MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO MARCH 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2024 (2023/24 FINANCIAL YEAR)

1. Introduction

The purpose of this report is to comply with Section 71 and 52(d) 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 Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

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. **Discussion**

The monthly budget statement report provides a balance and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

The report complies with Schedule C of the Municipal Budget and Reporting Regulations (MBRR), the following detailed schedules are attached for the period, ending 31 March 2024:

Annexure "A" – Financial Overview

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

4. **Financial Implications**

Completed by BTO -	As stipulated in report. Refer to Annexure A
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

The report relates to Section 71 and 52(d) of the Municipal Finance Management Act (MFMA) and Regulation 28 of the Municipal Budget and Reporting Regulations (MBRR).

6. **Legal Implications**

Compliance with the Municipal Finance Management Act and Municipal Budgeting and Reporting Regulations.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

[insert comment]

8.2 **Acting Director: Planning & Development**

[insert comment]

8.3 **Director: Civil & Water Services**

[insert comment]

8.4 **Director: Electro/Mechanical Services**

[insert comment]

8.5 **Director: Community Services**

[insert comment]

8.6 **Deputy Municipal Manager**

[insert comment]

8.7 **Municipal Manager**

[insert comment]

9. **Delegated Authority**

To be noted by Council.

10. **Recommendations**

10.1 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.

10.2 The Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

10.3 That the monthly budget statements accordingly be submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

11. **Municipal Manager's Quality Certificate**

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature……  …… ……

Date……15 April 2024……

Item prepared by the: Manager Budget and Treasury [Insert signature]

Item approved by the: Chief Financial Officer [Insert signature]

Item endorsed by the Municipal Manager: [Insert signature]

Item noted by Portfolio Chairperson: [Insert signature]

Annexure "A"

1. **FINANCIAL OVERVIEW**

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 March 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 929,181 million, whilst operating expenditure amounted to R 850,717 million, resulting in an operating surplus of R 78,464 million.
- Capital expenditure constituted 40.85% of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 82,590 million (24.57%) since June 2023.
- An amount of R 39,675 million is owing to creditors, 96.02% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 105,580,541 (100,62%) since June 2023, from R 104,934,592 to R 210,515,132.

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

	Balance as at 30 June 2023	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 March 2024**
Standard Bank	17 575 390	8 135 902	1 212 655	3 750 000		23 173 946
ABSA	17 594 065	8 031 958	1 400 888	3 750 368	1 525	23 275 018
Nedbank	17 580 745	8 103 885	1 273 622	3 750 000		23 208 251
RMB	13 004 007	114 292 920	2 017 483	102 348 743		26 965 667
INVESTEC	17 580 053	8 104 600	1 273 596	3 750 000		23 208 249
Total	**83 334 260**	**146 669 265**	**7 178 244**	**117 349 111**	**(1 525)**	**119 831 133**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 March 2024**
General Account	54 340 431	59 421 349	4 213 976	51 159 533	1 525	66 814 698
Conditional Grants	9 153 096	85 227 000	1 751 493	66 189 578	-	29 942 010
Housing Funds	19 840 733	2 020 916	1 212 775		-	23 074 424
Total	**83 334 260**	**146 669 265**	**7 178 243**	**117 349 111**	**(1 525)**	**119 831 133**
		-				
	Balance as at 30 June 2023	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 March 2024**
Cheque Accounts FNB 52540020791	15 413 743			11 696 354		3 717 389
Cheque Accounts FNB 52540033304	3 874 471	77 514 741				81 389 212
Cheque Accounts FNB 62682103591	780	457				1 236
Cheque Accounts FNB 63022194441	2 311 338	3 264 825				5 576 163
	21 600 332	**80 780 022**	**-**	**11 696 354**	**-**	**90 684 000**
Total	**104 934 592**	**227 449 287**	**7 178 243**	**129 045 465**	**- 1 525**	**210 515 132**

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

Cash backed Reserves.

Bank Balances and Cash	R 90,684,000
Short-term Investment Deposits	R 119,831,133
	R 210,515,132

Application of Cash

Unspent Conditional Grants	R 50,158,672
Unallocated Conditional Grant (MDRF)	R 10,550,000
Unallocated Human Settlement Receipt	R16,327,360
Operational and capital commitments	R 13,605,316
Outstanding Creditors Liability	R 39,675,006
	R 130,316,354
Cash Reserves exceed commitments:	**R 80,198,778**

The cash backed reserves exceed commitments at this stage by an amount of R 80,198,778. It should be noted the excess of reserves over commitments as at 31 March 2024, is mainly due to an amount of R45,126 million in respect of the equitable share allocation received on 13 March 2024, but not yet fully spent. These funds are already committed towards spending in the 2023/24 operating budget.

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

Ratio	Actuals as at 30 June 2022	Actuals as at 30 June 2023	MFMA Circular 71 Norms	Actuals as at 31 March 2023	Approved Adjusted Budget 2023/24	Actuals as at 31 March 2024
Current Ratio	0.51:1	0.78:1	1.5:1 to 2:1	1.41:1	0.92:1	1.69:1
Liquidity Ratio	0.15:1	0.42:1		0.95:1	0.12:1	1.12:1
Cost Coverage (Excluding unspent conditional grants)	0:36 Months	0.98 Months	1 Month to 3 Months	1.34 Months	0.27 Months	1.56 Months
Debtors Collection Rate	94.32%	86.71%	95%	88.06%	92%	85.62%
Capital Expenditure	123.92%	94.66%	95%	56.17%	95%	40.85%

Annexure "A1"

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2023/24					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1 158 957	1 297 411	142 564	929 181	973 058	(43 877)
Total Expenditure	1 268 316	1 436 791	87 934	850 717	1 077 193	(226 476)
Surplus/(Deficit)	(109 359)	(139 380)	54 629	78 464	(104 135)	182 599

The statement of financial performance reflects an operating surplus of R 78,464 million at this stage. It must be noted that the surplus is largely influenced by the debt impairment which is recognized at year-end rather than on the monthly basis.

1.2. Revenue

Main revenue sources for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			**%**
Revenue			
Exchange Revenue	**667,320**	**497,693**	**74.58%**
Service charges - Electricity	352,780	264,820	75.07%
Service charges - Water	118,603	78,964	66.58%
Service charges - Waste Water Management	64,268	45,462	70.74%
Service charges - Waste management	66,782	43,745	65.50%
Sale of Goods and Rendering of Services	9,000	4,555	50.61%
Agency services	4,276	2,798	65.42%
Interest earned from Receivables	30,145	22,311	74.01%
Interest earned from Current and Non-Current Assets	11,674	10,850	92.94%
Rental from Fixed Assets	2,999	2,688	89.64%
Licence and permits	2,677	1,886	70.44%
Operational Revenue	4,116	19,614	476.56%
Non-Exchange Revenue	**630,091**	**431,488**	**68.48%**
Property rates	281,488	222,633	79.09%
Fines, penalties and forfeits	134,597	5,073	3.77%
Licence and permits	11,053	7,298	66.02%
Transfer and subsidies - Operational	197,730	191,661	96.93%
Interest	5,223	4,824	92.36%
Total Revenue (excluding capital transfers and contributions)	**1,297,411**	**929,181**	**71.62%**

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.

- **Interest earned – external investments.**
  The interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R210,515 million. The investment amount of R 210,515 million includes call accounts amounting to R 50,159 million for the unspent conditional grants.

- **Transfers and subsidies-Operational**
  Transfers and subsidies are largely influenced by the equitable share allocation received on 13 March 2024 amounting to R 45,126 million.

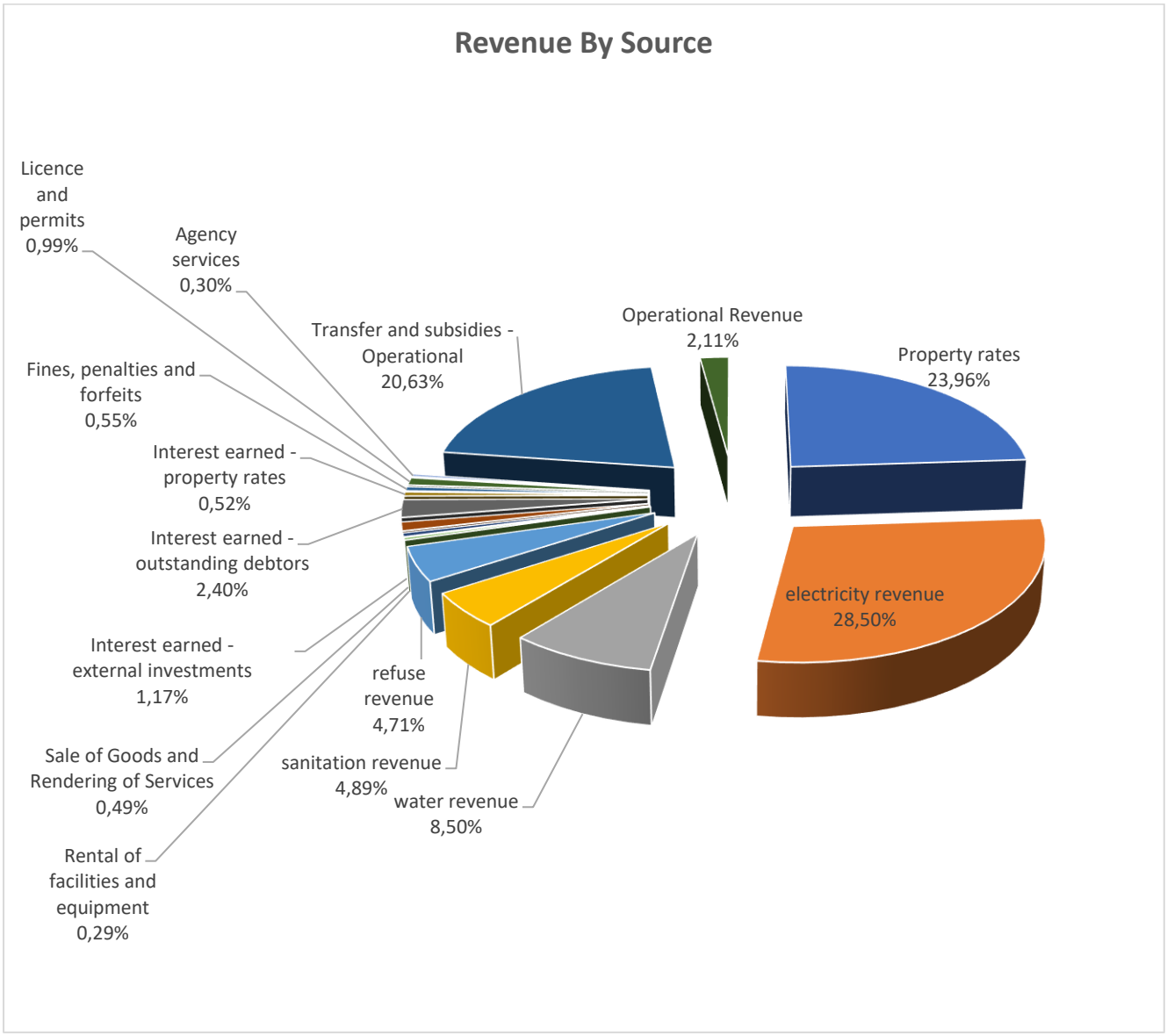
- **Operational revenue**
  Other revenue is largely influenced by the Human Settlement fees received amounting to R 16,327 million, compared to the zero budgeted amount.

- **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 48,234 million as at 31 March 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
Licence and permits 0,99%
Agency services 0,30%
Transfer and subsidies - Operational 20,63%
Operational Revenue 2,11%
Property rates 23,96%
Fines, penalties and forfeits 0,55%
Interest earned - property rates 0,52%
Interest earned - outstanding debtors 2,40%
electricity revenue 28,50%
Interest earned - external investments 1,17%
refuse revenue 4,71%
Sale of Goods and Rendering of Services 0,49%
sanitation revenue 4,89%
water revenue 8,50%
Rental of facilities and equipment 0,29%

1.3. Expenditure

Main expenditure types for 2023/24

Description	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	
Expenditure By Type	-	-	
Employee related costs	441,256	286,872	65.01%
Remuneration of councillors	15,140	11,350	74.96%
Bulk purchases - electricity	354,710	265,949	74.98%
Inventory consumed	102,856	71,711	69.72%
Debt impairment	173,540	–	0.00%
Depreciation and amortisation	109,663	82,248	75.00%
Interest	5,750	4,176	72.63%
Contracted services	128,163	66,109	51.58%
Transfers and subsidies	1,124	400	35.58%
Irrecoverable debts written off	13,835	5,601	40.49%
Operational costs	90,754	56,301	62.04%
Total Expenditure	**1,436,791**	**850,717**	**59.21%**

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.

- **Inventory Consumed**
  Inventory consumed includes the following expenditure items:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 March 2024	%
Inventory Consumed: Consumables	3 392 321	1 771 398	52,22%
Inventory Consumed: Materials and Supplies	33 738 888	21 419 103	63,48%
Inventory Consumed: Fuel & Oil	26 176 328	19 008 867	72,62%
Inventory Consumed: Bulk Water Purchases	39 548 316	29 511 179	74,62%
Total	**102 855 853**	**71 710 546**	**69,72%**

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

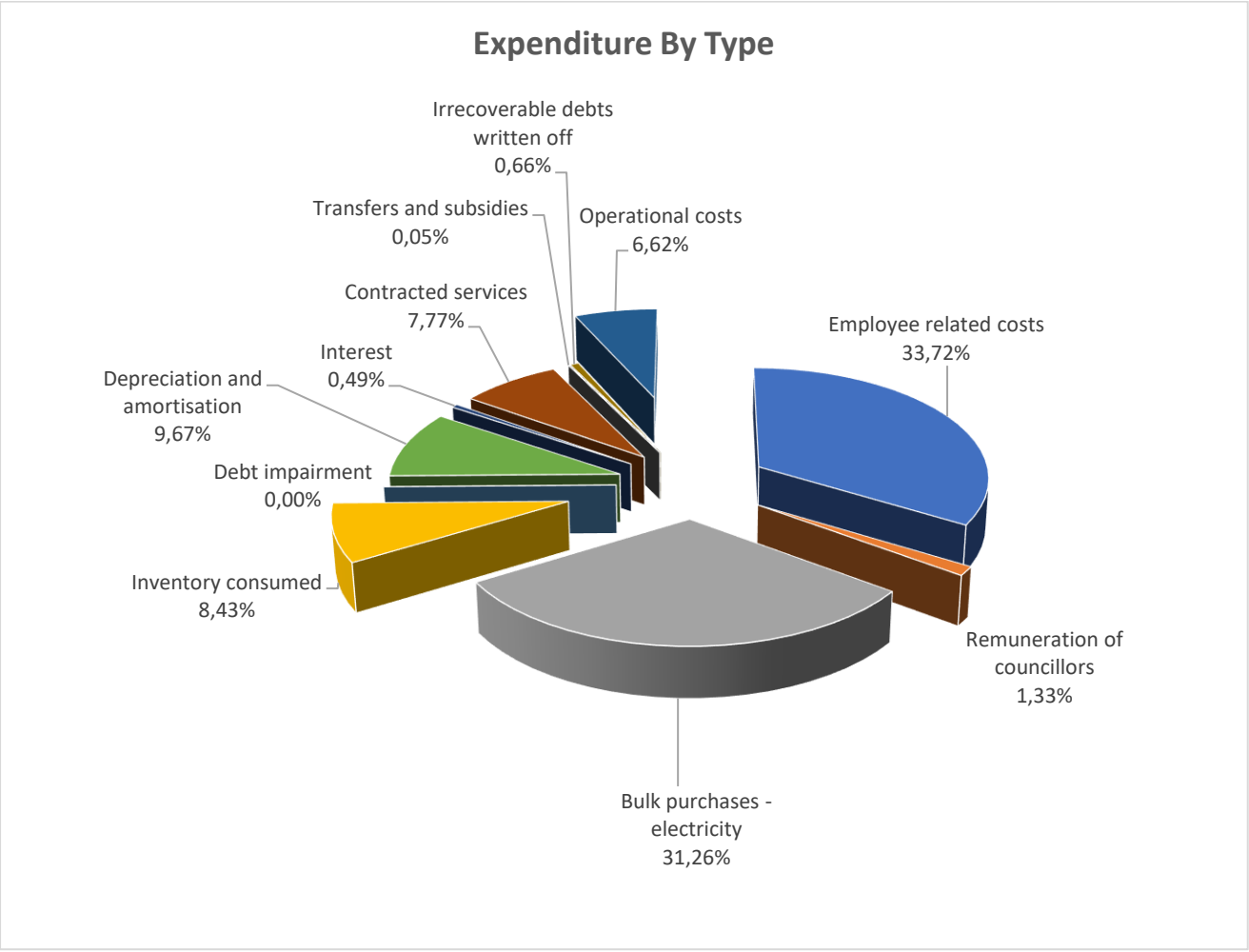
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 March 2024	%
Addressing of Anomalies	300,000	5,000	1.67%
Adventure Race World Championship	1,000,000	1,000,000	100.00%
Air quality Management	599,227	-	0.00%
Amanzi Challenge National Tournament	200,000	-	0.00%
Animal Care	483,929	-	0.00%
Burial Services	79,492	13,200	16.61%
Calamari Festival	200,000	200,000	100.00%
Catering Services	1,087,652	573,656	52.74%
Clearing and Grass Cutting Services	1,446,576	957,235	66.17%
Conducting of feasibility studies (EIA)	2,000,000	27,388	1.37%
Connection/Dis-connection:Electricity	588,300	97,581	16.59%
Consultants and Professional Services	8,358,041	2,534,214	30.32%
Destination Marketing and Promotion	500,000	225,189	45.04%
Drivers Licence Cards	598,675	384,098	64.16%
DP WORLD TOUR	400,000	-	0.00%
Dune Stabilisation	1,200,000	774,787	64.57%
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	450,236	32.81%
Land Valuations, Surveyor & Planning Services	403,548	90,033	22.31%
Legal Advice and Litigation	5,790,000	2,555,238	44.13%
Legal Cost:Collection	856,000	671,250	78.42%
Litter Picking and Street Cleaning	298,896	-	0.00%
Maintenance of Buildings and Facilities	6,475,077	3,363,836	51.95%
Maintenance of Electrical Infrastructure	5,300,000	3,210,515	60.58%
Maintenance of Equipment	747,073	329,777	44.14%
Maintenance of Sanitation Infrastructure	6,350,145	2,908,885	45.81%
Maintenance of Vehicles	8,962,661	5,495,874	61.32%
Maintenance of Water Infrastructure	889,659	248,199	27.90%
Media Monitoring	140,000	35,248	25.18%
Occupational Health and Safety	1,254,657	706,677	56.32%
Other Contracted Services	3,116,734	2,483,850	79.69%
Payroll data cleansing	400,000	94,689	23.67%
Personnel and Labour	16,608,676	8,916,948	53.69%
PM: Special Projects	36,360	-	0.00%
Precinct Plans Project Hankey and St Francis Bay C	234,600	-	0.00%
Private Plots_Alien Vegetation Control	380,550	314,060	82.53%
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	11,777,944	56.79%
Security Services	6,443,152	4,938,914	76.65%
Special Rating Area	12,072,328	7,723,538	63.98%
Summer Festival	500,000	491,323	98.26%
Tourism &Travel Trade Show	600,000	-	0.00%
Township Events	150,000	-	0.00%
Transport Services	398,000	95,484	23.99%
Valuer	1,200,000	970,405	80.87%
Water Quality	199,558	175,534	87.96%
Winterfest	1,725,461	225,000	13.04%
Yellow Wood Annual Jazz Festival	500,000	-	0.00%
	128,162,650	**66,109,112**	**51.58%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 March 2024	%
Achievements and Awards	1,455,481	742,505	51.01%
Advertising, Publicity and Marketing	3,233,244	1,819,155	56.26%
Bank Charges	1,150,000	989,250	86.02%
Bargaining Council	4,360,213	-	0.00%
Cellular Contract (Subscription and Calls)	2,896,864	1,489,902	51.43%
Claims paid to Third Parties	500,000	446,750	89.35%
External Audit Fees	4,500,000	4,268,436	94.85%
External Computer Service:Internet Charge	4,500,000	4,229,694	93.99%
Hire Charges	10,183,886	5,721,519	56.18%
Insurance Claims	1,200,000	310,859	25.90%
Insurance Underwriting:Premiums	4,099,701	3,909,419	95.36%
Leases:Furniture and Office Equipment	3,878,688	2,500,655	64.47%
Leases:Other Assets	3,963,740	3,312,658	83.57%
Motor Vehicle Licence and Registrations	1,596,047	640,086	40.10%
Other	1,101,064	194,596	17.67%
Postage/Stamps/Franking Machines	2,664,405	1,333,998	50.07%
Printing, Publications and Books	10,000	913	9.13%
Registration Fees:Professional and Regulatory Bodies	355,044	56,813	16.00%
Registration Fees:Seminars, Conferences, Workshops	1,896,891	1,151,243	60.69%
Remuneration to Ward Committees	2,700,000	1,568,400	58.09%
Riparian Levies	7,465,557	6,380,764	85.47%
Signage	518,459	248,307	47.89%
Skills Development Fund Levy	3,964,204	2,842,978	71.72%
Software Licences	8,211,461	3,539,826	43.11%
Storage of Files (Archiving)	100,000	26,627	26.63%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	3,780,000	2,240,131	59.26%
Travel and Subsistence	3,604,644	1,566,333	43.45%
Uniform and Protective Clothing	3,691,655	2,447,487	66.30%
Vehicle Tracking	942,637	790,327	83.84%
Workmen's Compensation Fund	2,158,836	1,531,701	70.95%
	90,754,235	**56,301,332**	**62.04%**



1.4. 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 31 March 2024	%
Hire Charges	4,750,875	1,584,771	33.36%
Maintenance of Sanitation Infrastructure	7,567,570	3,469,152	45.84%
Maintenance of Electrical Infrastructure	10,577,250	7,319,088	69.20%
Sport and Recreation Facilities	447,169	406,302	90.86%
Roads Maintenance	9,444,132	3,965,968	41.99%
Maintenance of Water Infrastructure	5,164,737	3,136,419	60.73%
Maintenance of Buildings and Facilities	9,221,728	5,419,508	58.77%
Maintenance of Vehicles	10,855,627	7,367,790	67.87%
Maintenance of Equipment	1,130,632	686,205	60.69%
Total	**59,159,720**	**33,355,204**	**56.38%**

It is to be noted that actual repairs and maintenance expenditure constituted 56.38% 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	264,820	75.07%
Interest earned from Receivables	1,964	1,956	99.56%
Transfers and subsidies - Operational	8,955	5,524	61.69%
Total Revenue	**363,700**	**272,300**	**74.87%**
Expenditure By Type			
Employee related costs	16,457	12,720	77.29%
Bulk purchases - electricity	354,710	265,949	74.98%
Inventory consumed	10,850	7,471	68.86%
Debt impairment	16,366	–	0.00%
Depreciation and amortisation	6,944	6,211	89.44%
Contracted services	13,453	5,505	40.92%
Irrecoverable debts written off	4,350	341	7.84%
Operational costs	4,328	1,904	43.98%
Total Expenditure	**427,457**	**300,101**	**70.21%**
Surplus/(Deficit)	**(63,758)**	**(27,801)**	

1.5.1.1 Revenue

- The electricity revenue reflects 75.07% of budget as at 31 March 2024, and this is in line with the projected budget ratio of 75% as at 31 March 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 74.98% of budget expenditure as at 31 March 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 27,801 million as at 31 March 2024 and the deficit amount equates to 10.21%, compared to the revenue. The budgeted deficit for the 2023/24 amount to R 63,758 million and equates to 17.53%, 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	78,964	66.58%
Interest earned from Receivables	14,487	10,242	70.70%
Transfers and subsidies - Operational	19,797	14,848	75.00%
Total Revenue	**152,887**	**104,054**	**68.06%**
Expenditure By Type			
Employee related costs	27,733	18,774	67.69%
Inventory consumed	47,794	36,126	75.59%
Debt impairment	8,432	–	0.00%
Depreciation and amortisation	16,097	11,251	69.89%
Contracted services	2,641	917	34.73%
Irrecoverable debts written off	2,241	2,213	98.73%
Operational costs	2,072	1,575	76.00%
Total Expenditure	**107,011**	**70,855**	**66.21%**
Surplus/(Deficit)	**45,876**	**33,199**	

1.5.2.1 Revenue

- The water revenue reflects 66.58% of budget as at 31 March 2024, and this is in line with the projected budget ratio of 75% as at 31 March 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 29,511 million (74.62% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 33,199 million as at 31 March 2024 and equates to 31.91% of total revenue.

1.5.3 Wastewater Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	64,268	45,462	70.74%
Interest earned from Receivables	5,327	3,975	74.62%
Transfers and subsidies - Operational	13,345	10,009	75.00%
Total Revenue	**82,941**	**59,446**	**71.67%**
Expenditure By Type			
Employee related costs	24,642	19,427	78.83%
Inventory consumed	12,236	7,841	64.08%
Debt impairment	4,398	–	0.00%
Depreciation and amortisation	28,156	21,024	74.67%
Contracted services	5,329	2,549	47.84%
Irrecoverable debts written off	1,169	965	82.56%
Operational costs	8,370	4,880	58.31%
Total Expenditure	**84,300**	**56,686**	**67.24%**
Surplus/(Deficit)	**(1,359)**	**2,760**	

1.5.3.1 Revenue

- The wastewater revenue reflects 70.74% of budget as at 31 March 2024, and this is in line with the projected budget ratio of 75% as at 31 March 2024.
- Interest earned from receivables reflects 74.62% 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 2,760 million as at 31 March 2024 and equates to 4.64% 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	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste	66,782	43,745	65.50%
Sale of Goods and Rendering of Services	8	3	39.30%
Interest earned from Receivables	8,037	5,868	73.01%
Operational Revenue	150	–	0.00%
Transfers and subsidies - Operational	27,381	21,133	77.18%
Total Revenue	**102,358**	**70,749**	**69.12%**
Expenditure By Type			
Employee related costs	36,066	30,547	84.70%
Inventory consumed	8,674	5,562	64.12%
Debt impairment	4,729	–	0.00%
Depreciation and amortisation	3,195	1,989	62.23%
Contracted services	16,915	9,093	53.76%
Irrecoverable debts written off	1,257	1,659	132.01%
Operational costs	5,601	3,403	60.75%
Total Expenditure	**76,437**	**52,253**	**68.36%**
Surplus/(Deficit)	**25,921**	**18,496**	

1.5.4.1 Revenue

- The waste revenue reflects 65.50% of budget as at 31 March 2024, and this is slightly lower than the projected budget ratio of 75% as at March 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 18,496 million as at 31 March 2024 and equates to 26.14% of total revenue. Council approved a surplus budget of R 25,921 million for the 2023/24 financial year.

1.6 Cost Containment Measures

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

Description	Budget Year 2023/24				
	Original Budget	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands					
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	11,208	16,508	8,868	12,381	(3,513)
2. Travel claims	3,412	3,605	1,566	2,703	(1,137)
4. Overtime	20,282	19,932	15,590	14,949	641
5. Catering Costs	1,489	1,088	574	816	(242)
6. Events, Advertising and sponsorships	5,019	4,197	1,945	3,148	(1,202)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,797	1,098	1,348	(249)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,249	60	937	(877)
9. Projects /Programme Launches	-	-	-	-	-
10. Essential User Scheme	**2,233**	**2,233**	**2,233**	**2,233**	**-**
Total	**46,987**	**50,609**	**31,935**	**38,515**	**(6,580)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 6,580 million as at 31 March 2024.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2023/24			Actuals as at 31 March 2024			
R thousands	Approved Adjusted Budget - Operating	Approved Adjusted Budget - Capital	Approved Adjusted Budget 2022/23	Operating Expenditure Actuals	Capital Actuals	Total Actual Expenditure	Unauthorised Expenditure
Expenditure by Vote							
CIVIL & WATER SERVICES	320 909	85 263	406 171	204 591	41 480	246 070	–
COMMUNITY SERVICES	369 894	5 999	375 893	167 665	1 599	169 264	–
ELECTRO/ MECHANICAL SERVICES	439 340	6 383	445 723	309 887	4 287	314 174	–
FINANCE AND ECONOMIC DEVELOPMENT	125 817	1 437	127 254	64 359	339	64 698	–
OFFICE OF THE DMM	121 904	2 664	124 569	64 377	1 963	66 340	–
OFFICE OF THE MM	29 673	103	29 776	22 637	42	22 678	–
PLANNING AND DEVELOPMENT	29 255	19 841	49 096	17 202	–	17 202	–
Total Expenditure by Vote	**1 436 791**	**121 690**	**1 558 481**	**850 717**	**49 709**	**900 426**	–

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

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 March 2024, constituted 40.85% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 50.34% of approved adjusted grant funding budget.
- Internally generated funds are 17.48% of approved adjusted internal funds budget.

Capital budget by municipal vote for 2023/24.

Vote Description	Budget Year 2023/24				
	Original Budget	Approved Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	760	1,132	86	855	75.50%
Vote 2 - FINANCIAL SERVICES	–	1,337	112	339	25.33%
Vote 3 - CORPORATE SERVICES	–	1,635	142	1,150	70.35%
Vote 4 - COMMUNITY SERVICES	1,362	5,999	–	1,599	26.65%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	91,646	7,606	45,766	49.94%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	19,941	–	–	0.00%
Total Capital Multi-year expenditure	**79,343**	**121,690**	**7,946**	**49,709**	**40.85%**

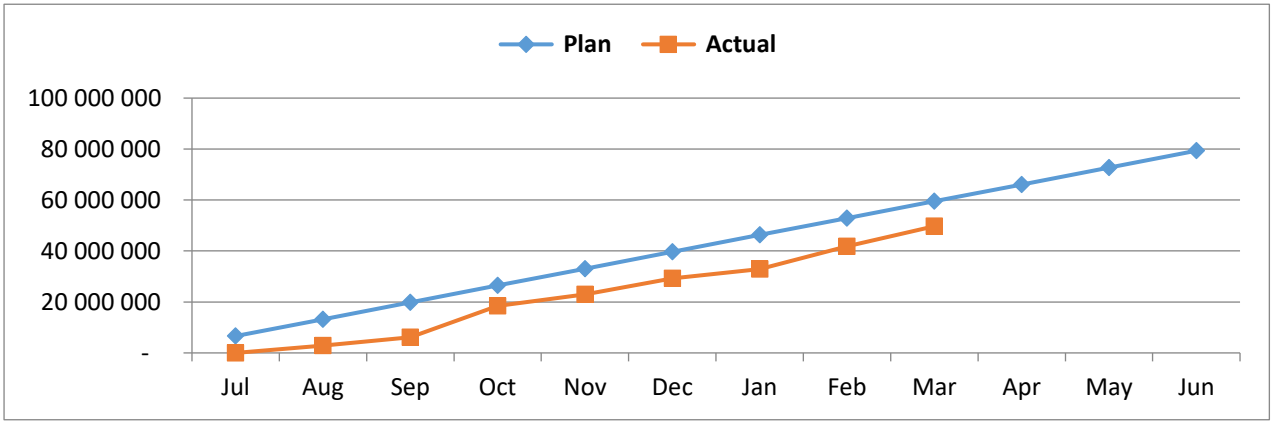
The capital expenditure as at 31 March 2024, constituted 40.85% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 75.50% of R 1,132 million budget.
- Financial Services is 25.33% of R 1,337 million budget.
- Corporate Services is 70.35% of R 1,635 million budget.
- Community Services is 26.65% of R 5,999 million budget.
- Infrastructure & Engineering is 49.94% of R 91,646 million budget.
- Planning Development and Tourism is 0% of R19,941 million budget.

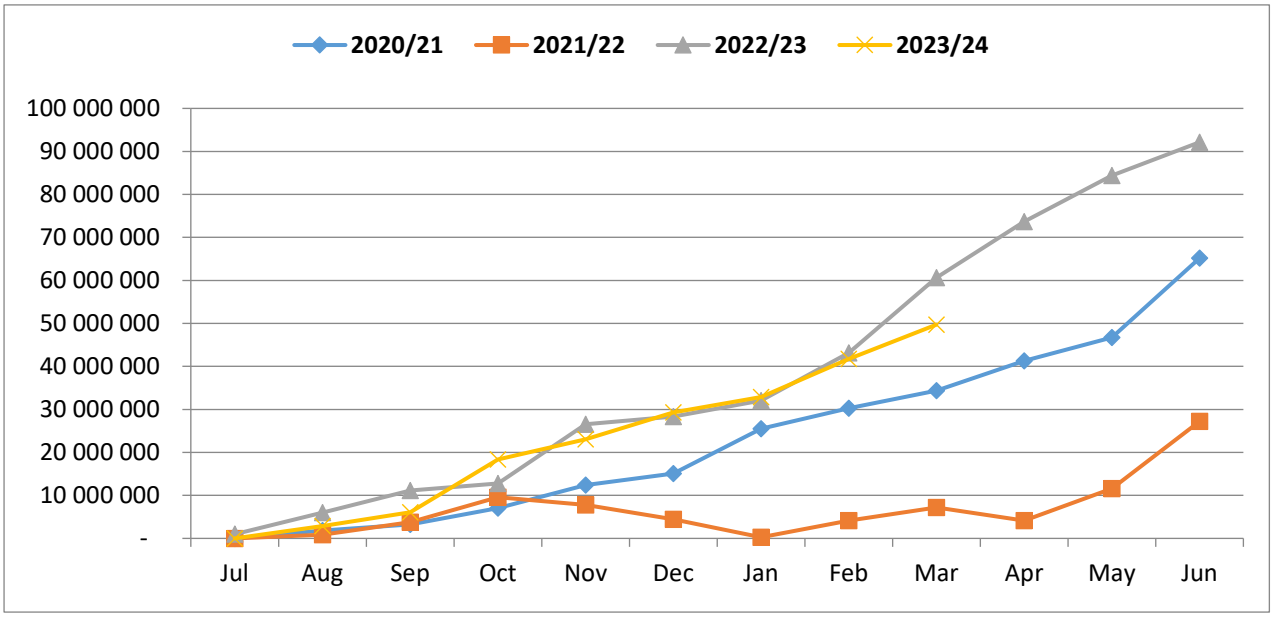
1.2. Monthly capital expenditure

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



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

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



Status of capital programmes/projects in the Municipality as at 31 March 2024.

DEPARTMENT	PROJECT DESCRIPTION	FUNDING SOURCE	Approved Adjusted Budget 2023/24	Actuals as at 31 March 2024	%
CIVIL AND WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	UPGRADING LOERIE SPORTS FACILITIES	MIG	5 296 905	3 969 080	74,93%
PROJECT MANAGEMENT UNIT (PMU)	PAVING OF MAIN BEACH	Internal	1 800 000	1 014 729	56,37%
PROJECT MANAGEMENT UNIT (PMU)	Upgrading/Improvement of Sport Facilities within K	Internal	1 919 609	225 765	11,76%
ROADS AND STORMWATER	UPGRADING KOUGA GRAVEL ROADS	MIG	3 339 130	3 064 353	91,77%
ROADS AND STORMWATER	ST FRANCIS CANAL BRIDGE	MDRG	2 608 696	2 601 965	99,74%
ROADS AND STORMWATER	UPGRADING KOUGA GRAVEL ROADS	Internal	800 000	692 604	86,58%
ROADS AND STORMWATER	PLATE COMPACTOR	Internal	23 000	-	0,00%
SEWERAGE	New bypass Sewer Rising Main and Pump Stations Jba	Internal	323 486	160 023	49,47%
SEWERAGE	Piped Reticulation - St Francis Bay	Internal	122 559	4 500	3,67%
SEWERAGE	Upgrade Loerie sewer pump station	Internal	172 265	49 963	29,00%
SEWERAGE	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA	MIG	430 645	203 783	47,32%
SEWERAGE	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	MIG	120 000	4 830	4,03%
SEWERAGE	UPGRADING KWANOMZAMO WWTW	MIG	6 657 701	6 391 799	96,01%
SEWERAGE	DESIGN: LA MER NEW SEWER RISING MAIN	MIG	65 000	51 875	79,81%
SEWERAGE	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	MIG	12 894 619	10 413 405	80,76%
SEWERAGE	KWANOMZAMO SEWERAGE PUMP STATION	Internal	1 224 891	-	0,00%
SEWERAGE	HANKEY WWTW	Internal	5 155 634	-	0,00%
SEWERAGE	LA MER NEW SEWER RISING MAIN	Internal	9 700 000	-	0,00%
WATER	Replace 250mm Water Main Canal Road St Francis Ba	Internal	100 687	5 657	5,62%
WATER	Replace Main Waterline Sout Rivier Bridge Crossing	Internal	120 733	40 900	33,88%
WATER	ST FRANCIS BAY: BOREHOLES	WSIG	2 608 695	1 322 389	50,69%
WATER	GROUND WATER DEVELOPMENT IN KOUGA	WSIG	869 565	593 315	68,23%
WATER	PARADISE BEACH WATER TOWER	WSIG	9 772 639	4 226 513	43,25%
WATER	MIMOSA STREET PIPELINE REPLACEMENT	WSIG	12 836 056	4 999 286	38,95%
WATER	JILL MARCUS WATER SUPPLY	Internal	3 500 000	-	0,00%
WATER	HUMANSDORP GROUNDWATER SUPPLY	Internal	2 800 000	1 442 912	51,53%
			85 262 515	**41 479 646**	**48,65%**
COMMUNITY SERVICES					
DIRECTOR:COMMUNITY SERVICES	Furniture and Equipment	Internal	9 290	9 290	100,00%
DIRECTOR:COMMUNITY SERVICES	PROJECTOR	Internal	20 000	-	0,00%
ENVIRONMENTAL MANAGEMENT	Kouga Skip Bins	Internal	400 000	-	0,00%
FIRE SERVICES	Fire Services - Vehicle (DISTRICT)	DISTRICT	3 000 277	1 589 637	52,98%
LAW ENFORCEMENT	Computer Equipment - Operatons Room	Internal	569 423	-	0,00%
PARKS AND OPEN SPACES	GRASS CUTTER	Internal	200 000	-	0,00%
WASTE SERVICES	Supply and Delivery of Skip Trucks	Internal	1 800 000	-	0,00%
			5 998 990	**1 598 927**	**26,65%**

DEPARTMENT	PROJECT DESCRIPTION	FUNDING SOURCE	Approved Adjusted Budget 2023/24	Actuals as at 31 March 2024	%
ELECTRO AND MECHANICAL SERVICES					
ELECTRICAL SERVICES	Furniture and Equipment	Internal	43 565	-	0,00%
FLEET AND WORKSHOP	Generator	Internal	266 435	266 435	100,00%
ELECTRICAL SERVICES	Bulk 66kv Overhead lines	INEP	1 371 165	532 063	38,80%
ELECTRICAL SERVICES	OCEAN VIEW 1250 ELECTRIFICATION	INEP	3 555 651	2 590 817	72,86%
ELECTRICAL SERVICES	Electrification of Oceanview	INEP	1 146 184	897 521	78,31%
			6 383 000	**4 286 837**	**67,16%**
FINANCE AND ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	Internal	882 006	142 883	16,20%
ASSET MANAGEMENT	Furniture and equipment	Internal	15 000	-	0,00%
BUDGET & FINANCIAL REPORTING	Furniture and Equipment	Internal	10 000	-	0,00%
BUDGET & FINANCIAL REPORTING	Computer Equipment	FMG	130 435	111 571	85,54%
ASSET MANAGEMENT	Computer Equipment	Internal	20 000	-	0,00%
SCM: DEMAND MANAGEMENT, RISK, PERFORMANCE AND CONT	Computer Equipment	Internal	80 000	-	0,00%
LOCAL ECONOMIC DEVELOPMENT	Township Economy Support (Agriculture)	Internal	100 000	-	0,00%
REVENUE	Computer Equipment	Internal	170 000	83 416	49,07%
SCM: DEMAND MANAGEMENT, RISK, PERFORMANCE AND CONT	SCM Furniture	Internal	30 000	876	2,92%
			1 437 441	**338 746**	**23,57%**
OFFICE OF THE DMM					
INFORMATION TECHNOLOGY	Computer Equipment	Internal	1 635 000	1 150 302	70,35%
MAYOR	Furniture and Equipment - Municipal Court	Internal	219 331	171 536	78,21%
WARD COUNCILLORS	Ward Development Capital	Internal	750 000	641 174	85,49%
WARD COUNCILLORS	FURNITURE&EQUIPMENT-WARD COUNCILLORS	Internal	60 000	-	0,00%
			2 664 331	**1 963 013**	**73,68%**
OFFICE OF THE MM					
INTEGRATED DEVELOPMENT	Furniture and Equipment	Internal	10 000	8 599	85,99%
MUNICIPAL MANAGER	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	Internal	37 632	33 289	88,46%
Risk and Internal Audit Unit	Furniture and equipment	Internal	55 000	-	0,00%
			102 632	**41 888**	**40,81%**
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	HANKEY 990-PHASE 2	DOH	15 330 180	-	0,00%
HUMAN SETTLEMENT	HANKEY 990-PHASE 3	DOH	4 510 553	-	0,00%
			19 840 733	**-**	**0,00%**
	Total		**121 689 642**	**49 709 056**	**40,85%**

Annexure "A3"

1. PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

1.1. Projected Cash Flow Statement as at 31 March 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 – M09 March 2024

EC108 Kouga - Table C7 Monthly Budget Statement - Cash Flow -										
		2022/23	Budget Year 2023/24							
Description	Ref	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	20,008	201,369	(197,831)	399,200	-202%	(263,774)
Service charges		237,049	697,055	672,771	43,525	361,298	(504,578)	865,876	-172%	(672,771)
Other revenue		25,426	67,422	70,420	9,067	152,917	21,715	131,201	604%	28,954
Transfers and Subsidies - Operational		166,622	190,883	190,883	45,575	187,285	134,093	53,192	40%	178,791
Transfers and Subsidies - Capital		79,951	75,561	74,950	45,432	99,677	(54,169)	153,846	-284%	(72,225)
Interest		840,211	4,598	11,674	4,744	39,291	8,755	30,536	349%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		667,606	(1,219,527)	(1,214,498)	(93,937)	(860,612)	(910,873)	(50,262)	6%	(101,627)
Interest		–	–	(6,612)	(1,033)	(9,259)	(4,959)	4,300	-87%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	(843)	(843)	100%	(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,104,797**	**86,487**	**62,239**	**73,379**	**171,965**	**(1,508,690)**	**#######**	**111%**	**(898,716)**
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)	(9,138)	(57,125)	95,326	152,451	160%	127,102
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(127,102)**	**(9,138)**	**(57,125)**	**95,326**	**152,451**	**160%**	**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)	(1,033)	(9,259)	–	9,259	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,033)**	**(9,259)**	**–**	**9,259**	**0%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,033,629**	**(2,947)**	**(77,032)**	**63,208**	**105,580**	**(1,413,364)**			**(771,614)**
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		210,515	(1,308,429)			(666,680)

Annexure "A4"

1. MUNICIPAL MONTHLY BUDGET TABLES

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

Table C1 Monthly Budget Statement Summary – M09 March 2024

EC108 Kouga - Table C1 Monthly Budget Statement Summary -									
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	18,382	222,633	211,116	11,517	5%	281,488
Service charges	547,619	621,867	602,433	54,552	432,991	451,825	(18,834)	-4%	602,433
Investment revenue	6,824	4,598	11,674	1,231	10,850	8,755	2,095	24%	11,674
Transfers and subsidies - Operational	177,339	190,883	197,730	48,105	191,661	148,297	43,364	29%	197,730
Other own revenue	193,879	60,121	204,086	20,294	71,046	153,064	(82,018)	-54%	204,086
Total Revenue (excluding capital transfers and contributions)	**1,185,175**	**1,158,957**	**1,297,411**	**142,564**	**929,181**	**973,058**	**(43,877)**	**-5%**	**1,297,411**
Employee costs	364,306	447,813	441,256	30,648	286,872	330,940	(44,068)	-13%	441,256
Remuneration of Councillors	13,700	15,140	15,140	1,192	11,350	11,355	(5)	-0%	15,140
Depreciation and amortisation	124,787	109,663	109,663	9,139	82,248	82,246	2	0%	109,663
Interest	8,059	2,090	5,750	432	4,176	4,312	(136)	-3%	5,750
Inventory consumed and bulk purchases	382,970	458,626	457,566	29,891	337,660	341,553	(3,893)	-1%	455,405
Transfers and subsidies	709	924	1,124	–	400	843	(443)	-53%	1,124
Other expenditure	373,435	234,060	406,292	16,633	128,012	305,943	(177,931)	-58%	408,453
Total Expenditure	**1,267,965**	**1,268,316**	**1,436,791**	**87,934**	**850,717**	**1,077,193**	**(226,476)**	**-21%**	**1,436,791**
Surplus/(Deficit)	**(82,789)**	**(109,359)**	**(139,380)**	**54,629**	**78,464**	**(104,135)**	**182,599**	**-175%**	**(139,380)**
Transfers and subsidies - capital (monetary allocations)	102,222	75,561	94,462	6,974	48,583	70,846	(22,263)	-31%	94,462
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**	**160,336**	**-482%**	**(44,919)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**	**160,336**	**-482%**	**(44,919)**
Capital expenditure & funds sources									
Capital expenditure	**113,966**	**79,343**	**121,690**	**7,946**	**49,709**	**91,267**	**(41,558)**	**-46%**	**121,690**
Capital transfers recognised	64,491	65,883	86,544	5,861	43,564	64,908	(21,344)	-33%	86,544
Borrowing	8,786	–	–	–	–	–	–		–
Internally generated funds	40,688	13,460	35,146	2,085	6,145	26,359	(20,214)	-77%	35,146
Total sources of capital funds	**113,966**	**79,343**	**121,690**	**7,946**	**49,709**	**91,267**	**(41,558)**	**-46%**	**121,690**
Financial position									
Total current assets	352,526	154,622	199,043		317,997				199,043
Total non current assets	2,305,137	2,302,442	2,334,326		2,274,539				2,334,326
Total current liabilities	340,668	154,259	215,175		193,005				215,175
Total non current liabilities	241,472	255,035	255,754		151,522				255,754
Community wealth/Equity	**2,087,378**	**2,047,771**	**2,063,093**		**2,248,009**				**2,062,439**
Cash flows									
Net cash from (used) operating	1,886,718	86,487	62,239	73,379	171,965	(1,538,090)	(1,710,055)	111%	(914,799)
Net cash from (used) investing	(71,169)	(79,343)	(127,102)	(9,138)	(57,125)	91,267	148,392	163%	121,690
Net cash from (used) financing	–	(10,091)	(12,169)	(1,033)	(9,259)	–	9,259		–
Cash/cash equivalents at the month/year end	**1,843,400**	**5,596**	**27,903**	**–**	**210,515**	**(1,341,888)**	**(1,552,403)**	**116%**	**(688,175)**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	58,131	14,650	15,715	15,215	21,462	16,145	56,905	278,620	476,843
Creditors Age Analysis									
Total Creditors	38,095	144	438	268	22	213	206	289	39,675

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) – M09 March 2024

EC108 Kouga - Table C2 Monthly Budget Statement - Financial Performance (functional classification) -										
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**	**65,522**	**378,909**	**418,519**	(39,609)	-9%	**558,025**
Executive and council		2,464	106	135	–	36	101	(66)	-65%	135
Finance and administration		570,368	422,533	557,890	65,522	378,874	418,417	(39,544)	-9%	557,890
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**22,893**	**16,716**	**37,059**	**16,736**	**28,052**	**27,794**	258	1%	**37,059**
Community and social services		2,427	2,437	2,435	21	2,314	1,826	488	27%	2,435
Sport and recreation		8,640	10,338	10,802	378	7,414	8,101	(687)	-8%	10,802
Public safety		2,748	1,378	1,604	4	1,865	1,203	663	55%	1,604
Housing		5,849	–	19,841	16,327	16,327	14,881	1,447	10%	19,841
Health		3,230	2,563	2,378	5	131	1,784	(1,653)	-93%	2,378
Economic and environmental services		**30,867**	**37,432**	**50,432**	**3,118**	**38,462**	**37,824**	638	2%	**50,432**
Planning and development		6,461	8,083	9,690	586	6,222	7,268	(1,046)	-14%	9,690
Road transport		7,002	6,910	13,003	873	12,807	9,752	3,054	31%	13,003
Environmental protection		17,404	22,439	27,739	1,658	19,434	20,804	(1,370)	-7%	27,739
Trading services		**660,805**	**757,731**	**746,356**	**64,162**	**532,340**	**559,767**	(27,427)	-5%	**746,356**
Energy sources		313,432	408,372	370,684	37,975	276,904	278,013	(1,109)	0%	370,684
Water management		195,564	161,300	182,887	12,133	115,942	137,165	(21,224)	-15%	182,887
Waste water management		99,252	113,711	116,065	9,468	86,691	87,049	(358)	0%	116,065
Waste management		52,557	74,347	76,720	4,586	52,804	57,540	(4,736)	-8%	76,720
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,287,398**	**1,234,518**	**1,391,872**	**149,538**	**977,764**	**1,043,904**	**(66,140)**	**-6%**	**1,391,872**
Expenditure - Functional										
Governance and administration		**384,164**	**306,226**	**323,646**	**20,487**	**187,957**	**242,338**	(54,380)	-22%	**323,646**
Executive and council		54,920	64,558	60,112	4,075	40,359	45,082	(4,723)	-10%	60,112
Finance and administration		329,172	241,417	263,075	16,410	147,554	196,911	(49,357)	-25%	263,075
Internal audit		73	251	460	2	44	345	(301)	-87%	460
Community and public safety		**98,259**	**121,818**	**119,186**	**8,080**	**78,764**	**89,388**	(10,624)	-12%	**119,186**
Community and social services		8,230	12,897	13,558	672	7,096	10,168	(3,072)	-30%	13,558
Sport and recreation		50,562	63,813	60,909	3,956	40,144	45,681	(5,537)	-12%	60,909
Public safety		26,931	30,247	30,280	2,380	21,425	22,710	(1,285)	-6%	30,280
Housing		5,390	7,037	6,606	443	4,581	4,955	(374)	-8%	6,606
Health		7,146	7,824	7,832	629	5,519	5,874	(355)	-6%	7,832
Economic and environmental services		**121,915**	**158,670**	**302,958**	**13,553**	**109,090**	**227,218**	(118,127)	-52%	**302,958**
Planning and development		24,223	31,432	35,970	2,108	20,067	26,977	(6,911)	-26%	35,970
Road transport		86,259	118,681	254,766	10,402	80,612	191,074	(110,462)	-58%	254,766
Environmental protection		11,434	8,556	12,222	1,044	8,411	9,166	(755)	-8%	12,222
Trading services		**657,391**	**674,375**	**682,991**	**45,578**	**471,484**	**512,242**	(40,758)	-8%	**682,991**
Energy sources		333,777	424,020	427,457	28,517	300,101	320,593	(20,492)	-6%	427,457
Water management		155,030	103,892	107,011	5,835	70,855	80,258	(9,403)	-12%	107,011
Waste water management		92,857	85,015	84,300	6,613	56,686	63,225	(6,539)	-10%	84,300
Waste management		75,728	61,449	64,223	4,612	43,842	48,167	(4,325)	-9%	64,223
Other		**6,236**	**7,227**	**8,010**	**236**	**3,420**	**6,007**	**(2,587)**	**-43%**	**8,010**
Total Expenditure - Functional	3	**1,267,965**	**1,268,316**	**1,436,791**	**87,934**	**850,717**	**1,077,193**	**(226,476)**	**-21%**	**1,436,791**
Surplus/ (Deficit) for the year		**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**	**160,336**	**-482%**	**(44,919)**

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 – M09 March 2024

EC108 Kouga - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -										
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	65,385	373,839	317,065	56,775	17.9%	422,753
Vote 3 - CORPORATE SERVICES		9,373	1,194	789	124	273	592	(318)	-53.8%	789
Vote 4 - COMMUNITY SERVICES		225,297	127,808	263,317	6,854	93,718	197,488	(103,769)	-52.5%	263,317
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,785	688,565	677,226	60,475	489,399	507,919	(18,520)	-3.6%	677,226
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		11,828	6,215	27,788	16,700	20,534	20,841	(306)	-1.5%	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**	**1,391,872**	**149,538**	**977,764**	**1,043,904**	**(66,140)**	**-6.3%**	**1,391,872**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,197	70,802	67,881	4,462	43,600	50,908	(7,308)	-14.4%	67,881
Vote 2 - FINANCIAL SERVICES		212,317	115,941	133,019	8,259	73,719	99,752	(26,033)	-26.1%	133,019
Vote 3 - CORPORATE SERVICES		51,959	62,930	62,232	2,841	27,425	46,292	(18,867)	-40.8%	62,232
Vote 4 - COMMUNITY SERVICES		232,076	240,505	369,557	17,722	167,528	277,166	(109,638)	-39.6%	369,557
Vote 5 - INFRASTRUCTURE AND ENGINEERING		681,193	739,091	761,594	52,487	515,862	571,194	(55,332)	-9.7%	761,594
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	41,967	2,146	22,438	31,475	(9,037)	-28.7%	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**	**1,436,251**	**87,917**	**850,573**	**1,076,788**	**(226,215)**	**-21.0%**	**1,436,251**
Surplus/ (Deficit) for the year	2	**19,551**	**(33,178)**	**(44,379)**	**61,621**	**127,191**	**(32,884)**	**160,075**	**-486.8%**	**(44,379)**

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) – M09 March 2024

EC108 Kouga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) -										
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	75,243	497,693	500,490	(2,797)	-1%	667,320
Service charges - Electricity		306,477	390,731	352,780	35,606	264,820	264,585	235	0%	352,780
Service charges - Water		117,400	101,425	118,603	8,407	78,964	88,953	(9,988)	-11%	118,603
Service charges - Waste Water Management		61,797	63,314	64,268	5,370	45,462	48,201	(2,739)	-6%	64,268
Service charges - Waste management		61,945	66,396	66,782	5,169	43,745	50,086	(6,341)	-13%	66,782
Sale of Goods and Rendering of Services		9,189	7,790	9,000	382	4,555	6,750	(2,195)	-33%	9,000
Agency services		2,678	1,000	4,276	–	2,798	3,207	(410)	-13%	4,276
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	30,145	2,181	22,311	22,609	(297)	-1%	30,145
Interest earned from Current and Non Current Assets		6,824	4,598	11,674	1,231	10,850	8,755	2,095	24%	11,674
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,570	3,295	2,999	255	2,688	2,249	439	20%	2,999
Licence and permits		2,677	3,021	2,677	158	1,886	2,008	(122)	-6%	2,677
Operational Revenue		1,200	2,174	4,116	16,485	19,614	3,087	16,527	535%	4,116
Non-Exchange Revenue		591,574	496,618	630,091	67,321	431,488	472,568	(41,080)	-9%	630,091
Property rates		259,514	281,488	281,488	18,382	222,633	211,116	11,517	5%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132,853	10,334	134,597	49	5,073	100,948	(95,875)	-95%	134,597
Licence and permits		7,195	10,668	11,053	257	7,298	8,290	(992)	-12%	11,053
Transfer and subsidies - Operational		177,339	190,883	197,730	48,105	191,661	148,297	43,364	29%	197,730
Interest		3,729	3,244	5,223	528	4,824	3,917	907	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**	**1,297,411**	**142,564**	**929,181**	**973,058**	**(43,877)**	**-5%**	**1,297,411**
Expenditure By Type										
Employee related costs		364,306	447,813	441,256	30,648	286,872	330,940	(44,068)	-13%	441,256
Remuneration of councillors		13,700	15,140	15,140	1,192	11,350	11,355	(5)	0%	15,140
Bulk purchases - electricity		291,888	364,280	354,710	23,770	265,949	266,032	(83)	0%	354,710
Inventory consumed		91,082	94,345	102,856	6,121	71,711	75,521	(3,810)	-5%	100,695
Debt impairment		119,944	28,314	173,540	–	–	130,155	(130,155)	-100%	173,540
Depreciation and amortisation		124,787	109,663	109,663	9,139	82,248	82,246	2	0%	109,663
Interest		8,059	2,090	5,750	432	4,176	4,312	(136)	-3%	5,750
Contracted services		87,336	104,476	128,163	9,991	66,109	97,700	(31,591)	-32%	130,283
Transfers and subsidies		709	924	1,124	–	400	843	(443)	-53%	1,124
Irrecoverable debts written off		87,459	7,305	13,835	1,434	5,601	10,376	(4,775)	-46%	13,835
Operational costs		76,926	93,964	90,754	5,208	56,301	67,712	(11,410)	-17%	90,795
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1,267,965**	**1,268,316**	**1,436,791**	**87,934**	**850,717**	**1,077,193**	**(226,476)**	**-21%**	**1,436,791**
Surplus/(Deficit)		**(82,789)**	**(109,359)**	**(139,380)**	**54,629**	**78,464**	**(104,135)**	**182,599**	**(0)**	**(139,380)**
Transfers and subsidies - capital (monetary allocations)		102,222	75,561	94,462	6,974	48,583	70,846	(22,263)	**(0)**	94,462
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**			**(44,919)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**			**(44,919)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**			**(44,919)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**19,433**	**(33,798)**	**(44,919)**	**61,604**	**127,047**	**(33,289)**			**(44,919)**

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) – M09 March 2024

EC108 Kouga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) -

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	86	855	808	47	6%	1,077
Vote 2 - FINANCIAL SERVICES		1,802	–	2,957	254	1,489	2,218	(729)	-33%	2,957
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	4,199	–	1,599	3,149	(1,550)	-49%	4,199
Vote 5 - INFRASTRUCTURE AND ENGINEERING		93,551	76,521	90,233	7,606	44,603	67,675	(23,072)	-34%	90,233
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	19,941	–	–	14,956	(14,956)	-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**	**118,407**	**7,946**	**48,545**	**88,805**	**(40,260)**	**-45%**	**118,407**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	55	–	–	41	(41)	-100%	55
Vote 2 - FINANCIAL SERVICES		56	–	15	–	–	11	(11)	-100%	15
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	1,800	–	–	1,350	(1,350)	-100%	1,800
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	1,413	–	1,164	1,059	105	10%	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	–	1,164	2,462	**(1,298)**	**-53%**	3,283
Total Capital Expenditure	**3**	**113,966**	**79,343**	**121,690**	**7,946**	**49,709**	**91,267**	**(41,558)**	**-46%**	**121,690**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**4,960**	**340**	**2,611**	**3,720**	(1,109)	-30%	**4,960**
Executive and council		307	760	1,096	86	855	822	33	4%	1,096
Finance and administration		11,106	–	3,808	254	1,755	2,856	(1,101)	-39%	3,808
Internal audit		23	–	55	–	–	41	(41)	-100%	55
Community and public safety		**339**	**1,362**	**23,041**	**(84)**	**1,590**	**17,281**	(15,691)	-91%	**23,041**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	200	(84)	–	150	(150)	-100%	200
Public safety		–	1,362	3,000	–	1,590	2,250	(661)	-29%	3,000
Housing		–	–	19,841	–	–	14,881	(14,881)	-100%	19,841
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**16,297**	**1,002**	**11,577**	**12,223**	(646)	-5%	**16,297**
Planning and development		(161)	3,157	9,127	1,002	5,218	6,845	(1,627)	-24%	9,127
Road transport		13,241	3,339	6,771	–	6,359	5,078	1,281	25%	6,771
Environmental protection		–	–	400	–	–	300	(300)	-100%	400
Trading services		**89,111**	**70,124**	**77,392**	**6,689**	**33,932**	**58,044**	(24,112)	-42%	**77,392**
Energy sources		(47,280)	19,652	6,117	(838)	4,020	4,587	(567)	-12%	6,117
Water management		124,204	26,087	32,608	4,854	12,631	24,456	(11,825)	-48%	32,608
Waste water management		3,400	24,385	36,867	2,673	17,280	27,650	(10,370)	-38%	36,867
Waste management		8,786	–	1,800	–	–	1,350	(1,350)	-100%	1,800
Other		–	600	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**113,966**	**79,343**	**121,690**	**7,946**	**49,709**	**91,267**	**(41,558)**	**-46%**	**121,690**
Funded by:										
National Government		64,491	64,521	63,703	5,861	41,975	47,777	(5,803)	-12%	63,703
Provincial Government		–	–	19,841	–	–	14,881	(14,881)	-100%	19,841
District Municipality		–	1,362	3,000	–	1,590	2,250	(661)	-29%	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**	**86,544**	**5,861**	**43,564**	**64,908**	**(21,344)**	**-33%**	**86,544**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		40,688	13,460	35,146	2,085	6,145	26,359	(20,214)	-77%	35,146
Total Capital Funding	7	**113,966**	**79,343**	**121,690**	**7,946**	**49,709**	**91,267**	**(41,558)**	**-46%**	**121,690**

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 – M09 March 2024

EC108 Kouga - Table C6 Monthly Budget Statement - Financial Position -

Description	Ref	2022/23	Budget Year 2023/24			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		104,935	5,596	27,854	210,515	27,854
Trade and other receivables from exchange transactions		73,873	55,239	77,030	64,587	77,030
Receivables from non-exchange transactions		17,812	24,619	29,014	22,030	29,014
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,598	17,110	19,613	20,865	19,613
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**	**199,043**	**317,997**	**199,043**
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	2,011,733	2,071,115
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	603	197	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**	**2,274,539**	**2,334,326**
TOTAL ASSETS		**2,657,663**	**2,457,064**	**2,533,368**	**2,592,536**	**2,533,368**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,342	9,484	12,169	2,909	12,169
Consumer deposits		29,060	23,673	29,060	30,980	29,060
Trade and other payables from exchange transactions		126,241	77,412	126,033	105,184	126,033
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**	**215,175**	**193,005**	**215,175**
Non current liabilities						
Financial liabilities		24,202	8,637	11,207	26,285	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**	**151,522**	**255,754**
TOTAL LIABILITIES		**582,139**	**409,293**	**470,929**	**344,527**	**470,929**
NET ASSETS	2	**2,075,524**	**2,047,771**	**2,062,439**	**2,248,009**	**2,062,439**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,087,378	2,047,771	2,063,093	2,248,009	2,062,439
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,087,378**	**2,047,771**	**2,063,093**	**2,248,009**	**2,062,439**

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 – M09 March 2024

EC108 Kouga - Table C7 Monthly Budget Statement - Cash Flow -

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	270,495	263,776	20,008	201,369	(197,831)	399,200	-202%	(263,774)
Service charges		238,396	697,055	672,771	43,525	361,298	(504,578)	865,876	-172%	(672,771)
Other revenue		22,231	67,422	70,420	9,067	152,917	7,676	145,241	1892%	10,235
Transfers and Subsidies - Operational		147,988	190,883	190,883	45,575	187,285	131,402	55,883	43%	175,203
Transfers and Subsidies - Capital		–	75,561	74,950	45,432	99,677	(49,501)	149,178	-301%	(66,001)
Interest		841,486	4,598	11,674	4,744	39,291	8,755	30,536	349%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,214,498)	(93,937)	(860,612)	(928,211)	(67,599)	7%	(101,627)
Interest		–	–	(6,612)	(1,033)	(9,259)	(4,959)	4,300	-87%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	(843)	(843)	100%	(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**86,487**	**62,239**	**73,379**	**171,965**	**(1,538,090)**	**#######**	**111%**	**(914,799)**
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)	(9,138)	(57,125)	91,267	148,392	163%	121,690
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(127,102)**	**(9,138)**	**(57,125)**	**91,267**	**148,392**	**163%**	**121,690**
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)	(1,033)	(9,259)	–	9,259	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,033)**	**(9,259)**	**–**	**9,259**	**0%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(2,947)**	**(77,032)**	**63,208**	**105,580**	**(1,446,823)**			**(793,110)**
Cash/cash equivalents at beginning:		27,851	8,542	104,935		104,935	104,935			104,935
Cash/cash equivalents at month/year end:		1,843,400	5,596	27,903		210,515	(1,341,888)			(688,175)

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"

1. 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.

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

Below is an analysis of the outstanding consumer debtors as at 31 March 2024, compared to the position as at 30 June 2023.

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

Description	Budget Year 2023/24								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	23,055	5,562	6,308	7,115	15,070	9,944	23,917	82,031	173,002
Trade and Other Receivables from Exchange Transactions - Electricity	28,872	2,562	2,202	1,367	1,058	936	3,280	12,051	52,327
Receivables from Non-exchange Transactions - Property Rates	19,115	2,534	2,213	3,046	1,630	1,657	10,617	26,536	67,349
Receivables from Exchange Transactions - Waste Water Management	8,985	1,751	2,235	1,515	1,224	1,217	6,601	33,641	57,167
Receivables from Exchange Transactions - Waste Management	6,213	1,420	1,610	1,200	1,169	1,103	5,898	43,951	62,565
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,011	312	669	562	951	912	4,521	62,887	71,826
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(29,120)	508	479	410	359	377	2,071	17,523	(7,393)
Total By Income Source	**58,131**	**14,650**	**15,715**	**15,215**	**21,462**	**16,145**	**56,905**	**278,620**	**476,843**
Debtors Age Analysis By Customer Group									
Organs of State	1,603	705	757	1,914	552	455	1,046	5,167	12,197
Commercial	9,703	566	549	299	249	334	1,360	6,536	19,596
Households	46,824	13,379	14,409	13,002	20,660	15,355	54,494	266,913	445,035
Other	2	1	1	1	1	1	5	4	16
Total By Customer Group	**58,131**	**14,650**	**15,715**	**15,215**	**21,462**	**16,145**	**56,905**	**278,620**	**476,843**

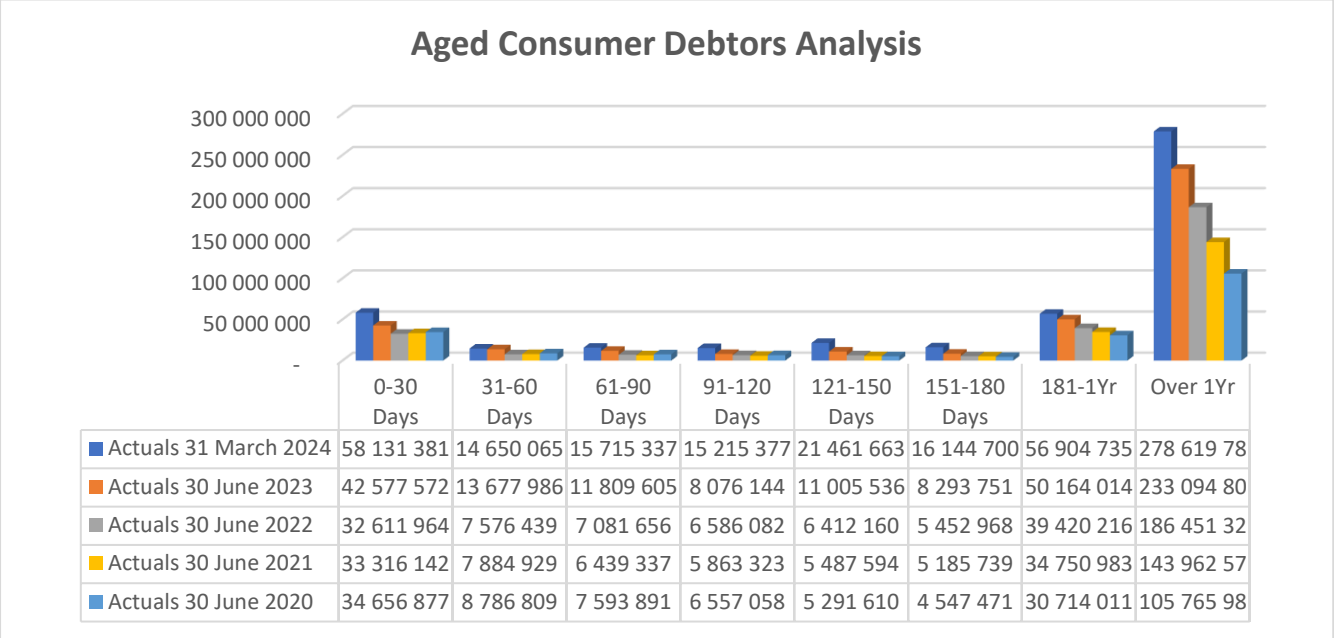
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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

The analysis indicates that from 30 June 2023 to 31 March 2024, the overdue debts have increased by R 82,590 million from R 336,122 million to R 418,712 million, as follows:

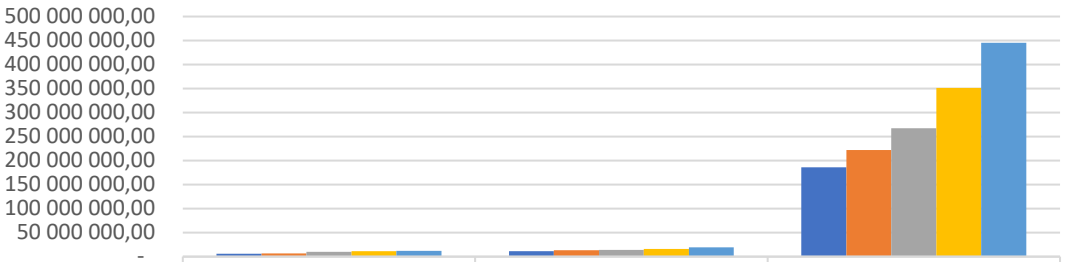
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-Mar-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	149,948	41,725
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	23,455	3,976
Receivables from Non-exchange Transactions - Property Rates	40,157	48,234	8,077
Receivables from Exchange Transactions - Waste Water Management	43,229	48,183	4,954
Receivables from Exchange Transactions - Waste Management	53,040	56,351	3,312
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	70,815	19,488
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,727	1,058
Total By Income Source	**336,122**	**418,712**	**82,590**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	10,594	229
Commercial	8,845	9,893	1,048
Households	316,912	398,211	81,299
Other	–	13	13
Total By Customer Group	**336,122**	**418,712**	**82,590**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 March 2024	58 131 381	14 650 065	15 715 337	15 215 377	21 461 663	16 144 700	56 904 735	278 619 78
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	12 196 874,17	19 595 534,35	445 035 010,80

1.2 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	27,134	4	6	6	6	6	(199)	–	**26,965**
Bulk Water	731	40	17	17	16	15	365	(1,460)	**(258)**
PAYE deductions	5,153								**5,153**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	5,077	100	415	245	(0)	192	40	1,748	**2,663**
Auditor General									**–**
Other									**–**
Total By Customer Type	**38,095**	**144**	**438**	**268**	**22**	**213**	**206**	**289**	**39,675**

The above amounts represent invoices still to be paid. The major creditors as at 31 March 2024 are as follows:

Eskom	R 26,965 million
NMBM	-R 0,258 million
PAYE	R 5,153 million
Other Creditors	R 2,663 million
Total	**R 39,675 million**

It is to be noted that the Eskom amount of R 26,965 million, represents the current account for March 2024, which will be fully paid on 23 April 2024.

PAYE deductions relate to the month of March and are due on 4 April 2024.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M09 March 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	45,450,500	186,290	186,290	–	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	45,126,000	180,506	180,506	-	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Schec	2,458	2,458	–	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	324,500	1,743	1,743	-	1,868
Energy Efficiency and Demand-side [Schedule 5B]		4,000		4,000	4,000		4,000
Provincial Government:	2,050	2,050	-	–	–	–	2,050
Library grant	2,050	2,050	-	–	–	–	2,050
District Municipality:	3,542	3,542	124,033	238	362	–	3,542
Environmental health subsidy	2,888	2,888	-	–	–	–	2,888
Skills Development subsidy	654	654	124,033	238	362		654
Total Operating Transfers and Grants	192,144	192,144	45,574,533	186,527,907	186,651,940	–	192,144
Capital Transfers and Grants							
National Government:	79,067	75,067	29,105	80,764	70,214	(10,550)	79,067
Energy Efficiency and Demand-side [Schedule 5B]	4,000	–	–	–	–		4,000
Municipal Disaster Relief Grant	3,000	3,000	10,550	13,550	3,000	- 10,550,000.00	3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,700	389	4,089	4,089	–	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	37,367	6,166	33,125	33,125	-	37,367
Water Services Infrastructure Grant	30,000	30,000	12,000	30,000	30,000	-	30,000
District Municipality:	1,362	1,362	-	1,586	1,586	–	1,362
Fire Services Subsidy	1,362	1,362	–	1,586	1,586	-	1,362
Total Capital Transfers and Grants	80,429	76,429	29,105	82,349	71,799	(10,550)	80,429
TOTAL RECEIPTS OF TRANSFERS & GRANTS	272,573	268,573	74,679	268,877	258,451	(10,550)	272,573

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M09 March 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	190,290	47,740	186,570	142,812	(43,758)	(0)	186,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	45,126	180,506	135,380	(45,126)	-33%	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Sched	2,458	2,321	615	2,044	1,741	(303)	-17%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	43	766	1,290	524	41%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,743	147	1,447	1,401	(45)	-3%	1,868
Energy Efficiency and Demand-side [Schedule 5B]	–	4,000	1,808	1,808	3,000	1,192	40%	3,000
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	124	238	3,542	3,304	0	3,542
Environmental health subsidy	2,888	2,888	–	–	2,888	2,888	100%	2,888
Skills Development subsidy	654	654	124	238	654	416		654
Total operating expenditure of Transfers and Grants:	192,144	195,882	47,864	186,808	148,404	(38,404)	187%	192,144
Capital expenditure of Transfers and Grants								
National Government:	79,067	70,214	6,974	46,728	52,660	5,932	(0)	75,067
Municipal Disaster Relief Grant	3,000	3,000	62	2,992	2,250	(742)		3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,089	282	4,604	3,067	(1,537)	-50%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	33,125	3,633	27,245	24,843	(2,401)	-10%	37,367
Water Services Infrastructure Grant	30,000	30,000	2,998	11,887	22,500	10,613	47%	30,000
District Municipality:	1,362	1,362	1,590	1,590	3,000	1,411	0	3,000
Fire Services Subsidy	1,362	1,362	1,590	1,590	3,000	1,411	47%	3,000
Total capital expenditure of Transfers and Grants	80,429	71,576	8,564	48,318	55,660	7,343	13%	78,067
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	272,573	267,458	56,428	235,126	204,064	(31,062)	-15%	270,211

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 766,148
Unspent as at 31 March 2024:	R 953,852

The spending of the grant amounted to 44.54% as at 31 March 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 2,321,000
Amount of Grant Received:	R 2,321,000
Expenditure to date:	R 2,043,819
Unspent as at 31 March 2024:	R 277,181

The spending of the grant amounted to 88.06% as at 31 March 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 34,868,000
Amount of Grant Received:	R 34,868,000
Expenditure to date:	R 28,691,253
Unspent as at 31 March 2024:	R 6,176,747

The spending of the grant amounted to 82.29% as at 31 March 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 4,089,000
Expenditure to date:	R 2,960,062
Unspent as at 31 March 2024:	R 1,128,938

The spending of the grant amounted to 72.39% as at 31 March 2024, compared to the amount of the grant received.

Approved INEP Rollovers

2022/23 unspent amount:	R 2,894,953
Expenditure to date:	R 1,644,022
Unspent as at 31 March 2024:	R 1,250,931

The spending of the grant amounted to 56.79% as at 31 March 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 30,000,000
Expenditure to date:	R 11,887,299
Unspent as at 31 March 2024:	R 18,112,701

The spending of the grant amounted to 39.62% as at 31 March 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 1,807,840
Unspent as at 31 March 2024:	R 2,192,160

The spending of the grant amounted to 45.20% as at 31 March 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 2,992,260
Unspent as at 31 March 2024:	R 7,740

The spending of the grant amounted to 99.74% as at 31 March 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	3,040,453	217,690
Human Settlement	19,840,733	-	19,840,733
Total	**23,098,876**	**3,040,453**	**20,058,423**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M09 March2024.

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	791	7,573	7,576	(3)	0%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	11	93	–	93		–
Motor Vehicle Allowance		3,066	3,407	3,407	272	2,547	2,555	(8)	0%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	1,137	1,224	(87)	-7%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,192**	**11,350**	**11,355**	**(5)**	**0%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	8,210	721	4,947	6,157	(1,210)	-20%	8,210
Pension and UIF Contributions		61	117	117	6	49	88	(39)	-45%	117
Medical Aid Contributions		31	52	52	3	24	39	(15)	-38%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	–	312	1,146	(835)	-73%	1,528
Motor Vehicle Allowance		490	2,072	1,922	74	420	1,441	(1,021)	-71%	1,922
Cellphone Allowance		10	10	10	1	14	8	7	90%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	4	(3)	-88%	5
Payments in lieu of leave		4,195	4,743	4,543	938	4,802	3,407	1,395	41%	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**	**1,742**	**10,568**	**12,290**	**(1,722)**	**-14%**	**16,387**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	267,361	19,273	173,832	200,520	(26,689)	-13%	267,361
Pension and UIF Contributions		33,322	36,936	37,186	2,899	26,626	27,889	(1,263)	-5%	37,186
Medical Aid Contributions		17,746	18,588	18,788	1,675	14,068	14,091	(23)	0%	18,788
Overtime		27,987	29,013	28,663	2,553	22,638	21,497	1,141	5%	28,663
Performance Bonus		23	25	25	–	25	18	6	34%	25
Motor Vehicle Allowance		10,408	11,356	11,856	854	8,235	8,892	(657)	-7%	11,856
Cellphone Allowance		21	56	56	1	9	42	(33)	-79%	56
Housing Allowances		722	1,234	1,234	60	553	926	(372)	-40%	1,234
Other benefits and allowances		32,223	34,740	35,840	1,418	28,934	26,880	2,054	8%	35,840
Post-retirement benefit obligations	2	15,362	20,887	20,887	–	1	15,666	(15,665)	-100%	20,887
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,006**	**462,953**	**456,555**	**31,840**	**298,221**	**342,414**	**(44,193)**	**-13%**	**456,555**
TOTAL MANAGERS AND STAFF		**364,306**	**447,813**	**441,415**	**30,648**	**286,872**	**331,059**	**(44,187)**	**-13%**	**441,415**

1.5. Key performance indicators

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

Borrowing Management		**Actuals as at 30 June 2020**	**Actuals as at 30 June 2021**	**Actuals as at 30 June 2022**	**Actuals as at 30 June 2023**	**Approved Adjusted Budget 2023/24**	**Actuals as at 31 March 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.21%	1.31%	0.26%
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	0.92:1	1.69:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	0,42	0.12:1	1.12:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	86.71%	92%	85.62%

Other indicators		Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Approved Adjusted Budget 2023/24	Actuals as at 31 March 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	0.27 Months	1.56 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	28,30%	30.71%	33.72%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	94,66%	95%	40.85%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	3,79%	4.15%	3.92%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	2,32%	2.89%	1.66%
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%	84.76%	83.63%

The above table is discussed in detail below.

1.1. Borrowing Management

1.1.1. 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 0.26% as at 31 March 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.

1.1.2. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 March 2024, the ratio indicates 0.00, compared to the approved adjusted budget of 0.01.

1.1.3. Current ratio

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

The ratio is determined as follows:

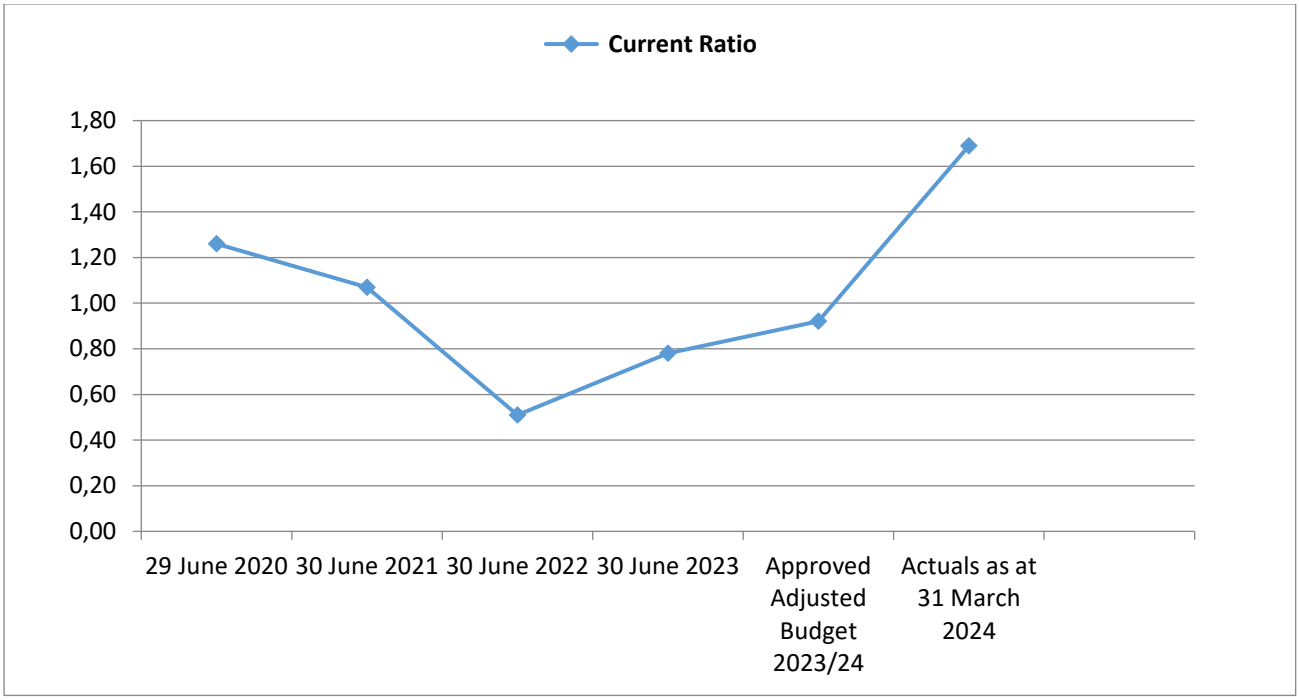
Current assets/Current liabilities

The ratio as at 31 March 2024 was 1.69:1, compared to the approved adjusted budget ratio of 0.92:1

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.



1.1.4. Liquidity Ratio

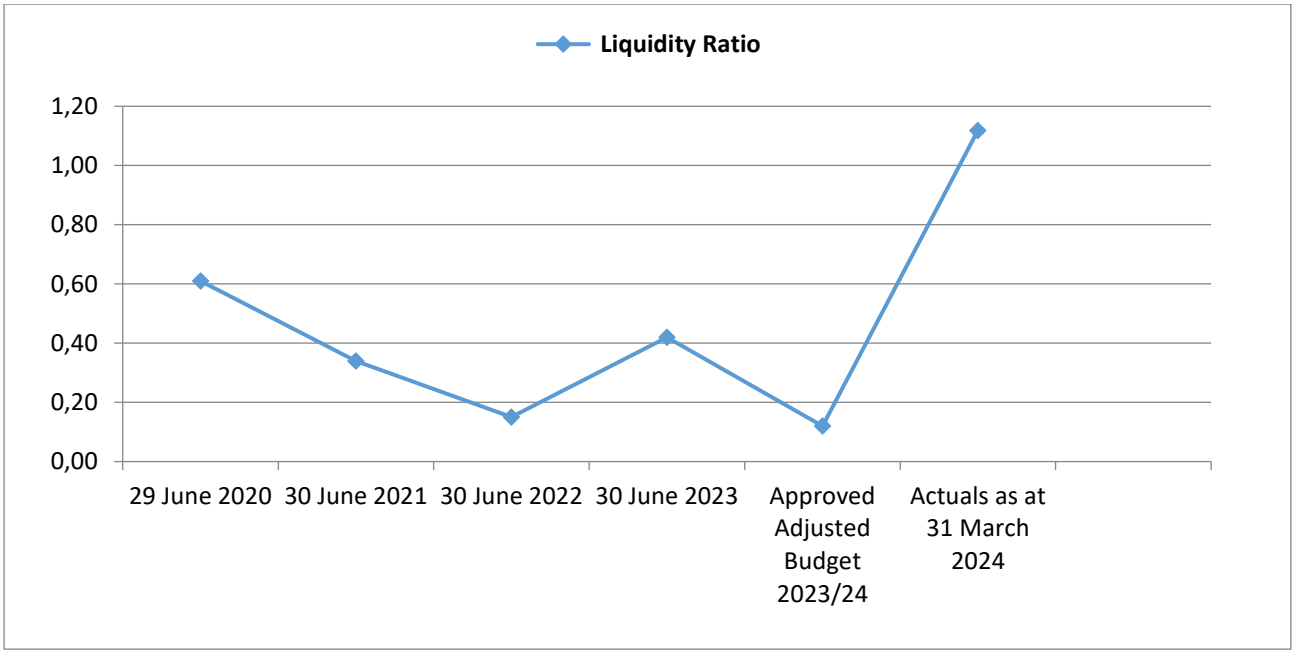
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 March 2024 was 1.12:1 compared to the approved adjusted budget ratio of 0.12:1.

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



1.2. Revenue Management

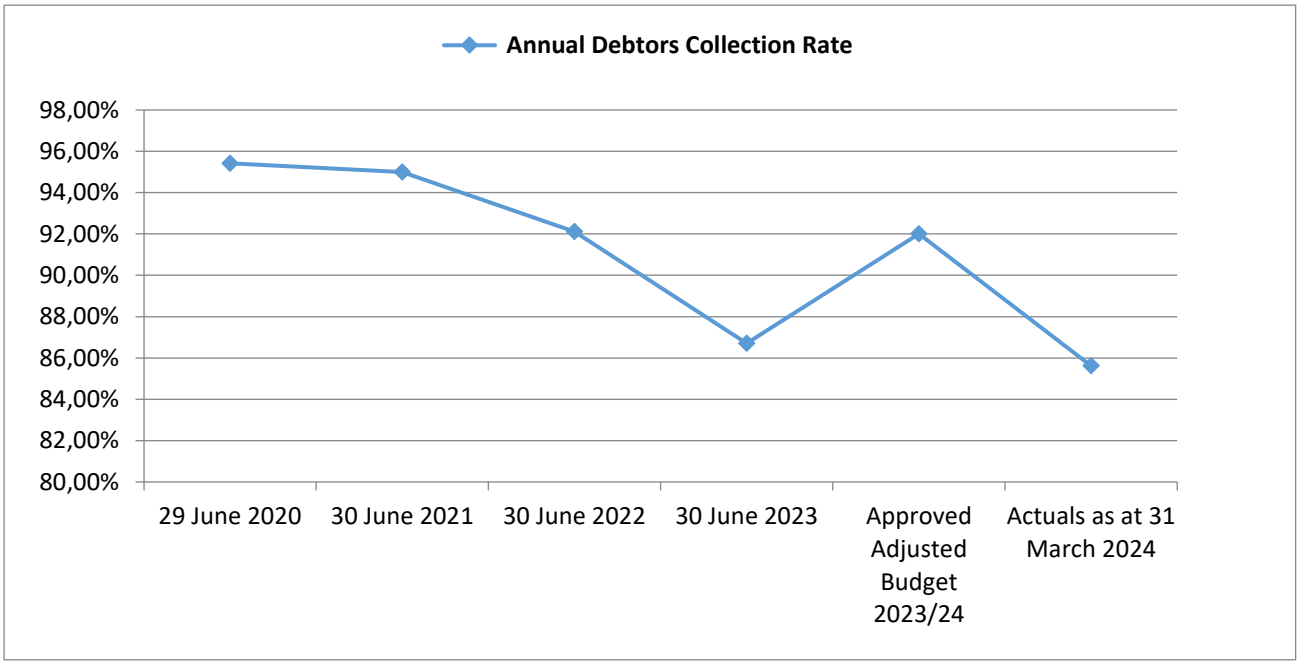
1.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 31 March 2024 was 85.62%, compared to the approved adjusted budget collection rate of 92%. The actual collection rate for March is 97.01%.



1.3. Other indicators

1.3.1. Cost coverage

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

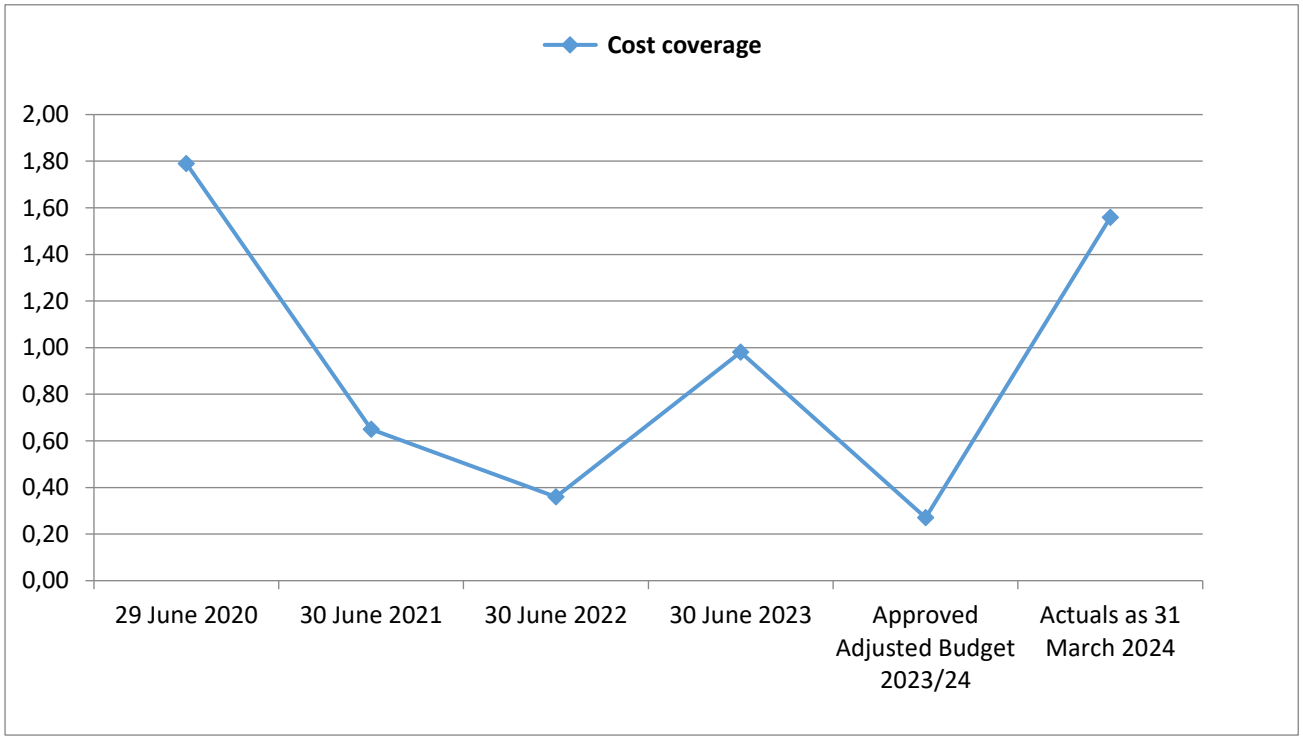
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 March 2024, the Ratio was 1.56 months, compared to the approved adjusted budget ratio of 0.27 months.

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



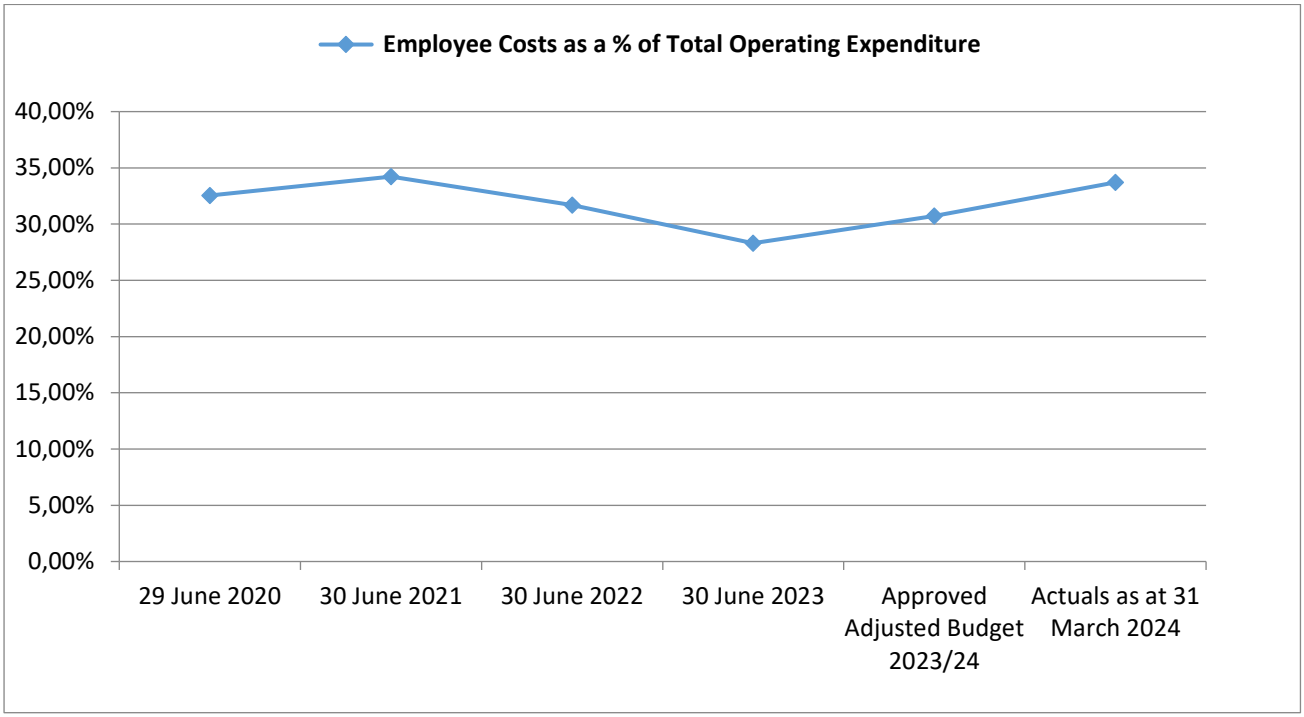
1.3.2. Employee costs as a % of Total Operating Expenditure

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

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 March 2024, Employee Related Costs constituted 33.7% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 30.71%.



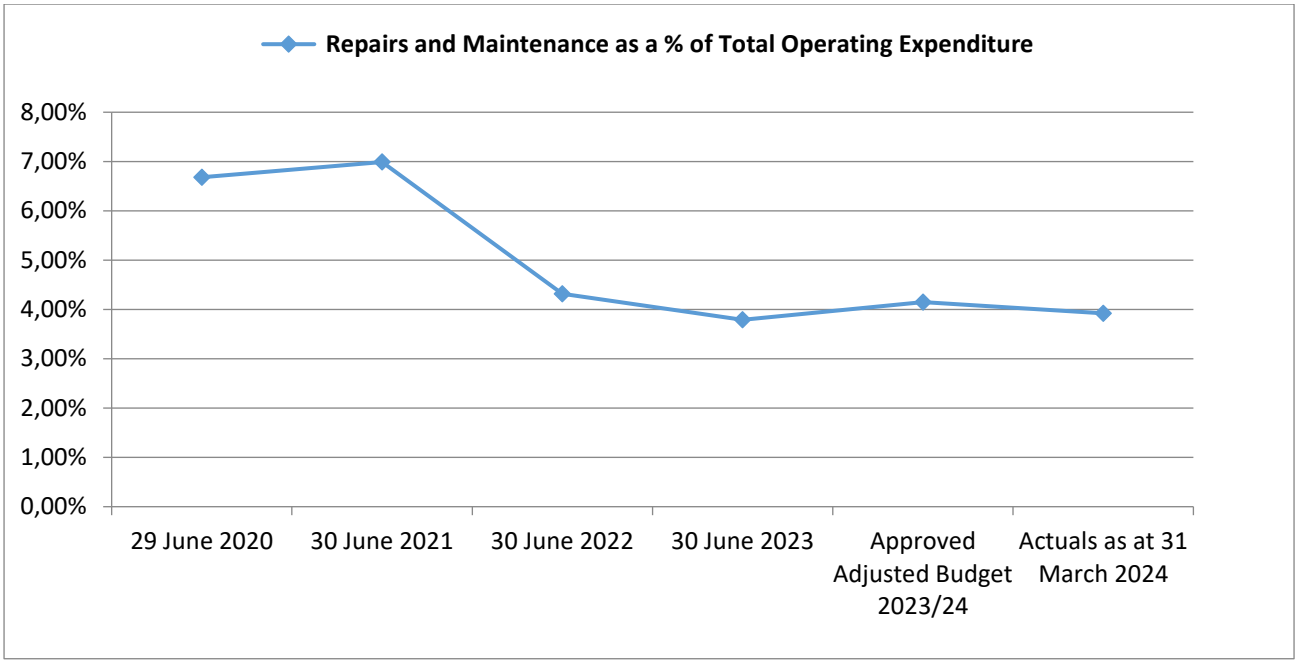
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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

The ratio is determined as follows:

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

As at 31 March 2024, the ratio was 3.92%, compared to the approved adjusted budget ratio of 4.15%.



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

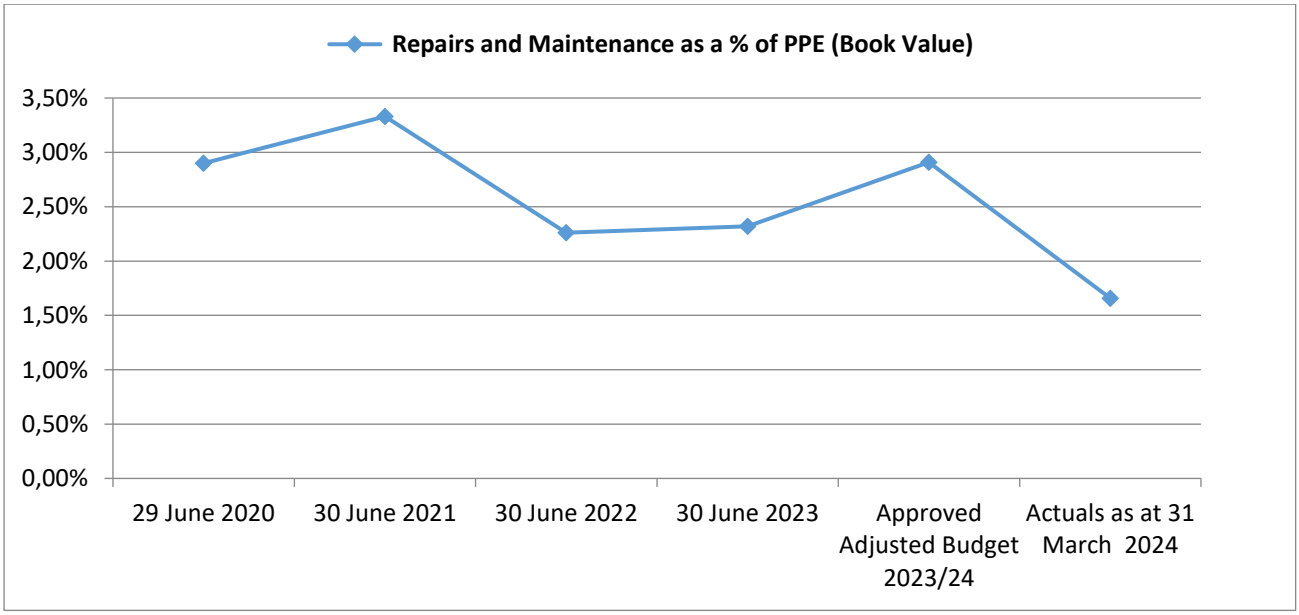
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 March 2024, repairs and maintenance expenditure constituted 1.66% of the book value of PPE, compared to the approved adjusted budget ratio of 2.89%.

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



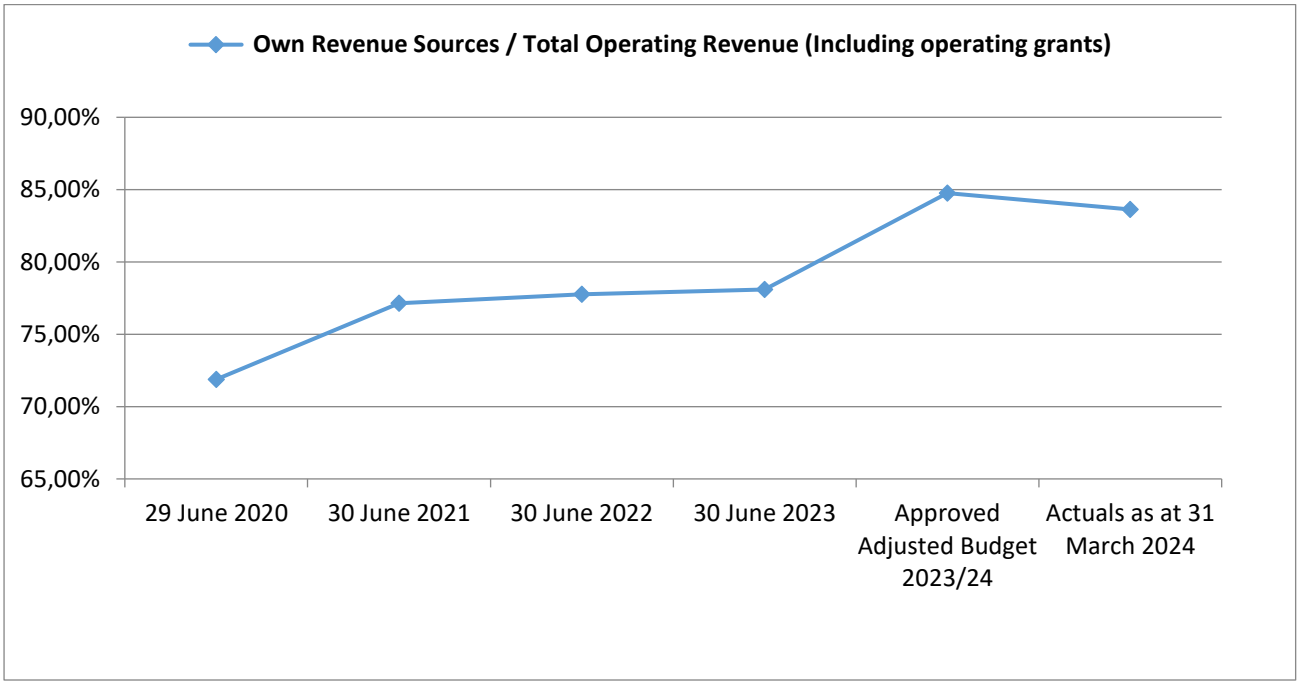
Own Revenue Generation

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

The ratio is determined as follows:

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

As at 31 March 2024, the Municipality's own revenue sources constituted 83.63% of its total Operating Income, compared to the approved adjusted budget ratio of 84.76%.



1.3.5. Capital Budget Spending

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

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 March 2024 amounted to 40.85%, compared to the approved adjusted budget ratio of 95%.

