	**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 – M08 February 2024

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104,935	5,596	27,854	147,307	27,854
Trade and other receivables from exchange transactions		73,873	55,239	77,030	65,875	77,030
Receivables from non-exchange transactions		17,812	24,619	29,014	22,715	29,014
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,598	17,110	19,313	19,652	19,313
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**	**198,743**	**255,551**	**198,743**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,041,926	2,039,424	2,071,115	2,012,881	2,071,115
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	603	242	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**	**2,275,731**	**2,334,326**
TOTAL ASSETS		**2,657,663**	**2,457,064**	**2,533,068**	**2,531,282**	**2,533,068**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,342	9,484	12,169	3,943	12,169
Consumer deposits		29,060	23,673	29,060	30,896	29,060
Trade and other payables from exchange transactions		126,241	77,412	125,733	84,152	125,733
Trade and other payables from non-exchange transactions		30,756	–	(0)	–	(0)
Provision		53,931	43,689	47,914	53,931	47,914
VAT		89,337	–	(0)	–	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**340,668**	**154,259**	**214,875**	**172,923**	**214,875**
Non current liabilities						
Financial liabilities		24,202	8,637	11,207	27,318	11,207
Provision		125,237	126,686	137,116	125,237	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**	**152,555**	**255,754**
TOTAL LIABILITIES		**582,139**	**409,293**	**470,629**	**325,478**	**470,629**
NET ASSETS	2	**2,075,524**	**2,047,771**	**2,062,439**	**2,205,804**	**2,062,439**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,087,378	2,047,771	2,063,093	2,205,804	2,063,093
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,087,378**	**2,047,771**	**2,063,093**	**2,205,804**	**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 – M08 February 2024

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		87,932	270,495	263,776	16,642	181,361	180,330	1,031	1%	263,776
Service charges		237,049	697,055	672,771	41,448	317,772	464,703	(146,931)	-32%	672,771
Other revenue		25,426	67,422	70,420	12,918	143,850	44,948	98,902	220%	70,420
Transfers and Subsidies - Operational		166,622	190,883	190,883	600	141,711	127,256	14,455	11%	190,883
Transfers and Subsidies - Capital		79,951	75,561	74,950	2,586	54,245	50,374	3,871	8%	74,950
Interest		840,211	4,598	11,674	4,484	34,547	3,065	31,482	1027%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667,606	(1,219,527)	(1,214,498)	(82,799)	(766,675)	(813,018)	(46,344)	6%	(1,214,498)
Interest		–	–	(6,612)	(1,025)	(8,226)	–	8,226	0%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	–	–		(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,104,797**	**86,487**	**62,239**	**(5,146)**	**98,586**	**57,658**	**(40,928)**	**-71%**	**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)	(10,211)	(47,987)	(52,895)	(4,908)	9%	(127,102)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(127,102)**	**(10,211)**	**(47,987)**	**(52,895)**	**(4,908)**	**9%**	**(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)	(1,025)	(8,226)	(6,727)	1,499	-22%	(12,169)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,025)**	**(8,226)**	**(6,727)**	**1,499**	**-22%**	**(12,169)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,033,629**	**(2,947)**	**(77,032)**	**(16,382)**	**42,373**	**(1,965)**			**(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		147,307	102,971			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.

Annexure "A5"

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

Below is an analysis of the outstanding consumer debtors as at 29 February 2024, compared to the position as at 30 June 2023.

Debtors' Age Analysis (Inclusive of VAT) as at 29 February 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	21,560	6,977	7,594	16,819	11,440	5,074	22,342	81,031	172,835
Trade and Other Receivables from Exchange Transactions - Electricity	31,794	2,989	1,615	1,222	1,036	1,332	2,488	11,972	54,448
Receivables from Non-exchange Transactions - Property Rates	19,604	2,726	3,367	1,831	1,906	8,736	4,668	26,607	69,444
Receivables from Exchange Transactions - Waste Water Management	9,129	2,524	1,629	1,291	1,281	1,404	6,273	33,051	56,581
Receivables from Exchange Transactions - Waste Management	6,369	1,781	1,270	1,213	1,133	1,098	5,819	43,342	62,025
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	985	602	487	867	851	909	3,904	61,003	69,608
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(28,477)	544	444	379	392	687	1,897	17,239	(6,896)
Total By Income Source	**60,962**	**18,141**	**16,406**	**23,622**	**18,039**	**19,240**	**47,391**	**274,244**	**478,045**
Debtors Age Analysis By Customer Group									
Organs of State	1,683	787	1,943	580	484	2,035	730	5,117	13,359
Commercial	10,446	773	338	264	349	322	1,212	6,504	20,209
Households	48,831	16,580	14,124	22,777	17,206	16,883	45,443	262,619	444,462
Other	2	1	1	1	1	1	5	3	15
Total By Customer Group	**60,962**	**18,141**	**16,406**	**23,622**	**18,039**	**19,240**	**47,391**	**274,244**	**478,045**

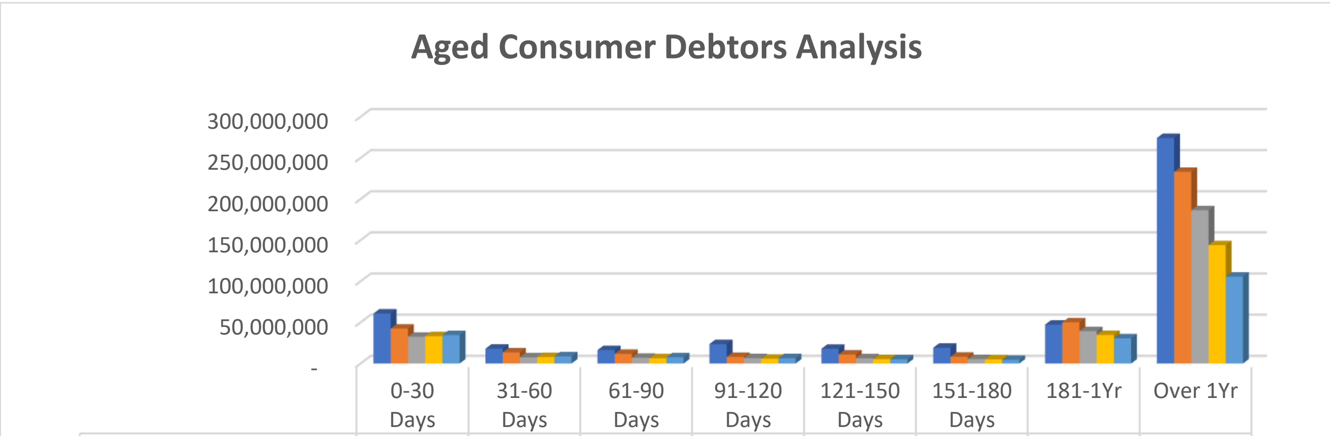
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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 29 February 2024, the overdue debts have increased by R 73,584 million from R 336,122 million to R 409,706 million, as follows:

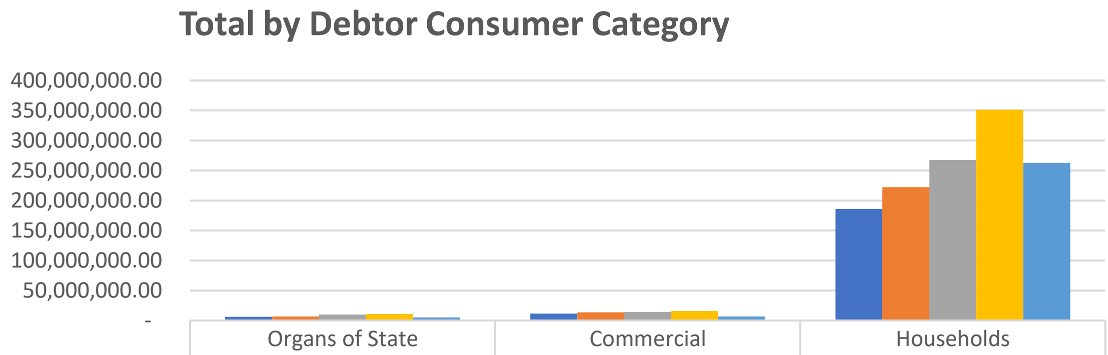
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**29-Feb-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	151,276	43,053
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	22,654	3,175
Receivables from Non-exchange Transactions - Property Rates	40,157	49,840	9,684
Receivables from Exchange Transactions - Waste Water Management	43,229	47,452	4,223
Receivables from Exchange Transactions - Waste Management	53,040	55,656	2,616
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	68,623	17,296
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,581	913
Total By Income Source	**336,122**	**417,083**	**80,961**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	11,676	1,311
Commercial	8,845	9,763	918
Households	316,912	395,631	78,719
Other	–	12	12
Total By Customer Group	**336,122**	**417,083**	**80,961**

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 29 February2024	60,962,385	18,141,355	16,405,840	23,622,298	18,039,408	19,239,670	47,390,741	274,243,60
Actuals 30 June 2023	42,577,572	13,677,986	11,809,605	8,076,144	11,005,536	8,293,751	50,164,014	233,094,80
Actuals 30 June 2022	32,611,964	7,576,439	7,081,656	6,586,082	6,412,160	5,452,968	39,420,216	186,451,32
Actuals 30 June 2021	33,316,142	7,884,929	6,439,337	5,863,323	5,487,594	5,185,739	34,750,983	143,962,57
Actuals 30 June 2020	34,656,877	8,786,809	7,593,891	6,557,058	5,291,610	4,547,471	30,714,011	105,765,98

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



	Organs of State	Commercial	Households
Budget Year 2019/20	6,386,577.00	11,420,048.00	186,107,087.00
Budget Year 2020/21	6,936,640.55	13,633,927.71	222,320,049.31
Budget Year 2021/22	10,058,004.67	14,079,073.86	267,455,731.94
Budget Year 2022/23	11,295,968.77	15,936,031.43	351,468,068.65
Budget Year 2023/24	5,117,324.96	6,504,368.07	262,618,685.34

2. Overview of Creditors position

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

Description	Budget Year 2023/24								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	28,966	6	6	6	6	(199)	–	–	**28,792**
Bulk Water	4,149	17	17	16	15	78	302	(1,474)	**3,119**
PAYE deductions	4,526								**4,526**
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	4,047	209	21	282	167	–	8	1,748	**6,482**
Auditor General									–
Other									–
Total By Customer Type	**41,688**	**232**	**44**	**303**	**188**	**(121)**	**310**	**274**	**42,919**

The above amounts represent invoices still to be paid. The major creditors as at 29 February 2024 are as follows:

Eskom	R 28,792 million
NMBM	R 3,119 million
PAYE	R 4,526 million
Other Creditors	R 6,482 million
Total	**R 42,919 million**

It is to be noted that the Eskom amount of R 28,792 million, represents the current account for February 2024, which will be fully paid on 23 March 2024.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M08 February 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	600,000	140,840	140,840	-	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	600	2,321	2,321	-	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
Library grant	2,050	2,050	-	-	-	-	2,050
District Municipality:	3,542	3,542	-	113	654	-	3,542
Environmental health subsidy	2,888	2,888	-	-	-	-	2,888
Skills Development subsidy	654	654		113	654		654
Total Operating Transfers and Grants	192,144	192,144	600,000	140,953	141,494	-	192,144
Capital Transfers and Grants							
National Government:	76,067	76,067	1,000	52,659	52,659	-	76,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	4,000	-	4,000	4,000		4,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	1,000	3,700	3,700	-	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	1,362	1,585,550	1,586	1,586	-	1,362
Fire Services Subsidy	1,362	1,362	1,586	1,586	1,586	-	1,362
Total Capital Transfers and Grants	77,429	77,429	2,586	54,245	54,245	-	77,429
TOTAL RECEIPTS OF TRANSFERS & GRANTS	269,573	269,573	3,186	195,198	195,738	-	269,573

Below is an analysis of the spending associated with the grants as at 29 February 2024:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M08 February 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	811	138,831	138,907	76	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	622	1,429	1,434	5	0%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	43	723	1,003	281	28%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,868	147	1,299	1,090	(209)	-19%	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	811	138,944	144,499	5,554	109%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	79,067	9,243	39,754	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	765	2,931	3,000			3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	2,044	4,322	4,700		0%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	5,230	23,611	37,367	–	0%	37,367
Water Services Infrastructure Grant	30,000	30,000	1,204	8,889	30,000	–	0%	30,000
District Municipality:	1,362	1,362	–	1,590	3,000	–	–	3,000
Fire Services Subsidy	1,362	1,362	–	1,590	3,000	–	0%	3,000
Total capital expenditure of Transfers and Grants	80,429	80,429	9,243	41,343	82,067	–	0%	82,067
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	272,573	10,054	180,288	226,566	5,554	2%	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 722,680
Unspent as at 29 February 2024:	R 997,320

The spending of the grant amounted to 42.02% as at 29 February 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 2,321,000
Expenditure to date:	R 1,428,958
Unspent as at 29 February 2024:	R 892,042

The spending of the grant amounted to 61.57% as at 29 February 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 24,910,343
Unspent as at 29 February 2024:	R 3,467,657

The spending of the grant amounted to 87.78% as at 29 February 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 3,700,000
Expenditure to date:	R 2,678,378
Unspent as at 29 February 2024:	R 1,021,622

The spending of the grant amounted to 72.39% as at 29 February 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 1,644,022
Unspent as at 29 February 2024:	R 1,250,931

The spending of the grant amounted to 56.79% as at 29 February 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 8,889,487
Unspent as at 29 February 2024:	R 9,110,513

The spending of the grant amounted to 49.39% as at 29 February 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 29 February 2024:	R 4,000,000

The spending of the grant amounted to 0% as at 29 February 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 2,930,704
Unspent as at 29 February 2024:	R 69,296

The spending of the grant amounted to 97.69% as at 29 February 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	2,675,525	582,618
Human Settlement	19,840,733	-	19,840,733
Total	**23,098,876**	**2,675,525**	**20,423,351**

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M08 February 2024.

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,305	10,101	10,101	778	6,782	6,734	47	1%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	11	82	–	82		–
Motor Vehicle Allowance		3,066	3,407	3,407	272	2,275	2,271	3	0%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	1,019	1,088	(69)	-6%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,179**	**10,158**	**10,093**	**64**	**1%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	8,210	516	4,226	5,473	(1,247)	-23%	8,210
Pension and UIF Contributions		61	117	117	5	43	78	(35)	-45%	117
Medical Aid Contributions		31	52	52	3	21	35	(13)	-38%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	312	312	1,019	(707)	-69%	1,528
Motor Vehicle Allowance		490	2,072	1,922	43	346	1,281	(935)	-73%	1,922
Cellphone Allowance		10	10	10	1	13	7	7	99%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	3	(3)	-88%	5
Payments in lieu of leave		4,195	4,743	4,543	409	3,864	3,029	836	28%	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	19,243	154,559	178,414	(23,855)	-13%	267,621
Pension and UIF Contributions		33,322	36,936	37,186	2,935	23,727	24,790	(1,063)	-4%	37,186
Medical Aid Contributions		17,746	18,588	18,788	1,649	12,393	12,525	(132)	-1%	18,788
Overtime		27,987	29,013	28,663	2,642	20,085	19,109	977	5%	28,663
Performance Bonus		23	25	25	–	25	16	8	51%	25
Motor Vehicle Allowance		10,408	11,356	11,856	920	7,381	7,904	(523)	-7%	11,856
Cellphone Allowance		21	56	56	1	8	37	(29)	-79%	56
Housing Allowances		722	1,234	1,234	60	493	823	(330)	-40%	1,234
Other benefits and allowances		32,223	34,740	35,580	1,477	27,516	23,720	3,796	16%	35,580
Post-retirement benefit obligations	2	15,362	20,887	20,887	–	1	13,925	(13,924)	-100%	20,887
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,006**	**462,953**	**456,555**	**31,566**	**266,382**	**304,368**	**(37,986)**	**-12%**	**456,555**
TOTAL MANAGERS AND STAFF		**364,306**	**447,813**	**441,415**	**30,387**	**256,224**	**294,275**	**(38,051)**	**-13%**	**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 29 February 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.21%	1.32%	0.29%
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	1.48:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	0,42	0.13:1	0.85:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	86.71%	92%	84.45%

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 29 February 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	1.11 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	28,30%	30.82%	33.59%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	94,66%	95%	32.86%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	3,79%	4.21%	4.04%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	2,32%	2.91%	1.53%
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%	80.66%

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 0.29% as at 29 February 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 29 February 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:

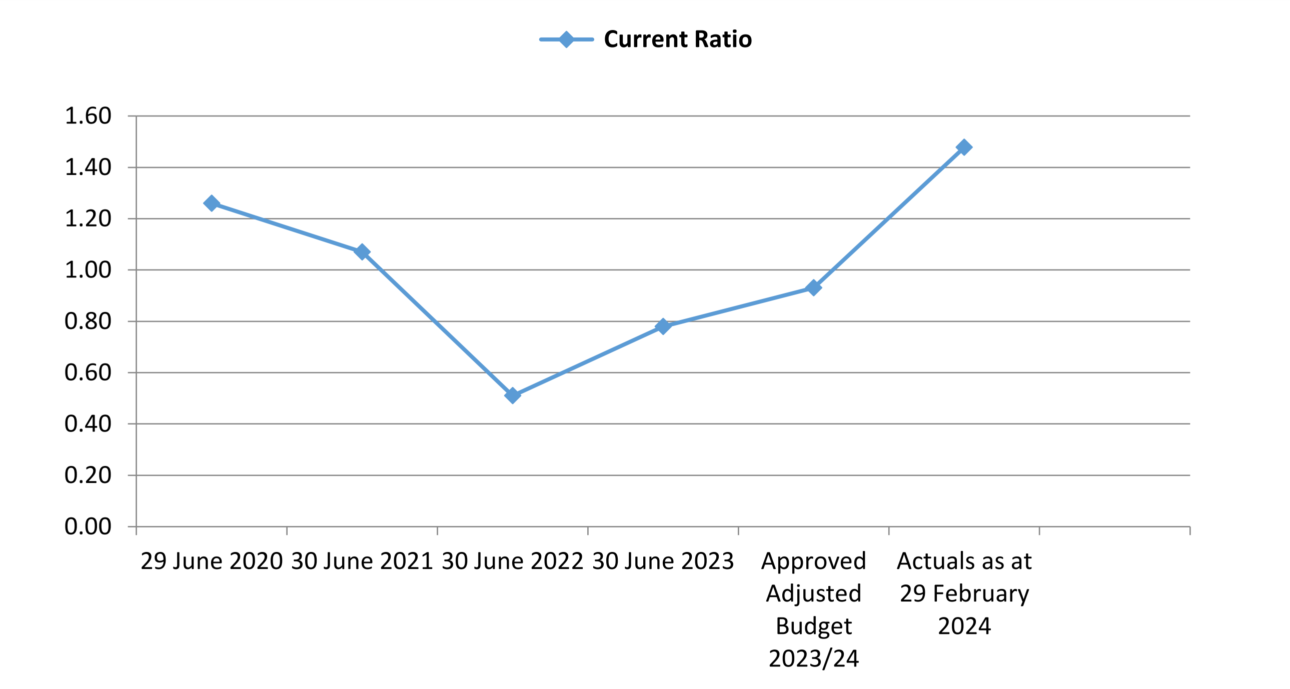
Current assets/Current liabilities

The ratio as at 29 February 2024 was 1.48:1, 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

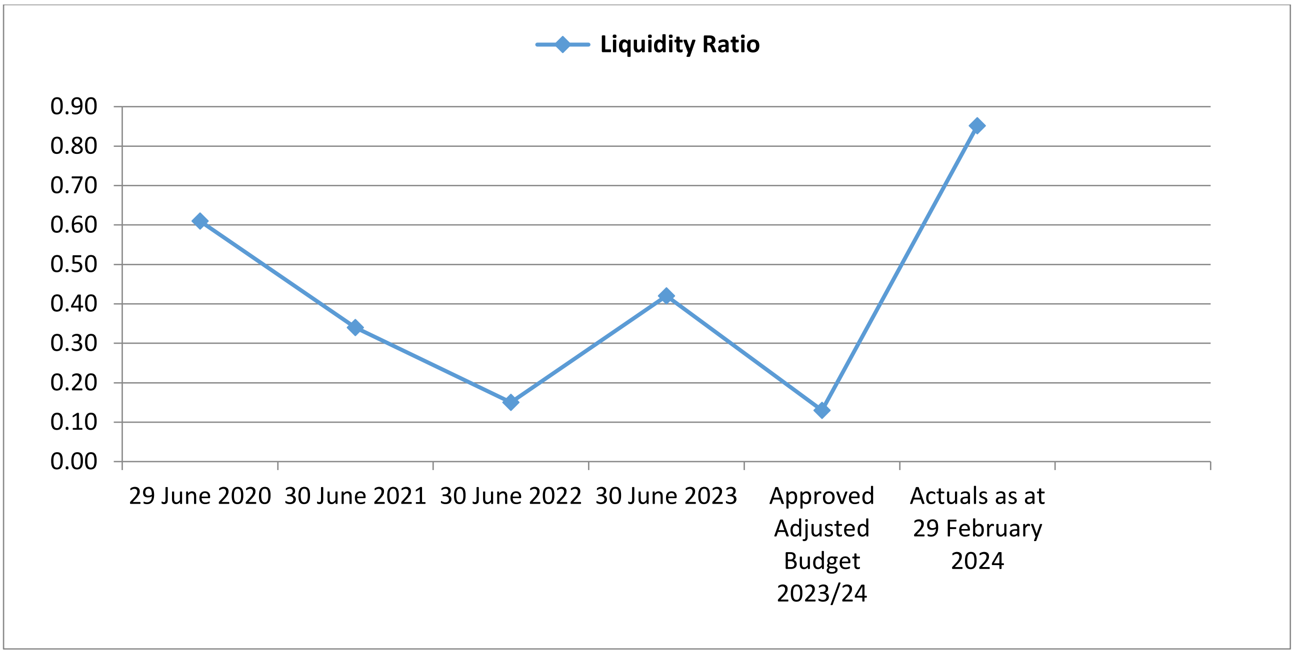
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 29 February 2024 was 0.85:1 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

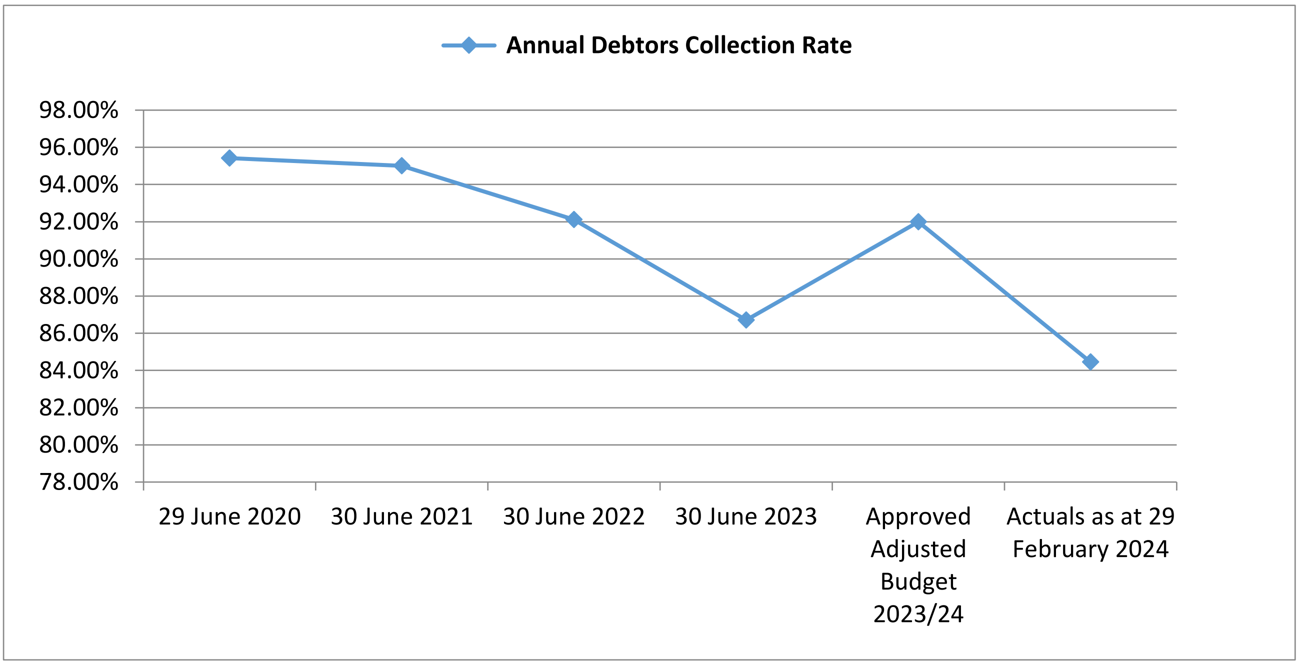
4.2.1. Annual Debtors Collection Rate

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 29 February 2024 was 84.45%, compared to the approved adjusted budget collection rate of 92%. The actual collection rate for February is 86.68%.



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.

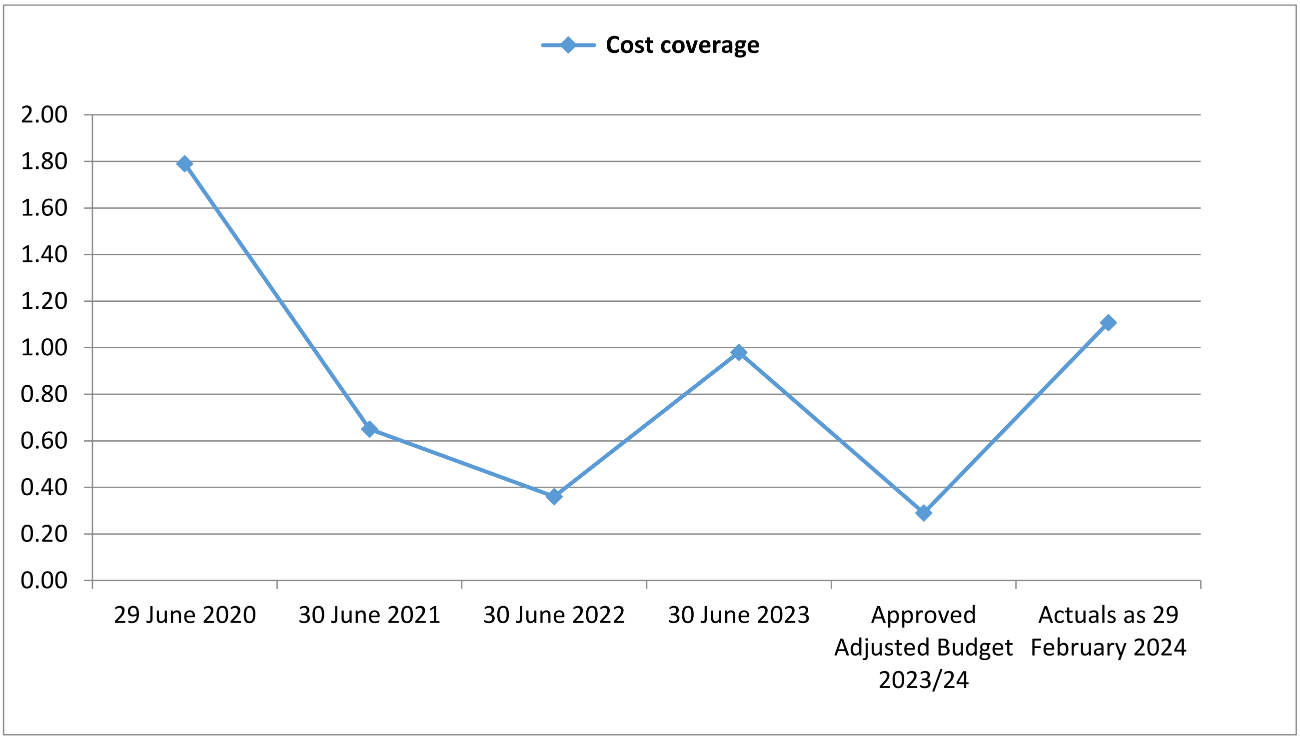
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 29 February 2024, the Ratio was 1.11 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.



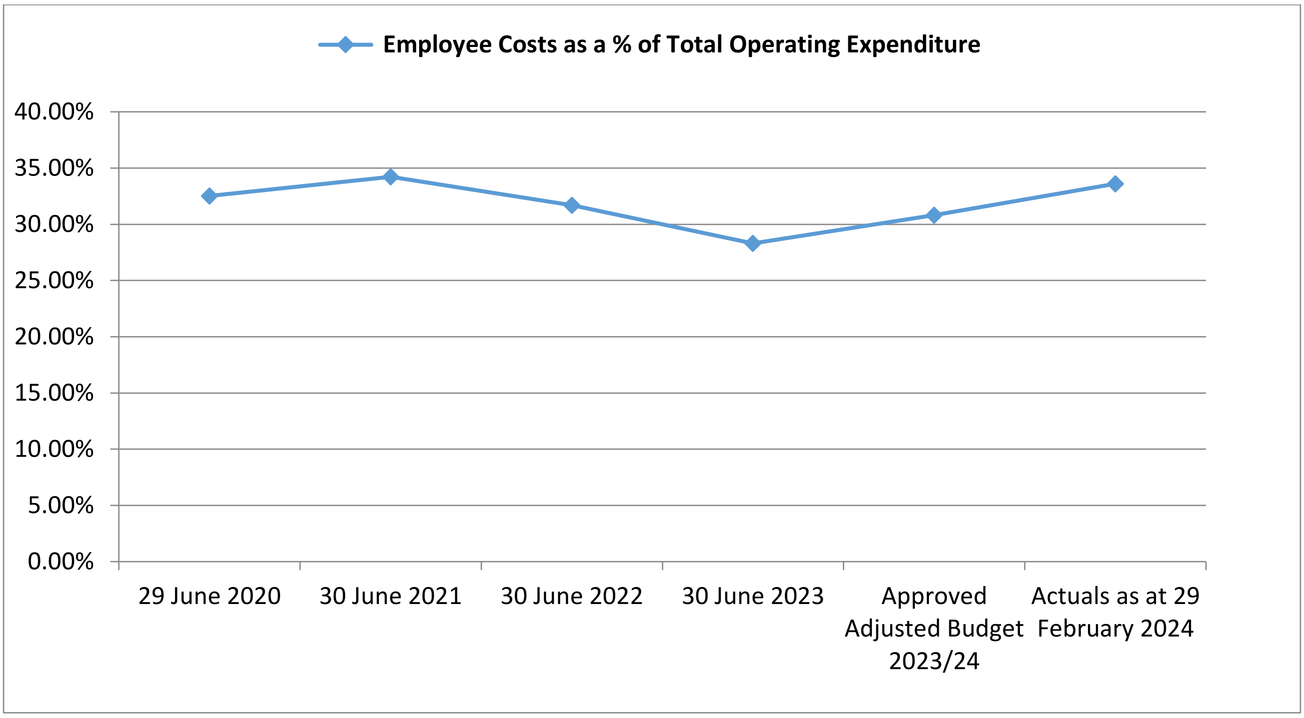
4.3.2. Employee costs as a % of Total Operating Expenditure

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 29 February 2024, Employee Related Costs constituted 33.59% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 30.82%.



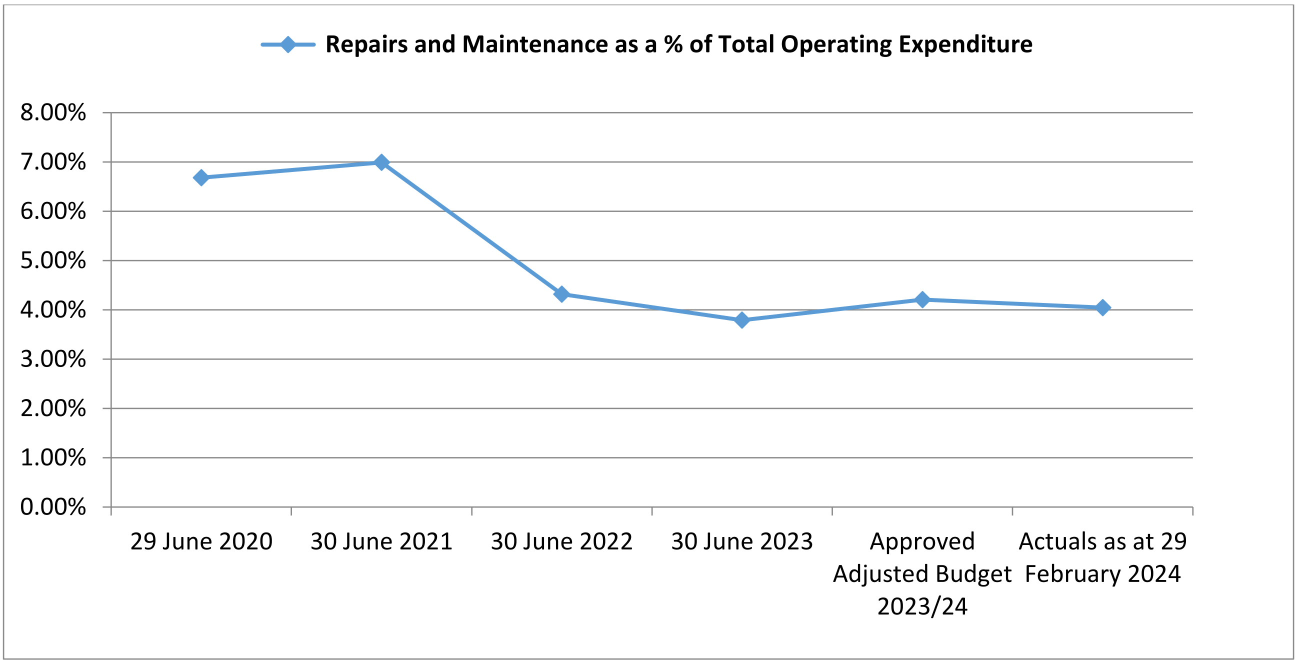
4.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 29 February 2024, the ratio was 4.04%, 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)

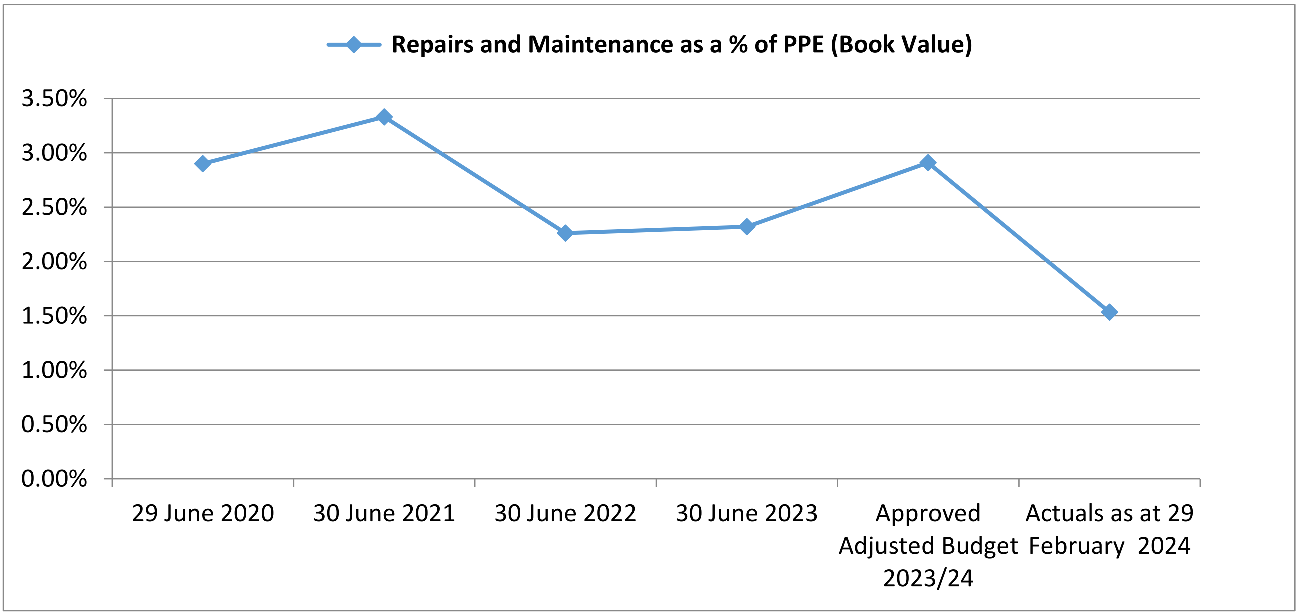
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 29 February 2024, repairs and maintenance expenditure constituted 1.53% 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%.



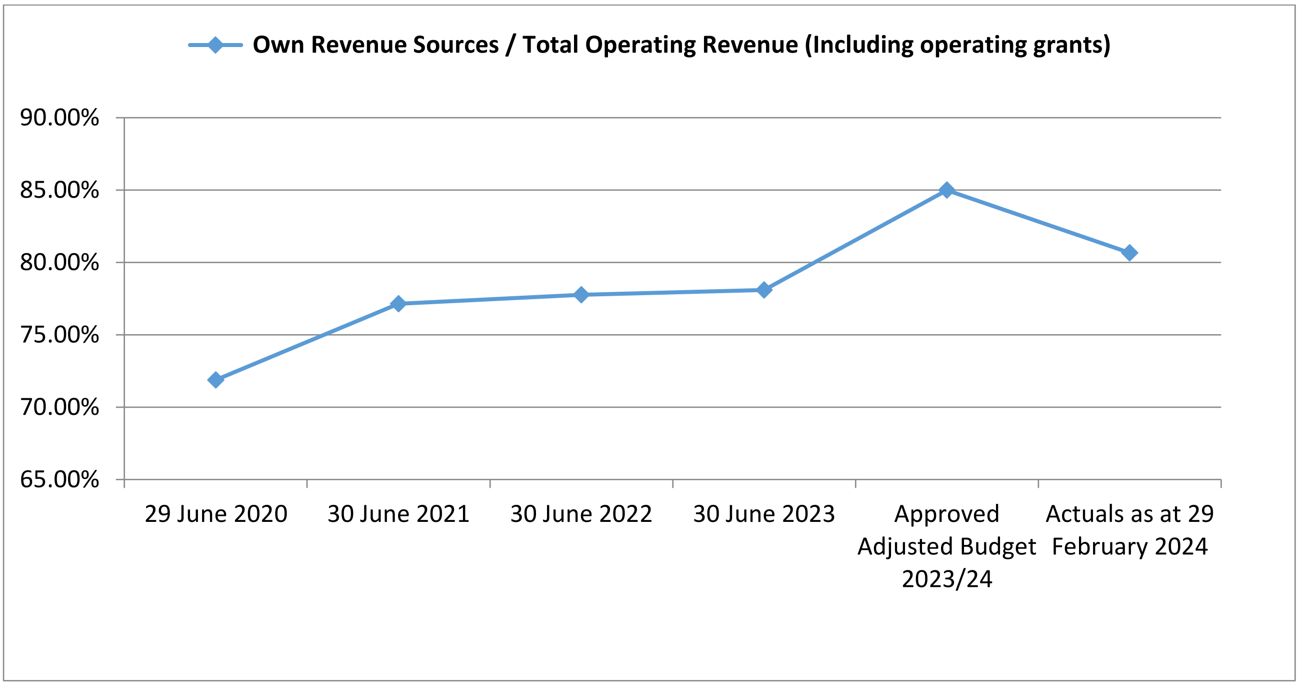
Own Revenue Generation

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 29 February 2024, the Municipality's own revenue sources constituted 80.66% 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 29 February 2024 amounted to 32.86%, compared to the approved adjusted budget ratio of 95%.