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

1. **Introduction**

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act (MFMA) read together with Regulations Section 28 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

2. **Background**

MFMA Accountability cycle begins with the preparation and approval of the IDP, MTREF and SDBIP, which is followed by in year reporting, Annual Financial Statements, Annual Audit (Audit Report) and ultimately Annual and Oversight Reports. The MFMA legislates what must be reported on, by when, and the Municipal Budget and Reporting Regulations prescribes the format of the reports.

In accordance with Section 71(1) of the MFMA, the Accounting Officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with regulations 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C and include all the required tables, charts, and explanatory information, considering any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act".

3. **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 May 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 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. **<u>Comments by Directorates:</u>**

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 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……12 June 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 May 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 1,075,533 million, whilst operating expenditure amounted to R 1,023,458 million, resulting in an operating surplus of R 52,076 million.
- Capital expenditure constituted 46.83% of the 2023/24 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 93,691 million (27.87%) since June 2023.
- An amount of R 34,010 million is owing to creditors, 99.51% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 77,655,570 (74%) since June 2023, from R 104,934,592 to R 182,590,162.

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

	Balance as at 30 June 2023	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 May 2024
Standard Bank	17,575,390	15,928,182	1,560,086	3,750,000		31,313,658
ABSA	17,594,065	15,723,166	1,808,386	3,750,368	1,525	31,373,725
Nedbank	17,580,745	15,861,860	1,643,959	3,750,000		31,336,563
RMB	13,004,007	137,552,311	2,374,678	125,608,133		27,322,863
INVESTEC	17,580,053	15,862,577	1,641,290	3,750,000		31,333,920
Total	**83,334,260**	**200,928,096**	**9,028,398**	**140,608,501**	**1,525**	**152,680,728**
INVESTMENT	**Balance as at 30 June 2023**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 May 2024**
General Account	54,340,431	113,680,180	7,669,365	73,142,928	1,525	102,545,523
Conditional Grants	9,153,096	85,227,000		66,189,578	-	28,190,518
Housing Funds	19,840,733	2,020,916	1,359,033	1,275,995	-	21,944,688
Total	**83,334,260**	**200,928,096**	**9,028,398**	**140,608,501**	**1,525**	**152,680,728**
Cheque Accounts FNB 52540020791	15,413,743		(12,741,910)			2,671,833
Cheque Accounts FNB 52540033304	3,874,471	16,425,887				20,300,358
Cheque Accounts FNB 62682103591	780	1,183				1,963
Cheque Accounts FNB 63022194441	2,311,338	4,623,941				6,935,279
	21,600,332	**21,051,012**	**(12,741,910)**	**-**	**-**	**29,909,433**
Total	**104,934,592**	**221,979,108**	**(3,713,512)**	**140,608,501**	**1,525**	**182,590,162**

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

Cash backed Reserves.

Bank Balances and Cash	R 29,909,433
Short-term Investment Deposits	R 152,680,728
	R 182,590,162

Application of Cash

Unspent Conditional Grants	R 48,871,533
Operational and capital commitments	R 21,684,458
Outstanding Creditors Liability	R 34,010,469
	R 104,566,460
Cash Reserves exceed commitments:	**R 78,023,702**

The cash backed reserves exceed commitments at this stage by an amount of R 78,023,702. It should be noted the excess of reserves over commitments as at 31 May 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 May 2023	Approved Adjusted Budget 2023/24	Actuals as at 31 May 2024
Current Ratio	0.51:1	0.78:1	1.5:1 to 2:1	1.42:1	0.92:1	1.68:1
Liquidity Ratio	0.15:1	0.42:1		0.86:1	0.12:1	1.08:1
Cost Coverage (Excluding unspent conditional grants)	0:36 Months	0.98 Months	1 Month to 3 Months	1.03 Months	0.27 Months	1.59 Months
Debtors Collection Rate	94.32%	86.71%	95%	86.80%	92%	87.83%
Capital Expenditure	123.92%	94.66%	95%	73.36%	95%	46.83%

"ANNEXURE A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO MAY 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	1 313 738	76 448	1 075 533	1 204 259	(128 726)
Total Expenditure	1 268 316	1 436 791	78 216	1 023 458	1 317 944	(294 487)
Surplus/(Deficit)	(109 359)	(124 053)	(1 768)	52 076	(113 685)	165 761

The statement of financial performance reflects an operating surplus of R 52,076 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	**683,647**	**602,418**	**88.12%**
Service charges - Electricity	352,780	328,161	93.02%
Service charges - Water	118,603	86,372	72.82%
Service charges - Waste Water Management	64,268	56,246	87.52%
Service charges - Waste management	66,782	54,102	81.01%
Sale of Goods and Rendering of Services	9,000	5,236	58.18%
Agency services	4,276	3,300	77.16%
Interest earned from Receivables	30,145	27,421	90.96%
Interest earned from Current and Non Current Assets	11,674	13,575	116.29%
Rental from Fixed Assets	2,999	2,979	99.33%
Licence and permits	2,677	2,217	82.82%
Operational Revenue	20,443	22,810	111.58%
Non-Exchange Revenue	**630,091**	**473,115**	**75.09%**
Property rates	281,488	260,859	92.67%
Fines, penalties and forfeits	134,597	5,176	3.85%
Licence and permits	11,053	7,785	70.43%
Transfer and subsidies - Operational	197,730	193,474	97.85%
Interest – Property rates	5,223	5,821	111.44%
Total Revenue (excluding capital transfers and contributions)	**1,313,738**	**1,075,533**	**81.87%**

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.

- **Service Charges -Water**
  The water revenue is significantly lower than anticipated due to availability charges. The availability charges is 43% lower than anticipated, compared to the approved adjustments budget amounting to R 41,845 million.

- **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. The building fees are 30% lower than anticipated, compared to the approved adjustments budget amount.

- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences, drivers' licences and other vehicle permits. The commission is then influenced by the revenue collected on behalf of the Department of Transport.

- **Interest earned – external investments.**
  The interest earned on external investments is largely influenced by the municipality's investment portfolio, currently amounts to R182,590 million. The investment amount of R 182,590 million includes call accounts amounting to R 48,872 million for the unspent conditional grants.

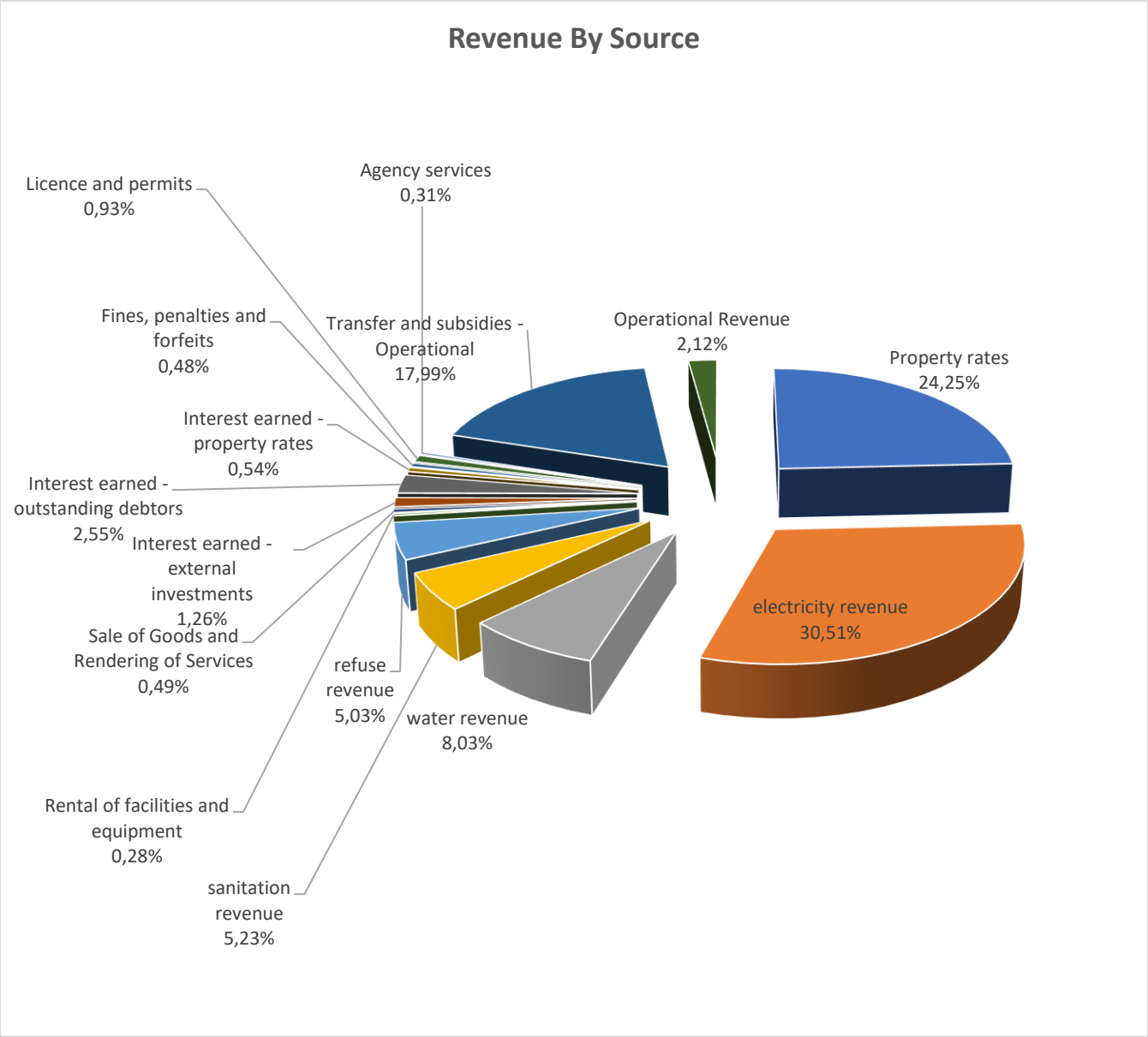
- **Exchange Transactions: Licences and permits.**
  Licence and permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations.

- **Operational revenue**
  Other revenue is influenced by augmentation fees received amounting to R 5,603 million, against no budget provision.

- **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.

- **Non-Exchange Transactions: Licences and permits.**
  The non-exchange revenue for licences and permits is largely influenced by the boat licences being lower than anticipated.

- **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 48,643 million as at 31 May 2024.



1.3. Expenditure

Main expenditure types for 2023/24

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue			
Expenditure By Type			
Employee related costs	442,256	347,858	78.66%
Remuneration of councillors	15,140	13,784	91.04%
Bulk purchases - electricity	354,710	312,834	88.19%
Inventory consumed	102,102	88,363	86.54%
Debt impairment	173,540	–	0.00%
Depreciation and amortisation	109,663	91,387	83.33%
Interest	5,750	5,073	88.23%
Contracted services	128,758	86,017	66.81%
Transfers and subsidies	1,124	500	44.47%
Irrecoverable debts written off	13,835	5,601	40.49%
Operational costs	90,913	72,041	79.24%
Total Expenditure	**1,437,791**	**1,023,458**	**71.18%**

Reasons for major over-/under expenditure per type

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

- **Employee related costs**
  Employee related costs expenditure is largely influenced by the post-retirement benefits and other benefits which recognised at year-end during the preparation of annual financial statements. The budget for post-retirement and other benefits amount to R 20,887 million.

- **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 May 2024	%
Inventory Consumed: Consumables	3 515 321	2 390 316	68,00%
Inventory Consumed: Materials and Supplies	32 861 559	26 016 812	79,17%
Inventory Consumed: Fuel & Oil	26 176 328	22 767 038	86,98%
Inventory Consumed: Bulk Water Purchases	39 548 316	37 188 594	94,03%
Total	**102 101 524**	**88 362 760**	**86,54%**

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

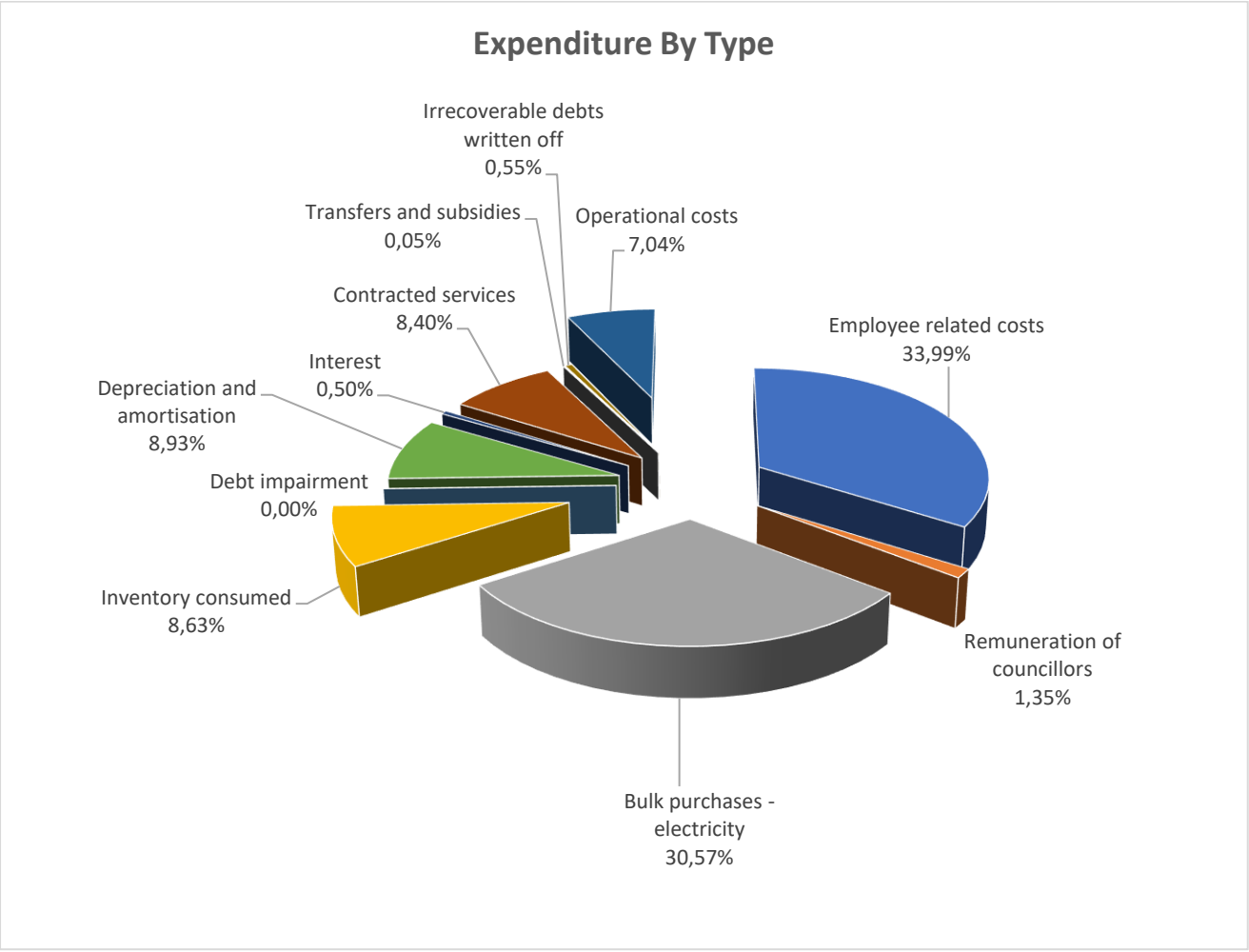
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 May 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	187,227	-	0.00%
Amanzi Challenge National Tournament	200,000	78,300	39.15%
Animal Care	483,929	-	0.00%
Burial Services	79,492	48,095	60.50%
Calamari Festival	200,000	200,000	100.00%
Catering Services	1,033,652	658,106	63.67%
Clearing and Grass Cutting Services	1,446,576	1,099,811	76.03%
Conducting of feasibility studies (EIA)	2,000,000	-	0.00%
Connection/Dis-connection:Electricity	588,300	97,581	16.59%
Consultants and Professional Services	7,995,941	3,505,657	43.84%
Destination Marketing and Promotion	500,000	424,728	84.95%
Drivers Licence Cards	598,675	454,171	75.86%
DP WORLD TOUR	400,000	400,000	100.00%
Dune Stabilisation	1,120,000	858,137	76.62%
Electricity Generation Project	2,000,000	812,940	40.65%
Employee Wellness	13,196	18,269	138.44%
ERF554 SUB DIVISION AND REZONING	200,000	-	0.00%
Event Promoters	100,000	53,830	53.83%
FMG-Data cleasing	447,826	80,767	18.04%
Internal Auditors	113,000	27,800	24.60%
ICT CONSULTANTS TENDER (SECURITY)	-	(311,353)	
KLTO	300,000	300,000	100.00%
Laboratory Services:Water	1,372,063	468,136	34.12%
Land Valuations, Surveyor & Planning Service	393,548	109,572	27.84%
Legal Advice and Litigation	5,790,000	3,789,087	65.44%
Legal Cost:Collection	856,000	756,799	88.41%
Litter Picking and Street Cleaning	98,896	29,500	29.83%
Maintenance of Buildings and Facilities	6,657,077	4,306,362	64.69%
Maintenance of Electrical Infrastructure	4,774,517	3,127,943	65.51%
Maintenance of Equipment	753,473	471,159	62.53%
Maintenance of Sanitation Infrastructure	6,350,145	4,110,309	64.73%
Maintenance of Vehicles	8,712,661	6,475,264	74.32%
Maintenance of Water Infrastructure	889,659	502,090	56.44%
Media Monitoring	140,000	52,638	37.60%
Occupational Health and Safety	1,254,657	931,016	74.20%
Other Contracted Services	3,262,734	2,942,481	90.18%
Payroll data cleansing	400,000	94,689	23.67%
Personnel and Labour	16,638,676	11,193,682	67.28%
PM: Special Projects	36,360	-	0.00%
Precinct Plans Project Hankey and St Francis	234,600	-	0.00%
Private Plots_Alien Vegetation Control	380,550	368,110	96.73%
Qualification Verification	298,000	273,569	91.80%
Restricted Water Flow	588,300	1,480	0.25%
Revision of SDF	850,000	-	0.00%
Roads Maintenance	22,871,238	16,916,537	73.96%
Security Services	6,383,152	5,989,030	93.83%
Special Rating Area	12,072,328	9,415,918	78.00%
Summer Festival	500,000	491,323	98.26%
Tourism &Travel Trade Show	600,000	179,698	29.95%
Township Events	150,000	-	0.00%
Transport Services	361,000	96,684	26.78%
Valuer	1,200,000	970,405	80.87%
Water Quality	355,158	216,143	60.86%
Winterfest	1,725,461	1,725,461	100.00%
Yellow Wood Annual Jazz Festival	500,000	200,000	40.00%
	128,758,067	**86,016,926**	**66.81%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2023/24	Actuals as at 31 May 2024	%
Achievements and Awards	1,543,481	1,252,205	81.13%
Advertising, Publicity and Marketing	3,083,244	2,216,175	71.88%
Bank Charges	1,150,000	1,142,005	99.30%
Bargaining Council	4,360,213	4,299,144	98.60%
Cellular Contract (Subscription and Calls)	2,896,864	2,075,014	71.63%
Claims paid to Third Parties	550,000	497,766	90.50%
External Audit Fees	4,500,000	4,525,739	100.57%
External Computer Service:Internet Charge	4,500,000	5,398,892	119.98%
Hire Charges	10,324,886	6,615,126	64.07%
Insurance Claims	1,150,000	357,742	31.11%
Insurance Underwriting:Premiums	4,099,701	3,909,419	95.36%
Leases:Furniture and Office Equipment	3,878,688	2,949,101	76.03%
Leases:Other Assets	3,976,240	3,973,955	99.94%
Motor Vehicle Licence and Registrations	1,596,047	1,004,458	62.93%
Other	1,092,064	238,268	21.82%
Postage/Stamps/Franking Machines	2,655,000	1,595,581	60.10%
Printing, Publications and Books	10,000	913	9.13%
Registration Fees:Professional and Regulatory Bodies	468,876	160,416	34.21%
Registration Fees:Seminars, Conferences, Workshops	1,840,091	1,476,011	80.21%
Remuneration to Ward Committees	2,700,000	1,906,800	70.62%
Riparian Levies	7,465,557	6,829,770	91.48%
Signage	540,134	258,832	47.92%
Skills Development Fund Levy	3,964,204	3,444,133	86.88%
Software Licences	8,211,461	5,295,796	64.49%
Storage of Files (Archiving)	100,000	44,150	44.15%
Supplier Development Programme	71,514	-	0.00%
Third Party Vendors	3,780,000	2,876,780	76.11%
Travel and Subsistence	3,318,929	1,826,334	55.03%
Uniform and Protective Clothing	3,984,480	3,186,538	79.97%
Vehicle Tracking	942,637	798,699	84.73%
Workmen's Compensation Fund	2,158,836	1,885,427	87.34%
	90,913,147	**72,041,187**	**79.24%**



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 May 2024	%
Hire Charges	5,416,775	4,065,038	75.05%
Maintenance of Sanitation Infrastructure	7,567,570	4,698,324	62.08%
Maintenance of Electrical Infrastructure	9,754,896	8,004,619	82.06%
Sport and Recreation Facilities	447,169	426,909	95.47%
Roads Maintenance	7,054,132	4,633,473	65.68%
Maintenance of Water Infrastructure	6,884,737	5,707,613	82.90%
Maintenance of Buildings and Facilities	7,669,316	5,185,212	67.61%
Maintenance of Vehicles	10,935,627	8,785,227	80.34%
Maintenance of Equipment	1,125,032	842,707	74.91%
Total	**56,855,254**	**42,349,124**	**74.49%**

It is to be noted that actual repairs and maintenance expenditure constituted 74.49% 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	328,161	93.02%
Interest earned from Receivables	1,964	2,425	123.42%
Operational Revenue	(0)	1,217	0.00%
Transfers and subsidies - Operational	8,955	5,545	61.92%
Total Revenue	**363,700**	**337,348**	**92.75%**
Expenditure By Type			
Employee related costs	16,457	15,110	91.82%
Bulk purchases - electricity	354,710	312,834	88.19%
Inventory consumed	11,636	9,230	79.33%
Debt impairment	16,366	–	0.00%
Depreciation and amortisation	6,944	6,901	99.38%
Contracted services	12,927	7,177	55.52%
Irrecoverable debts written off	4,350	341	7.84%
Operational costs	4,068	2,493	61.29%
Total Expenditure	**427,457**	**354,087**	**82.84%**
Surplus/(Deficit)	**(63,758)**	**(16,739)**	

1.5.1.1 Revenue

- The electricity revenue reflects 93.02% of budget as at 31 May 2024, and this is in line with the projected budget ratio of 91.67% as at 31 May 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 88.19% of budget expenditure as at 31 May 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 16,739 million as at 31 May 2024 and the deficit amount equates to 4.96%, 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	86,372	72.82%
Interest earned from Receivables	14,487	12,484	86.17%
Transfers and subsidies - Operational	19,797	14,848	75.00%
Total Revenue	**152,887**	**113,703**	**74.37%**
Expenditure By Type			
Employee related costs	27,733	23,113	83.34%
Inventory consumed	47,794	45,089	94.34%
Debt impairment	8,432	–	0.00%
Depreciation and amortisation	16,097	12,501	77.66%
Contracted services	2,641	1,366	51.70%
Irrecoverable debts written off	2,241	2,213	98.73%
Operational costs	2,072	1,421	68.55%
Total Expenditure	**107,011**	**85,701**	**80.09%**
Surplus/(Deficit)	**45,876**	**28,002**	

1.5.2.1 Revenue

- The water revenue reflects 72.82% of budget as at 31 May 2024, this is slightly lower than the projected budget ratio of 91.67% as at May 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 37,189 million (94.03% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 28,002 million as at 31 May 2024 and equates to 24.63% 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	56,246	87.52%
Interest earned from Receivables	5,327	4,927	92.48%
Transfers and subsidies - Operational	13,345	10,009	75.00%
Total Revenue	**82,941**	**71,181**	**85.82%**
Expenditure By Type			
Employee related costs	24,642	23,458	95.19%
Inventory consumed	12,336	9,670	78.39%
Debt impairment	4,398	–	0.00%
Depreciation and amortisation	28,156	23,360	82.97%
Contracted services	4,970	2,771	55.76%
Irrecoverable debts written off	1,169	965	82.56%
Operational costs	8,629	6,168	71.48%
Total Expenditure	**84,300**	**66,392**	**78.76%**
Surplus/(Deficit)	**(1,359)**	**4,789**	

1.5.3.1 Revenue

- The wastewater revenue reflects 87.52% of budget as at 31 May 2024, and this is in line with the projected budget ratio of 91.67% as at 31 May 2024.
- Interest earned from receivables reflects 92.48% 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 4,789 million as at 31 May 2024 and equates to 6.73% of total revenue. Council approved a deficit budget of R 1.359 million for the 2023/24 financial year.

1.5.4 Waste Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	66,782	54,102	81.01%
Sale of Goods and Rendering of Services	8	3	39.30%
Interest earned from Receivables	8,037	7,260	90.33%
Operational Revenue	150	–	0.00%
Transfers and subsidies - Operational	27,381	21,340	77.94%
Total Revenue	**102,358**	**82,705**	**80.80%**
Expenditure By Type			
Employee related costs	36,066	36,683	101.71%
Inventory consumed	9,056	6,789	74.96%
Debt impairment	4,729	–	0.00%
Depreciation and amortisation	3,195	2,210	69.15%
Contracted services	16,203	10,487	64.72%
Irrecoverable debts written off	1,257	1,659	132.01%
Operational costs	5,869	4,018	68.45%
Total Expenditure	**76,375**	**61,846**	**80.98%**
Surplus/(Deficit)	**25,983**	**20,860**	

1.5.4.1 Revenue

- The waste revenue reflects 81.01% of budget as at 31 May 2024, and this is slightly lower than the projected budget ratio of 91.67% as at 31 May 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 R20,860 million as at 31 May 2024 and equates to 25.22% of total revenue. Council approved a surplus budget of R 25,983 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	16,538	11,119	15,160	(4,041)
2. Travel claims	3,412	3,319	1,826	3,042	(1,216)
4. Overtime	20,282	19,932	19,151	18,271	880
5. Catering Costs	1,489	1,034	658	948	(289)
6. Events, Advertising and sponsorships	5,410	4,301	2,769	3,942	(1,173)
7. Attendance of Conferences, Seminars & Workshops	2,054	1,840	1,476	1,687	(211)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,291	1,294	566	1,186	(620)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	**2,753**	**2,753**	**2,753**	**2,753**	**–**
Total	**47,899**	**51,010**	**40,318**	**46,989**	**(6,671)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R 6,671 million as at 31 May 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 May 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	86 916	407 825	246 095	49 551	295 646	–
COMMUNITY SERVICES	369 894	5 999	375 893	200 768	2 172	202 940	–
ELECTRO/ MECHANICAL SERVICES	439 340	11 383	450 723	365 698	5 756	371 454	–
FINANCE AND ECONOMIC DEVELOPMENT	125 817	1 437	127 254	79 240	432	79 672	–
OFFICE OF THE DMM	121 916	2 664	124 581	83 951	2 096	86 047	–
OFFICE OF THE MM	29 661	103	29 764	27 002	42	27 044	–
PLANNING AND DEVELOPMENT	30 255	21 658	51 913	20 706	907	21 613	–
Total Expenditure by Vote	**1 437 791**	**130 161**	**1 567 952**	**1 023 458**	**60 957**	**1 084 415**	**–**

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

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 May 2024, constituted 46.83% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 59.47% of approved adjusted grant funding budget.
- Internally generated funds are 19.96% 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	85	936	82.69%
Vote 2 - FINANCIAL SERVICES	–	1,337	19	432	32.32%
Vote 3 - CORPORATE SERVICES	–	1,635	–	1,202	73.52%
Vote 4 - COMMUNITY SERVICES	1,362	5,999	224	2,172	36.21%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	76,521	98,299	4,713	55,307	56.26%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	700	21,758	435	907	4.17%
Total Capital Multi-year expenditure	**79,343**	**130,161**	**5,476**	**60,957**	**46.83%**

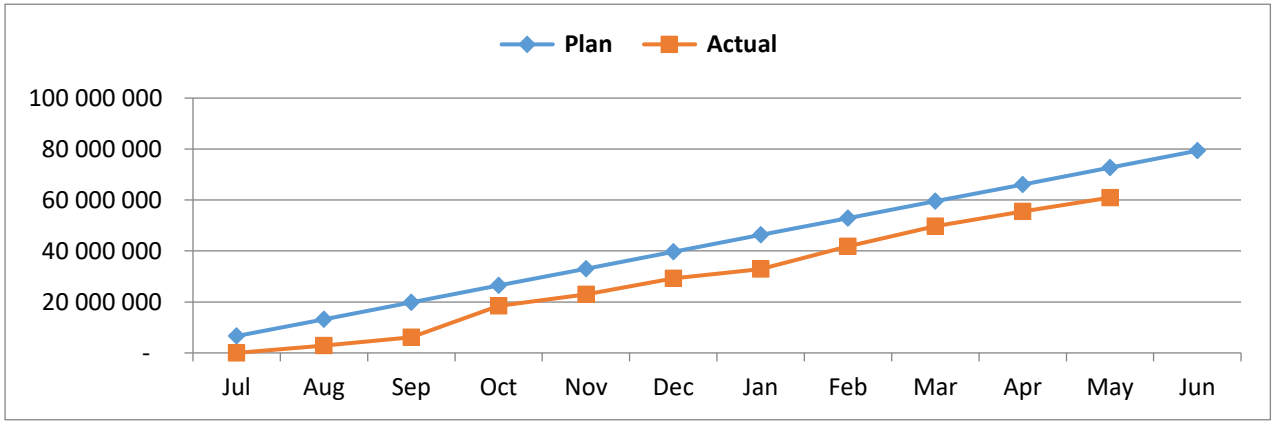
The capital expenditure as at 31 May 2024, constituted 46.83% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 82.69% of R 1,132 million budget.
- Financial Services is 32.32% of R 1,337 million budget.
- Corporate Services is 73.52% of R 1,635 million budget.
- Community Services is 36.21% of R 5,999 million budget.
- Infrastructure & Engineering is 56.26% of R 98,299 million budget.
- Planning Development and Tourism is 4.17% of R21,758 million budget.

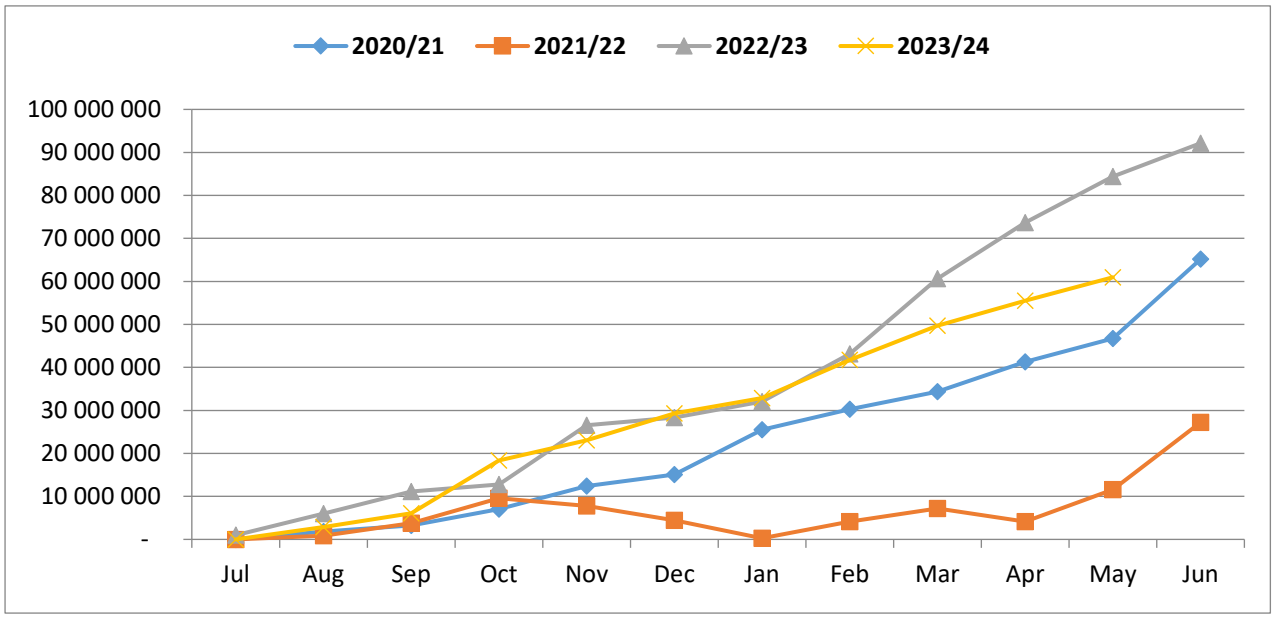
1.2. Monthly capital expenditure

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 May 2024.

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Approved Adjusted Budget 2023/24	Actuals as at 31 May 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADING LOERIE SPORTS FACILITIES	5,296,905	5,238,284	98.89%
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	1,800,000	1,266,321	70.35%
PROJECT MANAGEMENT UNIT (PMU)	Internal	UPGRADING LOERIE SPORTS FACILITIES	137,788	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within K	1,919,609	729,131	37.98%
ROADS AND STORMWATER	MIG	St Francis Bay - Nevil Road Reconstruction	13,043	-	0.00%
ROADS AND STORMWATER	MIG	St Francis Bay - Anne Avenue to Ralph Road Reconst	43,478	-	0.00%
ROADS AND STORMWATER	MIG	Aston Bay to Paradise Beach - Seekoei Estuary Caus	86,957	-	0.00%
ROADS AND STORMWATER	MIG	Paradise Beach - Botha Street Stormwater Infrastru	10,435	-	0.00%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	3,339,130	3,193,022	95.62%
ROADS AND STORMWATER	MDRG	ST FRANCIS CANAL BRIDGE	2,608,696	2,601,965	99.74%
ROADS AND STORMWATER	Internal	UPGRADING KOUGA GRAVEL ROADS	800,000	-	0.00%
ROADS AND STORMWATER	Internal	PLATE COMPACTOR	23,000	23,000	100.00%
Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jba	323,486	160,023	49.47%
Sewerage	Internal	Piped Reticulation - St Francis Bay	41,500	4,500	10.84%
SEWERAGE	Internal	Upgrade Loerie sewer pump station	80,188	49,963	62.31%
SEWERAGE	MIG	DESIGN: UPGRADING WESTON WWTW OUTFALL AND RETICULA	430,645	341,906	79.39%
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	50,000	33,600	67.20%
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	6,988,570	6,707,128	95.97%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	65,000	51,875	79.81%
SEWERAGE	MIG	UPGRADING HANKEY SEWERAGE INFRASTRUCTURE	12,633,750	11,260,065	89.13%
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	551,027	-	0.00%
SEWERAGE	Internal	HANKEY WWTW	5,155,634	364,052	7.06%
SEWERAGE	Internal	LA MER NEW SEWER RISING MAIN	9,700,000	877,853	9.05%
Water	Internal	Replace 250mm Water Main Canal Road St Francis Ba	17,507	5,657	32.31%
Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	66,125	40,900	61.85%
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	2,608,695	2,100,572	80.52%
WATER	WSIG	GROUND WATER DEVELOPMENT IN KOUGA	869,565	738,420	84.92%
WATER	WSIG	PARADISE BEACH WATER TOWER	9,772,639	5,068,893	51.87%
WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	12,836,056	7,250,875	56.49%
WATER	Internal	JILL MARCUS WATER SUPPLY	4,347,000	-	0.00%
WATER	Internal	Construction of Civil Services in Donkerhoek & Hum	1,500,000	-	0.00%
WATER	Internal	HUMANSDORP GROUNDWATER SUPPLY	2,800,000	1,442,912	51.53%
			86,916,428	**49,550,916**	**57.01%**
COMMUNITY SERVICES					
DIRECTOR:COMMUNITY SERVICES	Internal	Furniture and Equipment	9,290	9,290	100.00%
DIRECTOR:COMMUNITY SERVICES	Internal	PROJECTOR	20,000	19,172	95.86%
ENVIRONMENTAL MANAGEMENT	Internal	Kouga Skip Bins	400,000	241,500	60.38%
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	3,000,277	1,589,637	52.98%
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	569,423	130,563	22.93%
PARKS AND OPEN SPACES	Internal	GRASS CUTTER	200,000	182,147	91.07%
WASTE SERVICES	Internal	Supply and Delivery of Skip Trucks	1,800,000	-	0.00%
			5,998,990	**2,172,309**	**36.21%**

DEPARTMENT	FUNDING	PROJECT DESCRIPTION	Approved Adjusted Budget 2023/24	Actuals as at 31 May 2024	%
ELECTRO & MECHANICAL SERVICES					
Electricity	Internal	Furniture and Equipment	43,565	16,641	38.20%
FLEET AND WORKSHOP	Internal	Generator	266,435	266,435	100.00%
METERING & REVENUE	INEP	Bulk 66kv Overhead lines	1,371,165	1,437,743	104.86%
METERING & REVENUE	INEP	OCEAN VIEW 1250 ELECTRIFICATION	3,555,651	2,504,787	70.45%
METERING & REVENUE	INEP	Electrification of Oceanview	1,146,184	1,429,041	124.68%
METERING & REVENUE	Internal	Electrical Oil circuit breakers replacement with v	5,000,000	-	0.00%
METERING & REVENUE	MIG	DESIGN: HIGH MAST LIGHTS	-	76,940	#DIV/0!
METERING & REVENUE		Electrification of Oceanview	-	24,865	#DIV/0!
			11,383,000	**5,756,451**	**50.57%**
FINANCIAL ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	882,006	187,405	21.25%
ASSET MANAGEMENT	Internal	Furniture and equipment	15,000	-	0.00%
BUDGET & FINANCIAL REPORTING	Internal	Furniture and Equipment	10,000	4,350	43.50%
Finance: Asset & Fleet Management	Internal	Computer Equipment	20,000	-	0.00%
Finance: SCM	Internal	Computer Equipment	80,000	-	0.00%
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100,000	-	0.00%
REVENUE	Internal	Computer Equipment	170,000	128,044	75.32%
SCM: DEMAND MANAGEMENT, RISK, PERFORM	Internal	SCM Furniture	30,000	876	2.92%
BUDGET AND FINANCIAL REPORTING	Internal	FMG Interns Laptops	130,435	111,571	0.00%
			1,437,441	**432,246**	**30.07%**
OFFICE OF THE DMM					
Finance: IT	Internal	Computer Equipment	1,635,000	1,202,116	73.52%
MAYOR	Internal	Furniture and Equipment - Municipal Court	219,331	171,536	78.21%
WARD COUNCILLORS	Internal	FURNITURE&EQUIPMENT-WARD COUNCILLORS	60,000	44,164	73.61%
WARD COUNCILLORS	Internal	Ward Development Capital	750,000	678,401	90.45%
			2,664,331	**2,096,218**	**78.68%**
OFFICE OF THE MM					
INTEGRATED DEVELOPMENT	Internal	Furniture and Equipment	10,000	8,599	85.99%
MUNICIPAL MANAGER	Internal	FURNITURE&EQUIPMENT -MUNCIPAL MANAGER	37,632	33,289	88.46%
Risk and Internal Audit Unit	Internal	Furniture and equipment	55,000	-	0.00%
			102,632	**41,888**	**40.81%**
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 2	17,147,249	435,125	2.54%
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 3	4,510,553	471,854	10.46%
			21,657,802	**906,979**	**4.19%**
		Total	**130,160,624**	**60,957,007**	**46.83%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 31 May 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 – M11 May 2024

EC108 Kouga - Table C7 Monthly Budget Statement - Cash Flow -										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	270,495	263,774	20,641	238,169	241,793	(3,624)	-1%	263,774
Service charges		238,396	697,055	672,771	49,418	449,072	616,707	(167,635)	-27%	672,771
Other revenue		22,231	67,422	105,467	19,311	180,857	96,678	84,179	87%	105,467
Transfers and Subsidies - Operational		147,988	190,883	194,472	–	188,078	178,266	9,812	6%	194,472
Transfers and Subsidies - Capital		–	75,561	79,276	–	99,677	72,670	27,007	37%	79,276
Interest		841,486	4,598	11,674	4,822	56,164	10,701	45,463	425%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,238,638)	(79,620)	(1,041,707)	(1,135,418)	(93,711)	8%	(101,627)
Interest		–	–	(6,612)	(1,019)	(11,297)	(6,061)	5,236	-86%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	(1,031)	(1,031)	100%	(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**86,487**	**81,059**	**13,552**	**159,013**	**74,304**	**(84,708)**	**-114%**	**1,218,070**
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)	(130,161)	(6,298)	(70,060)	(119,314)	(49,254)	41%	130,161
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(130,161)**	**(6,298)**	**(70,060)**	**(119,314)**	**(49,254)**	**41%**	**130,161**
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)	(1,019)	(11,297)	(11,155)	142	-1%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,019)**	**(11,297)**	**(11,155)**	**142**	**-1%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(2,947)**	**(61,270)**	**6,236**	**77,656**	**(56,164)**			**1,348,231**
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	43,665		182,590	48,771			1,453,165

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

Table C1 Monthly Budget Statement Summary – M11 May 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	18,764	260,859	258,030	2,829	1%	281,488
Service charges	547,619	621,867	602,433	48,651	524,881	552,231	(27,350)	-5%	602,433
Investment revenue	6,824	4,598	11,674	1,361	13,575	10,701	2,874	27%	11,674
Transfers and subsidies - Operational	177,339	190,883	197,730	338	193,474	181,252	12,222	7%	197,730
Other own revenue	193,879	60,121	220,413	7,334	82,744	202,045	(119,301)	-59%	220,413
Total Revenue (excluding capital transfers and contributions)	**1,185,175**	**1,158,957**	**1,313,738**	**76,448**	**1,075,533**	**1,204,259**	**(128,726)**	**-11%**	**1,313,738**
Employee costs	364,306	447,813	442,256	30,505	347,858	405,399	(57,541)	-14%	442,256
Remuneration of Councillors	13,700	15,140	15,140	1,217	13,784	13,878	(94)	-1%	15,140
Depreciation and amortisation	124,787	109,663	109,663	–	91,387	100,523	(9,137)	-9%	109,663
Interest	8,059	2,090	5,750	451	5,073	5,271	(197)	-4%	5,750
Inventory consumed and bulk purchases	382,970	458,626	456,811	29,867	401,197	418,743	(17,546)	-4%	456,811
Transfers and subsidies	709	924	1,124	100	500	1,031	(531)	-51%	1,124
Other expenditure	373,435	234,060	407,046	16,075	163,659	373,100	(209,440)	-56%	407,046
Total Expenditure	**1,267,965**	**1,268,316**	**1,437,791**	**78,216**	**1,023,458**	**1,317,944**	**(294,487)**	**-22%**	**1,437,791**
Surplus/(Deficit)	**(82,789)**	**(109,359)**	**(124,053)**	**(1,768)**	**52,076**	**(113,685)**	**165,761**	**-146%**	**(124,053)**
Transfers and subsidies - capital (monetary allocations)	102,222	75,561	94,639	4,893	59,400	86,752	(27,352)	-32%	94,639
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**	**138,409**	**-514%**	**(29,414)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**	**138,409**	**-514%**	**(29,414)**
Capital expenditure & funds sources									
Capital expenditure	**113,966**	**79,343**	**130,161**	**5,476**	**60,957**	**119,314**	**(58,357)**	**-49%**	**130,161**
Capital transfers recognised	64,491	65,883	88,515	4,654	52,643	81,139	(28,495)	-35%	88,515
Borrowing	8,786	–	–	–	–	–	–		–
Internally generated funds	40,688	13,460	41,646	822	8,314	38,175	(29,861)	-78%	41,646
Total sources of capital funds	**113,966**	**79,343**	**130,161**	**5,476**	**60,957**	**119,314**	**(58,357)**	**-49%**	**130,161**
Financial position									
Total current assets	352,526	154,622	213,862		283,601				198,743
Total non current assets	2,305,137	2,302,442	2,337,384		2,274,801				2,302,635
Total current liabilities	327,156	154,259	223,929		169,263				214,875
Total non current liabilities	241,472	255,035	255,754		149,488				255,754
Community wealth/Equity	**2,089,036**	**2,047,771**	**2,071,563**		**2,239,649**				**2,030,749**
Cash flows									
Net cash from (used) operating	1,886,718	86,487	81,059	13,552	159,013	74,304	(84,708)	-114%	1,218,070
Net cash from (used) investing	(71,169)	(79,343)	(130,161)	(6,298)	(70,060)	(119,314)	(49,254)	41%	130,161
Net cash from (used) financing	–	(10,091)	(12,169)	(1,019)	(11,297)	(11,155)	142	-1%	–
Cash/cash equivalents at the month/year end	**1,843,400**	**5,596**	**43,665**	**–**	**182,590**	**48,771**	**(133,819)**	**-274%**	**1,453,165**
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	50,928	15,319	12,609	11,288	13,242	13,175	69,779	294,400	480,741
Creditors Age Analysis									
Total Creditors	33,843	136	466	20	47	268	165	(935)	34,010

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) – M11 May 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**	**21,126**	**421,181**	**511,523**	(90,342)	-18%	**558,025**
Executive and council		2,464	106	135	–	36	124	(88)	-71%	135
Finance and administration		570,368	422,533	557,890	21,126	421,146	511,399	(90,253)	-18%	557,890
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**22,893**	**16,716**	**53,386**	**287**	**29,468**	**48,937**	(19,469)	-40%	**53,386**
Community and social services		2,427	2,437	2,435	36	2,379	2,232	148	7%	2,435
Sport and recreation		8,640	10,338	10,802	240	7,954	9,902	(1,948)	-20%	10,802
Public safety		2,748	1,378	1,604	3	1,869	1,470	399	27%	1,604
Housing		5,849	–	36,168	–	16,327	33,154	(16,827)	-51%	36,168
Health		3,230	2,563	2,378	8	938	2,180	(1,242)	-57%	2,378
Economic and environmental services		**30,867**	**37,432**	**50,609**	**3,892**	**45,488**	**46,391**	(904)	-2%	**50,609**
Planning and development		6,461	8,083	9,690	726	7,605	8,883	(1,278)	-14%	9,690
Road transport		7,002	6,910	13,180	1,890	15,683	12,082	3,601	30%	13,180
Environmental protection		17,404	22,439	27,739	1,276	22,200	25,427	(3,227)	-13%	27,739
Trading services		**660,805**	**757,731**	**746,356**	**56,036**	**638,796**	**684,160**	(45,364)	-7%	**746,356**
Energy sources		313,432	408,372	370,684	34,528	343,700	339,793	3,907	1%	370,684
Water management		195,564	161,300	182,887	8,854	131,136	167,647	(36,511)	-22%	182,887
Waste water management		99,252	113,711	116,065	8,040	101,949	106,393	(4,445)	-4%	116,065
Waste management		52,557	74,347	76,720	4,614	62,012	70,327	(8,315)	-12%	76,720
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,287,398**	**1,234,518**	**1,408,377**	**81,341**	**1,134,933**	**1,291,011**	**(156,078)**	**-12%**	**1,408,377**
Expenditure - Functional										
Governance and administration		**384,164**	**306,226**	**323,768**	**19,305**	**232,133**	**296,761**	(64,628)	-22%	**323,768**
Executive and council		54,920	64,558	60,206	4,452	53,061	55,188	(2,126)	-4%	60,206
Finance and administration		329,172	241,417	263,114	14,851	179,015	241,163	(62,148)	-26%	263,114
Internal audit		73	251	448	1	57	411	(354)	-86%	448
Community and public safety		**98,259**	**121,818**	**120,270**	**7,731**	**94,665**	**110,246**	(15,581)	-14%	**120,270**
Community and social services		8,230	12,897	13,558	682	8,375	12,427	(4,053)	-33%	13,558
Sport and recreation		50,562	63,813	60,982	3,646	48,142	55,900	(7,758)	-14%	60,982
Public safety		26,931	30,247	30,280	2,339	26,033	27,757	(1,724)	-6%	30,280
Housing		5,390	7,037	7,606	418	5,374	6,972	(1,599)	-23%	7,606
Health		7,146	7,824	7,843	647	6,742	7,189	(448)	-6%	7,843
Economic and environmental services		**121,915**	**158,670**	**302,555**	**9,995**	**132,579**	**277,341**	(144,762)	-52%	**302,555**
Planning and development		24,223	31,432	35,990	2,294	24,550	32,991	(8,440)	-26%	35,990
Road transport		86,259	118,681	254,602	6,876	98,058	233,384	(135,327)	-58%	254,602
Environmental protection		11,434	8,556	11,963	824	9,971	10,966	(995)	-9%	11,963
Trading services		**657,391**	**674,375**	**683,188**	**39,074**	**558,055**	**626,254**	(68,199)	-11%	**683,188**
Energy sources		333,777	424,020	427,457	23,553	354,087	391,836	(37,749)	-10%	427,457
Water management		155,030	103,892	107,011	7,686	85,701	98,093	(12,392)	-13%	107,011
Waste water management		92,857	85,015	84,300	3,765	66,392	77,275	(10,883)	-14%	84,300
Waste management		75,728	61,449	64,420	4,070	51,875	59,051	(7,176)	-12%	64,420
Other		**6,236**	**7,227**	**8,010**	**2,112**	**6,026**	**7,342**	**(1,316)**	**-18%**	**8,010**
Total Expenditure - Functional	3	**1,267,965**	**1,268,316**	**1,437,791**	**78,216**	**1,023,458**	**1,317,944**	**(294,487)**	**-22%**	**1,437,791**
Surplus/ (Deficit) for the year		**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**	**138,409**	**-514%**	**(29,414)**

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 – M11 May 2024

EC108 Kouga - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -										
Vote Description		2022/23	Budget Year 2023/24							
R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		2,471	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		426,747	410,736	422,753	20,874	415,844	387,524	28,321	7.3%	422,753
Vote 3 - CORPORATE SERVICES		9,373	1,194	789	217	490	723	(233)	-32.2%	789
Vote 4 - COMMUNITY SERVICES		225,297	127,808	263,317	6,402	108,039	241,374	(133,335)	-55.2%	263,317
Vote 5 - INFRASTRUCTURE AND ENGINEERING		611,785	688,565	677,403	53,329	589,058	620,952	(31,895)	-5.1%	677,403
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		11,828	6,215	44,115	519	21,502	40,439	(18,937)	-46.8%	44,115
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**	**1,408,377**	**81,341**	**1,134,933**	**1,291,011**	**(156,078)**	**-12.1%**	**1,408,377**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		60,197	70,802	67,756	5,412	57,526	62,109	(4,583)	-7.4%	67,756
Vote 2 - FINANCIAL SERVICES		212,317	115,941	133,019	7,301	89,158	121,914	(32,756)	-26.9%	133,019
Vote 3 - CORPORATE SERVICES		51,959	62,930	62,357	2,894	33,496	57,157	(23,661)	-41.4%	62,357
Vote 4 - COMMUNITY SERVICES		232,076	240,505	369,557	15,917	200,588	338,758	(138,171)	-40.8%	369,557
Vote 5 - INFRASTRUCTURE AND ENGINEERING		681,193	739,091	761,594	42,464	613,457	698,126	(84,669)	-12.1%	761,594
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		30,209	38,427	42,967	4,184	29,035	39,386	(10,350)	-26.3%	42,967
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**	**1,437,251**	**78,173**	**1,023,259**	**1,317,449**	**(294,190)**	**-22.3%**	**1,437,251**
Surplus/ (Deficit) for the year	2	**19,551**	**(33,178)**	**(28,874)**	**3,168**	**111,674**	**(26,438)**	**138,112**	**-522.4%**	**(28,874)**

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) – M11 May 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	683,647	56,554	602,418	626,676	(24,258)	-4%	683,647
Service charges - Electricity		306,477	390,731	352,780	31,945	328,161	323,382	4,780	1%	352,780
Service charges - Water		117,400	101,425	118,603	6,107	86,372	108,720	(22,348)	-21%	118,603
Service charges - Waste Water Management		61,797	63,314	64,268	5,417	56,246	58,913	(2,667)	-5%	64,268
Service charges - Waste management		61,945	66,396	66,782	5,183	54,102	61,217	(7,115)	-12%	66,782
Sale of Goods and Rendering of Services		9,189	7,790	9,000	526	5,236	8,250	(3,014)	-37%	9,000
Agency services		2,678	1,000	4,276	–	3,300	3,920	(620)	-16%	4,276
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		20,845	18,595	30,145	2,558	27,421	27,633	(212)	-1%	30,145
Interest earned from Current and Non Current Assets		6,824	4,598	11,674	1,361	13,575	10,701	2,874	27%	11,674
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		2,570	3,295	2,999	128	2,979	2,749	230	8%	2,999
Licence and permits		2,677	3,021	2,677	172	2,217	2,454	(237)	-10%	2,677
Operational Revenue		1,200	2,174	20,443	3,157	22,810	18,739	4,070	22%	20,443
Non-Exchange Revenue		591,574	496,618	630,091	19,894	473,115	577,583	(104,468)	-18%	630,091
Property rates		259,514	281,488	281,488	18,764	260,859	258,030	2,829	1%	281,488
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		132,853	10,334	134,597	44	5,176	123,380	(118,204)	-96%	134,597
Licence and permits		7,195	10,668	11,053	228	7,785	10,132	(2,347)	-23%	11,053
Transfer and subsidies - Operational		177,339	190,883	197,730	338	193,474	181,252	12,222	7%	197,730
Interest		3,729	3,244	5,223	521	5,821	4,788	1,033	22%	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**	**1,313,738**	**76,448**	**1,075,533**	**1,204,259**	**(128,726)**	**-11%**	**1,313,738**
Expenditure By Type										
Employee related costs		364,306	447,813	442,256	30,505	347,858	405,399	(57,541)	-14%	442,256
Remuneration of councillors		13,700	15,140	15,140	1,217	13,784	13,878	(94)	-1%	15,140
Bulk purchases - electricity		291,888	364,280	354,710	20,422	312,834	325,151	(12,316)	-4%	354,710
Inventory consumed		91,082	94,345	102,102	9,445	88,363	93,592	(5,230)	-6%	102,102
Debt impairment		119,944	28,314	173,540	–	–	159,079	(159,079)	-100%	173,540
Depreciation and amortisation		124,787	109,663	109,663	–	91,387	100,523	(9,137)	-9%	109,663
Interest		8,059	2,090	5,750	451	5,073	5,271	(197)	-4%	5,750
Contracted services		87,336	104,476	128,758	10,735	86,017	118,011	(31,994)	-27%	128,758
Transfers and subsidies		709	924	1,124	100	500	1,031	(531)	-51%	1,124
Irrecoverable debts written off		87,459	7,305	13,835	–	5,601	12,682	(7,081)	-56%	13,835
Operational costs		76,926	93,964	90,913	5,341	72,041	83,328	(11,286)	-14%	90,913
Losses on Disposal of Assets		1,345	–	–	–	–	–	–		–
Other Losses		425	–	–	–	–	–	–		–
Total Expenditure		**1,267,965**	**1,268,316**	**1,437,791**	**78,216**	**1,023,458**	**1,317,944**	**(294,487)**	**-22%**	**1,437,791**
Surplus/(Deficit)		**(82,789)**	**(109,359)**	**(124,053)**	**(1,768)**	**52,076**	**(113,685)**	**165,761**	**(0)**	**(124,053)**
Transfers and subsidies - capital (monetary allocations)		102,222	75,561	94,639	4,893	59,400	86,752	(27,352)	**(0)**	94,639
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**			**(29,414)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**			**(29,414)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**			**(29,414)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**19,433**	**(33,798)**	**(29,414)**	**3,125**	**111,476**	**(26,933)**			**(29,414)**

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) – M11 May 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	85	936	987	(51)	-5%	1,077
Vote 2 - FINANCIAL SERVICES		1,802	–	2,957	19	1,634	2,711	(1,077)	-40%	2,957
Vote 3 - CORPORATE SERVICES		819	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		17,374	1,362	4,199	224	2,172	3,849	(1,677)	-44%	4,199
Vote 5 - INFRASTRUCTURE AND ENGINEERING		93,551	76,521	96,887	4,174	53,587	88,813	(35,226)	-40%	96,887
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19	700	21,758	435	907	19,945	(19,038)	-95%	21,758
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**	**126,878**	**4,936**	**59,237**	**116,305**	**(57,068)**	**-49%**	**126,878**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		23	–	55	–	–	50	(50)	-100%	55
Vote 2 - FINANCIAL SERVICES		56	–	15	–	–	14	(14)	-100%	15
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	1,800	–	–	1,650	(1,650)	-100%	1,800
Vote 5 - INFRASTRUCTURE AND ENGINEERING		14	–	1,413	540	1,720	1,295	425	33%	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	540	1,720	3,009	**(1,289)**	**-43%**	3,283
Total Capital Expenditure	3	**113,966**	**79,343**	**130,161**	**5,476**	**60,957**	**119,314**	**(58,357)**	**-49%**	**130,161**
Capital Expenditure - Functional Classification										
Governance and administration		**11,436**	**760**	**4,960**	**146**	**2,987**	**4,546**	(1,559)	-34%	**4,960**
Executive and council		307	760	1,096	104	956	1,005	(49)	-5%	1,096
Finance and administration		11,106	–	3,808	42	2,031	3,491	(1,460)	-42%	3,808
Internal audit		23	–	55	–	–	50	(50)	-100%	55
Community and public safety		**339**	**1,362**	**24,858**	**617**	**2,679**	**22,787**	(20,108)	-88%	**24,858**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		339	–	200	182	182	183	(1)	-1%	200
Public safety		–	1,362	3,000	–	1,590	2,750	(1,161)	-42%	3,000
Housing		–	–	21,658	435	907	19,853	(18,946)	-95%	21,658
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**13,080**	**6,497**	**16,589**	**123**	**13,302**	**15,207**	(1,905)	-13%	**16,589**
Planning and development		(161)	3,157	9,264	815	7,242	8,492	(1,250)	-15%	9,264
Road transport		13,241	3,339	6,925	(693)	5,818	6,348	(530)	-8%	6,925
Environmental protection		–	–	400	–	242	367	(125)	-34%	400
Trading services		**89,111**	**70,124**	**83,754**	**4,591**	**41,989**	**76,774**	(34,785)	-45%	**83,754**
Energy sources		(47,280)	19,652	11,117	831	5,490	10,190	(4,700)	-46%	11,117
Water management		124,204	26,087	34,818	1,434	16,648	31,916	(15,268)	-48%	34,818
Waste water management		3,400	24,385	36,020	2,326	19,851	33,018	(13,167)	-40%	36,020
Waste management		8,786	–	1,800	–	–	1,650	(1,650)	-100%	1,800
Other		–	600	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**113,966**	**79,343**	**130,161**	**5,476**	**60,957**	**119,314**	**(58,357)**	**-49%**	**130,161**
Funded by:										
National Government		64,491	64,521	63,857	4,219	50,147	58,535	(8,389)	-14%	63,857
Provincial Government		–	–	21,658	435	907	19,853	(18,946)	-95%	21,658
District Municipality		–	1,362	3,000	–	1,590	2,750	(1,161)	-42%	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**	**88,515**	**4,654**	**52,643**	**81,139**	**(28,495)**	**-35%**	**88,515**
Borrowing	6	8,786	–	–	–	–	–	–		–
Internally generated funds		40,688	13,460	41,646	822	8,314	38,175	(29,861)	-78%	41,646
Total Capital Funding	7	**113,966**	**79,343**	**130,161**	**5,476**	**60,957**	**119,314**	**(58,357)**	**-49%**	**130,161**

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 – M11 May 2024

EC108 Kouga - Table C6 Monthly Budget Statement - Financial Position -						
Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		104,935	5,596	43,665	182,590	27,854
Trade and other receivables from exchange transactions		73,873	55,239	77,030	58,175	77,030
Receivables from non-exchange transactions		17,812	24,619	29,014	22,315	29,014
Current portion of non-current receivables		–	–	–	–	–
Inventory		18,598	17,110	18,598	20,521	19,313
VAT		134,766	50,443	45,445	–	45,422
Other current assets		2,542	1,616	109	–	109
Total current assets		**352,526**	**154,622**	**213,862**	**283,601**	**198,743**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,041,926	2,039,424	2,074,173	2,012,040	2,039,424
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		603	410	603	152	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**	**2,337,384**	**2,274,801**	**2,302,635**
TOTAL ASSETS		**2,657,663**	**2,457,064**	**2,551,246**	**2,558,401**	**2,501,378**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11,342	9,484	12,169	876	12,169
Consumer deposits		29,060	23,673	29,060	31,577	29,060
Trade and other payables from exchange transactions		126,241	77,412	124,413	82,882	125,733
Trade and other payables from non-exchange transactions		17,244	–	10,373	–	(0)
Provision		53,931	43,689	47,914	53,928	47,914
VAT		89,337	–	(0)	–	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**327,156**	**154,259**	**223,929**	**169,263**	**214,875**
Non current liabilities						
Financial liabilities		24,202	8,637	11,207	24,251	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**	**149,488**	**255,754**
TOTAL LIABILITIES		**568,627**	**409,293**	**479,683**	**318,752**	**470,629**
NET ASSETS	2	**2,089,036**	**2,047,771**	**2,071,563**	**2,239,649**	**2,030,749**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,089,036	2,047,771	2,071,563	2,239,649	2,030,749
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,089,036**	**2,047,771**	**2,071,563**	**2,239,649**	**2,030,749**

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 – M11 May 2024

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		490,993	270,495	263,774	20,641	238,169	241,793	(3,624)	-1%	263,774
Service charges		238,396	697,055	672,771	49,418	449,072	616,707	(167,635)	-27%	672,771
Other revenue		22,231	67,422	105,467	19,311	180,857	96,678	84,179	87%	105,467
Transfers and Subsidies - Operational		147,988	190,883	194,472	–	188,078	178,266	9,812	6%	194,472
Transfers and Subsidies - Capital		–	75,561	79,276	–	99,677	72,670	27,007	37%	79,276
Interest		841,486	4,598	11,674	4,822	56,164	10,701	45,463	425%	11,674
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		145,625	(1,219,527)	(1,238,638)	(79,620)	(1,041,707)	(1,135,418)	(93,711)	8%	(101,627)
Interest		–	–	(6,612)	(1,019)	(11,297)	(6,061)	5,236	-86%	(6,612)
Transfers and Subsidies		–	–	(1,124)	–	–	(1,031)	(1,031)	100%	(1,124)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,886,718**	**86,487**	**81,059**	**13,552**	**159,013**	**74,304**	**(84,708)**	**-114%**	**1,218,070**
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)	(130,161)	(6,298)	(70,060)	(119,314)	(49,254)	41%	130,161
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(71,169)**	**(79,343)**	**(130,161)**	**(6,298)**	**(70,060)**	**(119,314)**	**(49,254)**	**41%**	**130,161**
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)	(1,019)	(11,297)	(11,155)	142	-1%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(10,091)**	**(12,169)**	**(1,019)**	**(11,297)**	**(11,155)**	**142**	**-1%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,815,550**	**(2,947)**	**(61,270)**	**6,236**	**77,656**	**(56,164)**			**1,348,231**
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	43,665		182,590	48,771			1,453,165

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

Debtors' Age Analysis (Inclusive of VAT) as at 31 May 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	23,737	6,392	4,917	4,544	5,389	5,998	34,609	89,713	175,299
Trade and Other Receivables from Exchange Transactions - Electricity	31,357	2,423	1,852	1,444	1,456	902	3,800	12,248	55,482
Receivables from Non-exchange Transactions - Property Rates	19,576	2,466	2,181	1,825	1,748	2,713	11,135	26,576	68,219
Receivables from Exchange Transactions - Waste Water Management	9,340	1,824	1,576	1,409	1,987	1,366	6,553	35,222	59,277
Receivables from Exchange Transactions - Waste Management	6,447	1,410	1,288	1,213	1,472	1,123	6,091	45,400	64,443
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,254	321	375	441	780	702	5,428	67,550	76,851
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(40,783)	484	421	411	410	371	2,164	17,692	(18,830)
Total By Income Source	**50,928**	**15,319**	**12,609**	**11,288**	**13,242**	**13,175**	**69,779**	**294,400**	**480,741**
Debtors Age Analysis By Customer Group									
Organs of State	1,292	645	699	532	537	1,639	1,392	5,321	12,058
Commercial	7,767	421	428	325	319	238	1,400	6,559	17,457
Households	41,867	14,253	11,481	10,430	12,384	11,297	66,982	282,515	451,209
Other	2	1	1	1	1	1	6	5	16
Total By Customer Group	**50,928**	**15,319**	**12,609**	**11,288**	**13,242**	**13,175**	**69,779**	**294,400**	**480,741**

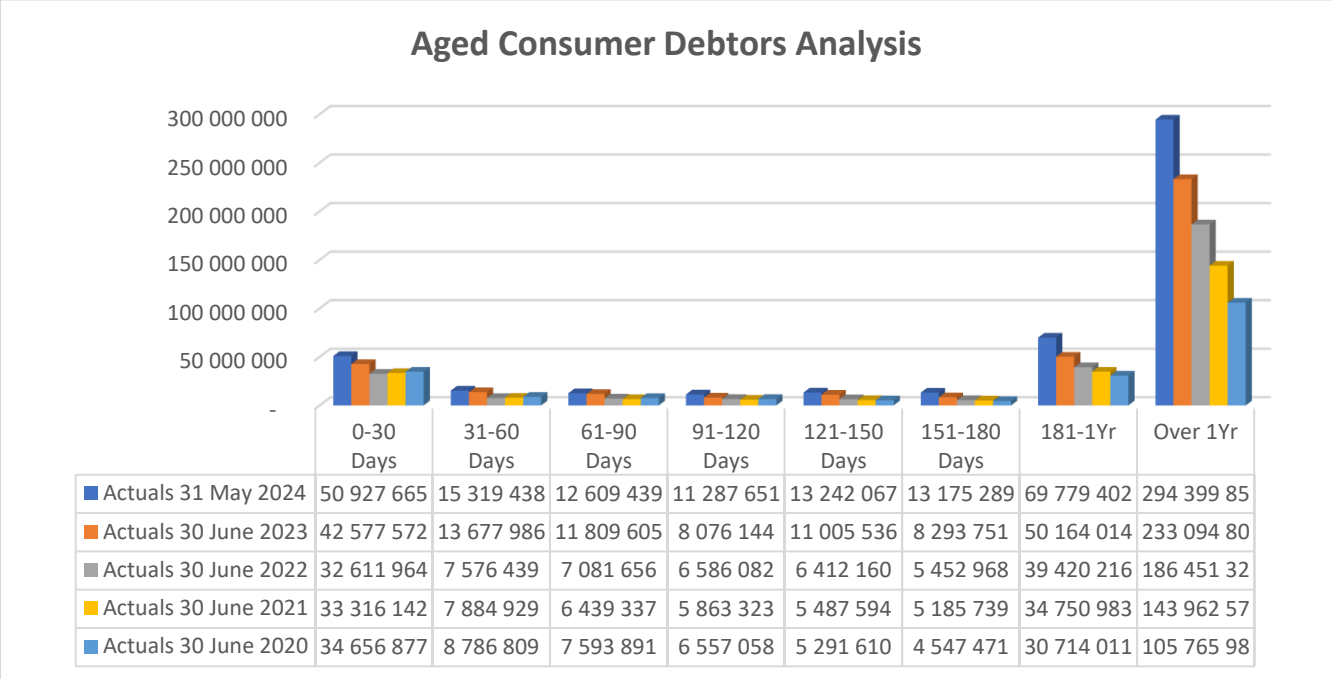
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2023

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 May 2024, the overdue debts have increased by R 93,691 million from R 336,122 million to R 429,813 million, as follows:

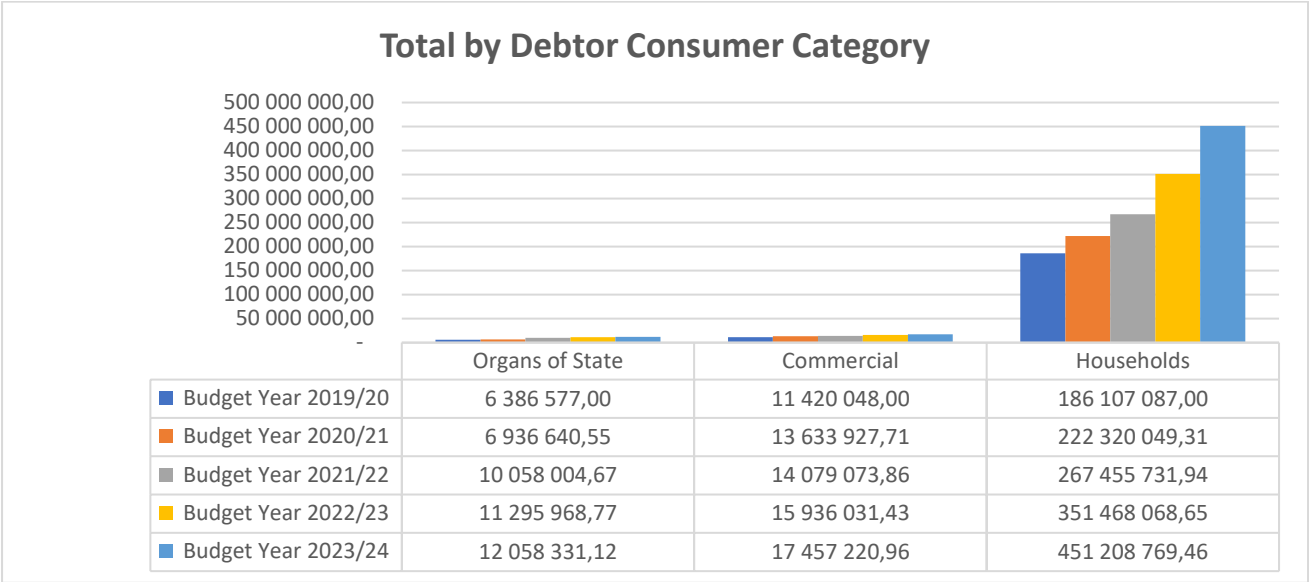
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-23**	**31-May-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	108,222	151,562	43,339
Trade and Other Receivables from Exchange Transactions - Electricity	19,479	24,125	4,647
Receivables from Non-exchange Transactions - Property Rates	40,157	48,643	8,487
Receivables from Exchange Transactions - Waste Water Management	43,229	49,937	6,708
Receivables from Exchange Transactions - Waste Management	53,040	57,997	4,957
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	51,327	75,597	24,270
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	20,669	21,953	1,285
Total By Income Source	**336,122**	**429,813**	**93,691**
Debtors Age Analysis By Customer Group			
Organs of State	10,365	10,766	401
Commercial	8,845	9,691	846
Households	316,912	409,342	92,430
Other	–	14	14
Total By Customer Group	**336,122**	**429,813**	**93,691**

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 May 2024	50 927 665	15 319 438	12 609 439	11 287 651	13 242 067	13 175 289	69 779 402	294 399 85
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	12 058 331,12	17 457 220,96	451 208 769,46

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	23,384	7	6	4	6	6	(186)	–	**26,965**
Bulk Water	619	18	17	16	41	17	351	(1,414)	**(258)**
PAYE deductions	5,674								**5,674**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	4,166	112	443	(0)	0	245	–	480	**(4,044)**
Auditor General									**–**
Other									**–**
Total By Customer Type	**33,843**	**136**	**466**	**20**	**47**	**268**	**165**	**(935)**	**34,010**

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

Eskom	R 26,965 million
NMBM	-R 0,258 million
PAYE	R 5,674 million
Other Creditors	-R 4,044 million
Total	**R 34,010 million**

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

PAYE deductions relate to the month of March and are due on 03 June 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 – M11 May 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	190,140	–	190,290	190,290	–	190,552
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	-	180,506	180,506	-	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Sched	2,458	2,321	–	2,321	2,321	-	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,570	-	1,720	1,720	-	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,743	-	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	-	238	238	–	3,542
Environmental health subsidy	2,888	2,888	-	–	–	–	2,888
Skills Development subsidy	654	654	-	238	238		654
Total Operating Transfers and Grants	192,144	195,732	-	190,528	190,528	–	196,144
Capital Transfers and Grants							
National Government:	79,067	70,214	–	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	–	13,550	3,000	- 10,550,000.00	3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,089	–	4,089	4,089	–	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	33,125	–	33,125	33,125	-	37,367
Water Services Infrastructure Grant	30,000	30,000	–	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	71,576	–	82,349	71,799	(10,550)	80,429
TOTAL RECEIPTS OF TRANSFERS & GRANTS	272,573	267,308	–	272,877	262,327	(10,550)	276,573

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M11 May 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**	**324**	**187,384**	**189,475**	**2,091**	**0**	**189,552**
Operational Revenue:General Revenue:Equitable Share	180,506	180,506	–	180,506	180,506	–	0%	180,506
Expanded Public Works Programme Integrated Grant for Municipalities [Sched	2,458	2,321	–	2,321	2,128	(193)	-9%	2,458
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	176	985	1,577	591	38%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,868	1,743	148	1,743	1,598	(145)	-9%	1,868
Energy Efficiency and Demand-side [Schedule 5B]	–	4,000	–	1,828	3,667	1,838	50%	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**	**–**	**(338)**	**3,542**	**3,880**	**0**	**3,542**
Environmental health subsidy	2,888	2,888	–	(793)	2,888	3,681	127%	2,888
Skills Development subsidy	654	654	–	454	654	199		654
Total operating expenditure of Transfers and Grants:	**192,144**	**195,882**	**324**	**187,046**	**195,067**	**8,021**	**247%**	**195,144**
Capital expenditure of Transfers and Grants								
National Government:	**79,067**	**70,214**	**4,893**	**57,545**	**64,362**	**6,818**	**(0)**	**75,067**
Municipal Disaster Relief Grant	3,000	3,000	–	2,992	2,750	(242)		3,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,700	4,089	1,102	6,352	3,748	**(2,604)**	-69%	4,700
Municipal Infrastructure Grant [Schedule 5B]	37,367	33,125	2,142	30,768	30,364	**(403)**	-1%	37,367
Water Services Infrastructure Grant	30,000	30,000	1,649	17,433	27,500	**10,067**	37%	30,000
District Municipality:	**1,362**	**1,362**	**–**	**1,590**	**3,000**	**1,411**	**0**	**3,000**
Fire Services Subsidy	1,362	1,362	–	1,590	3,000	**1,411**	47%	3,000
Total capital expenditure of Transfers and Grants	**80,429**	**71,576**	**4,893**	**59,134**	**67,363**	**8,228**	**12%**	**78,067**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**272,573**	**267,458**	**5,217**	**246,180**	**262,429**	**16,249**	**6%**	**273,211**

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 985,326
Unspent as at 31 May 2024:	R 734,674

The spending of the grant amounted to 57.29% as at 31 May 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 2,321,000
Unspent as at 31 May 2024:	R 0,00

The spending of the grant amounted to 100% as at 31 May 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 32,510,950
Unspent as at 31 May 2024:	R 2,357,050

The spending of the grant amounted to 93.24% as at 31 May 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 3,457,439
Unspent as at 31 May 2024:	R 631,560

The spending of the grant amounted to 84.55% as at 31 May 2024, compared to the amount of the grant received.

Approved INEP Rollovers

2022/23 unspent amount:	R 2,894,953
Expenditure to date:	R 2,894,953
Unspent as at 31 May 2024:	R 0,00

The spending of the grant amounted to 100% as at 31 May 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 17,432,574
Unspent as at 31 May 2024:	R 12,567,426

The spending of the grant amounted to 58.11% as at 31 May 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 1,828,261
Unspent as at 31 May 2024:	R 2,171,739

The spending of the grant amounted to 45.71% as at 31 May 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 13,550,000
Expenditure to date:	R 2,992,260
Unspent as at 31 May 2024:	R10,557,740

The spending of the grant amounted to 22.08% as at 31 May 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	3,247,534	10,609
Human Settlement	19,840,733	-	19,840,733
Total	**23,098,876**	**3,247,534**	**19,851,342**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M11 May 2024.

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9,305	10,101	10,101	817	9,206	9,260	(54)	-1%	10,101
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	11	115	–	115		–
Motor Vehicle Allowance		3,066	3,407	3,407	272	3,091	3,123	(32)	-1%	3,407
Cellphone Allowance		1,328	1,632	1,632	118	1,372	1,496	(124)	-8%	1,632
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**13,700**	**15,140**	**15,140**	**1,217**	**13,784**	**13,878**	**(94)**	**-1%**	**15,140**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,096	7,675	8,210	619	6,184	7,526	(1,341)	-18%	8,210
Pension and UIF Contributions		61	117	117	6	60	107	(47)	-44%	117
Medical Aid Contributions		31	52	52	3	30	48	(18)	-38%	52
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		325	1,528	1,528	1,007	1,318	1,401	(83)	-6%	1,528
Motor Vehicle Allowance		490	2,072	1,922	58	536	1,761	(1,226)	-70%	1,922
Cellphone Allowance		10	10	10	1	16	9	7	77%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	1	4	(4)	-88%	5
Payments in lieu of leave		4,195	4,743	4,543	229	5,547	4,164	1,382	33%	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**	**1,922**	**13,692**	**15,021**	**(1,329)**	**-9%**	**16,387**
Other Municipal Staff										
Basic Salaries and Wages		214,514	275,744	268,150	18,974	212,231	245,804	(33,573)	-14%	268,150
Pension and UIF Contributions		33,322	36,936	37,178	2,898	32,418	34,079	(1,661)	-5%	37,178
Medical Aid Contributions		17,746	18,588	18,788	1,642	17,380	17,222	157	1%	18,788
Overtime		27,987	29,013	28,723	2,468	27,883	26,329	1,554	6%	28,723
Performance Bonus		23	25	25	–	25	23	2	10%	25
Motor Vehicle Allowance		10,408	11,356	11,856	892	10,004	10,868	(864)	-8%	11,856
Cellphone Allowance		21	56	56	1	10	51	(41)	-80%	56
Housing Allowances		722	1,234	1,234	57	668	1,131	(463)	-41%	1,234
Other benefits and allowances		32,223	34,740	35,840	1,427	31,894	32,853	(959)	-3%	35,840
Post-retirement benefit obligations	2	15,362	20,887	20,887	–	1	19,147	(19,146)	-100%	20,887
Sub Total - Other Staff of Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Municipal Entities		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL SALARY, ALLOWANCES & BENEFITS		**378,006**	**462,953**	**457,396**	**31,723**	**361,641**	**419,277**	**(57,636)**	**-14%**	**457,396**
TOTAL MANAGERS AND STAFF		**364,306**	**447,813**	**442,256**	**30,505**	**347,858**	**405,399**	**(57,541)**	**-14%**	**442,256**

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 May 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.21%	1.31%	0.71%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.26	1.07	0,51	0,78	0.92:1	1.68:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	0,42	0.12:1	1.08:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	86.71%	92%	87.83%

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 May 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	1.59 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	28,30%	30.71%	33.99%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	94,66%	95%	46.83%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	3,79%	4.15%	4.14%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	2,32%	2.89%	2.10%
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%	85.86%

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 0.71% as at 31 May 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 May 2024, the ratio indicates 0.01, 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:

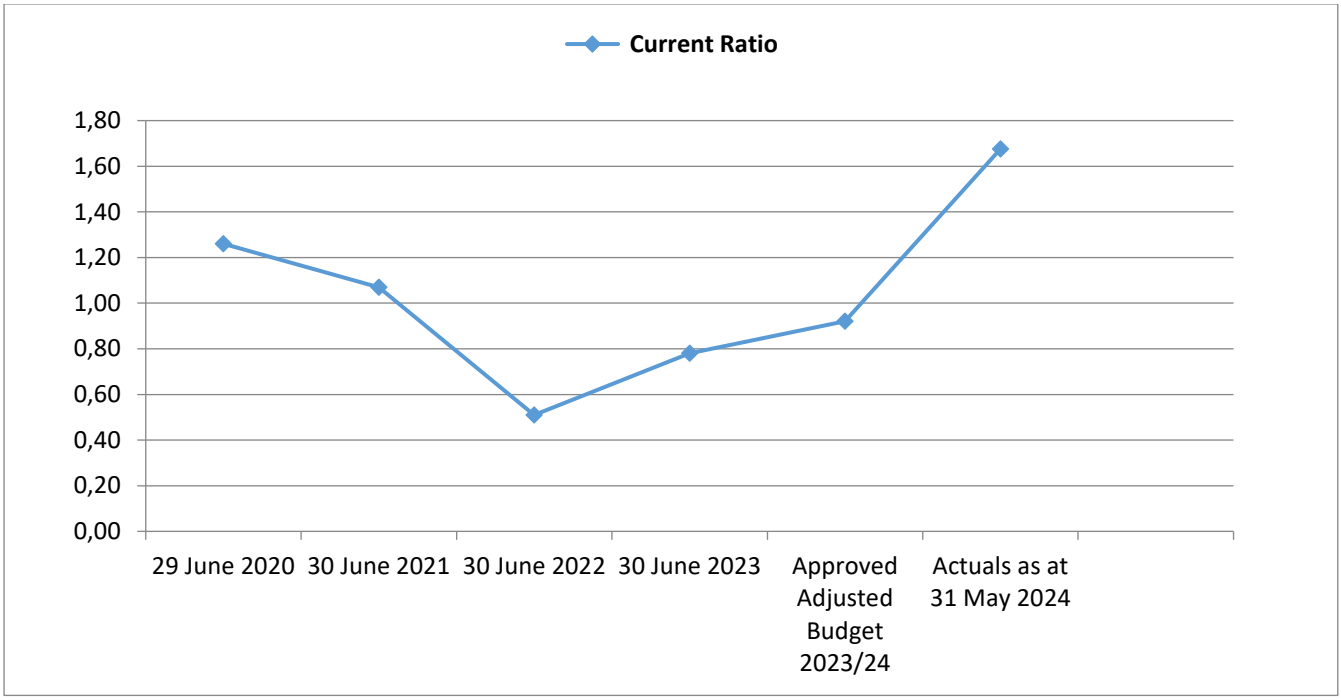
Current assets/Current liabilities

The ratio as at 31 May 2024 was 1.68:1, 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

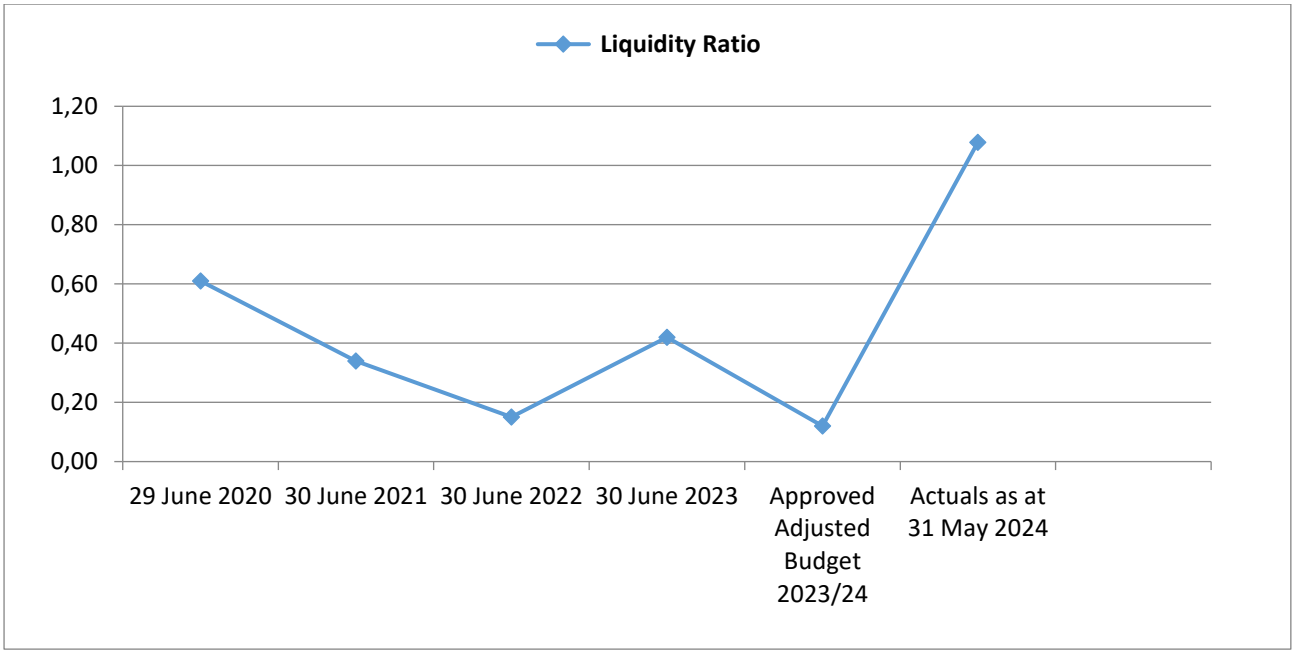
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 May 2024 was 1.08:1 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

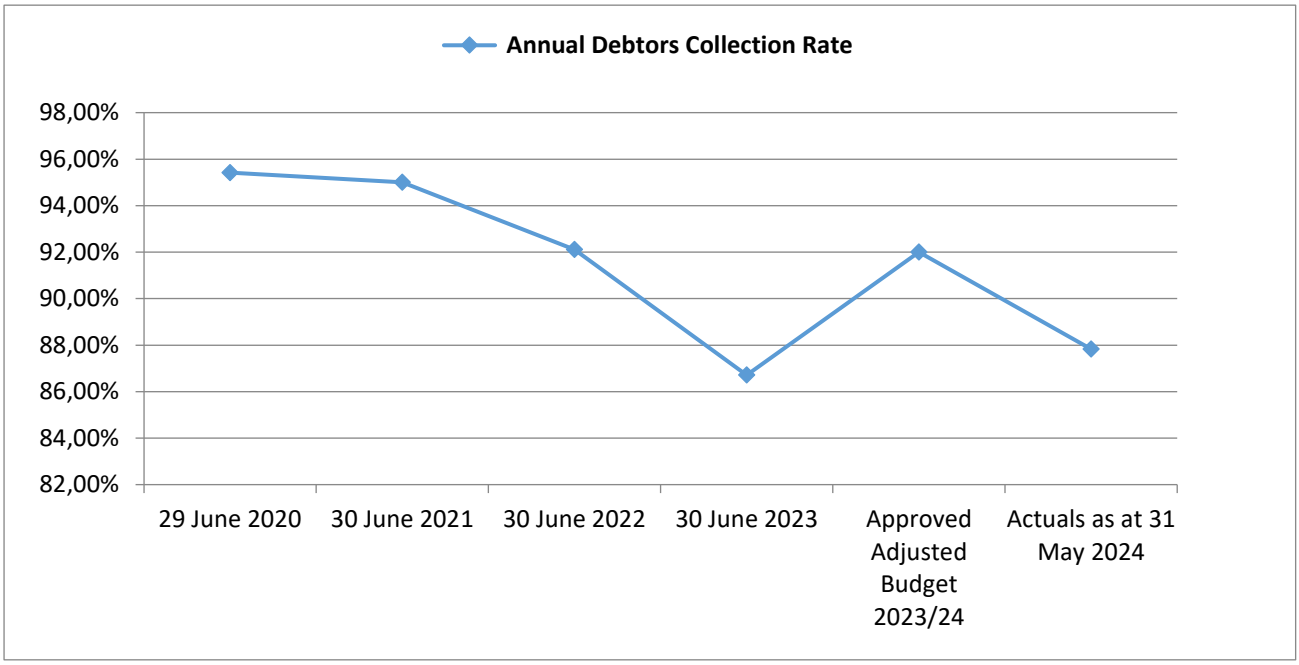
1.2.1. Annual Debtors Collection Rate

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 May 2024 was 87.83%, compared to the approved adjusted budget collection rate of 92%. The actual collection rate for May is 94.48%.



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.

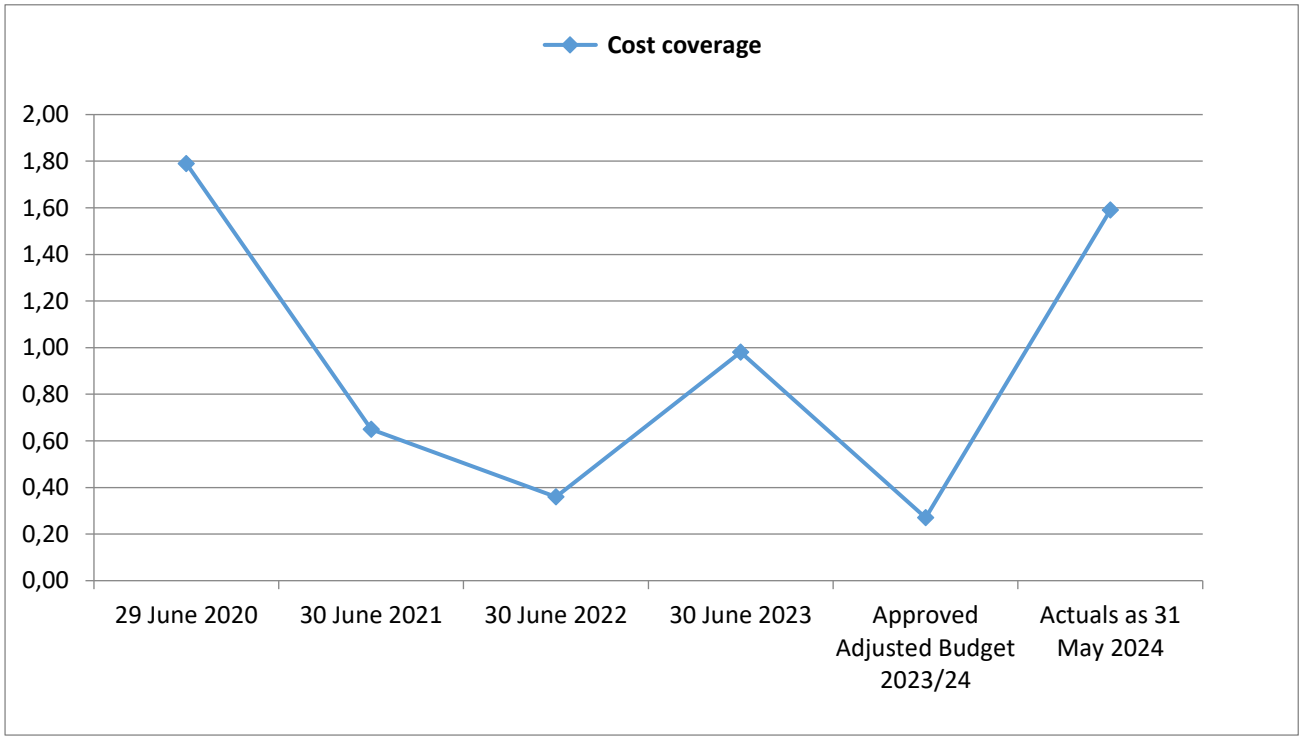
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 May 2024, the Ratio was 1.59 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.



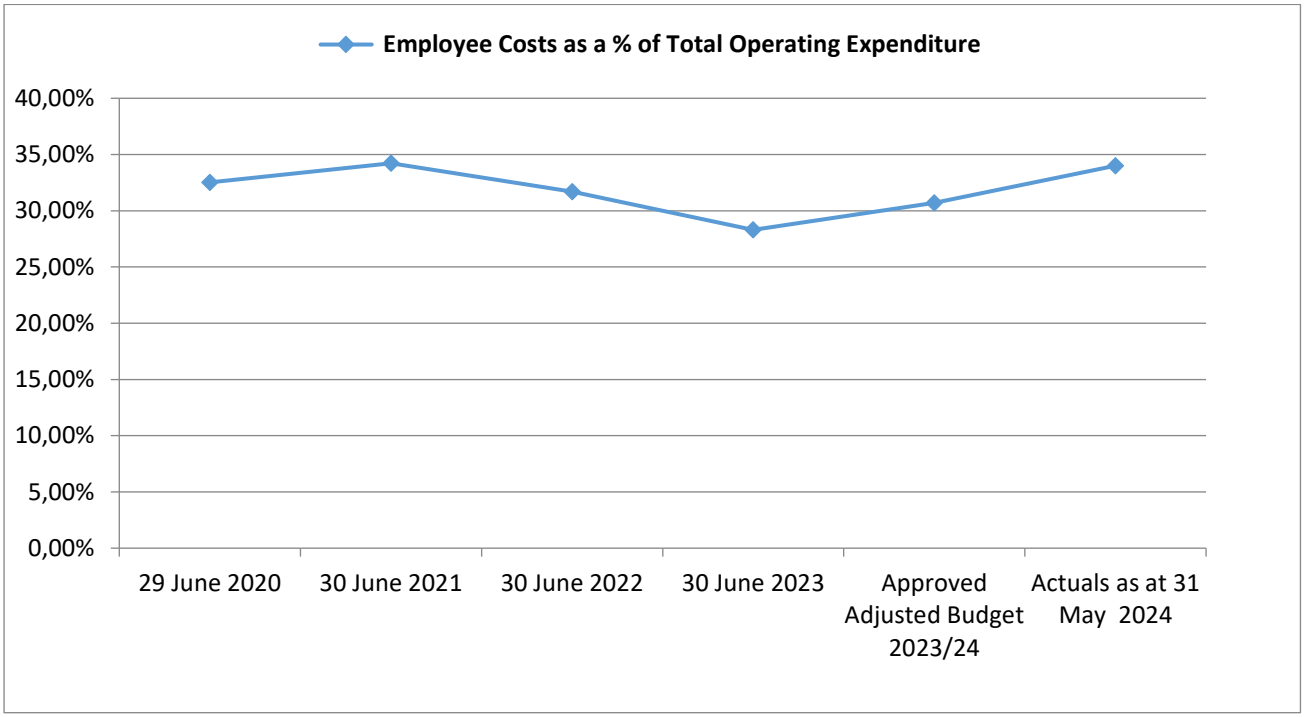
1.3.2. Employee costs as a % of Total Operating Expenditure

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 May 2024, Employee Related Costs constituted 33.99% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 30.71%.



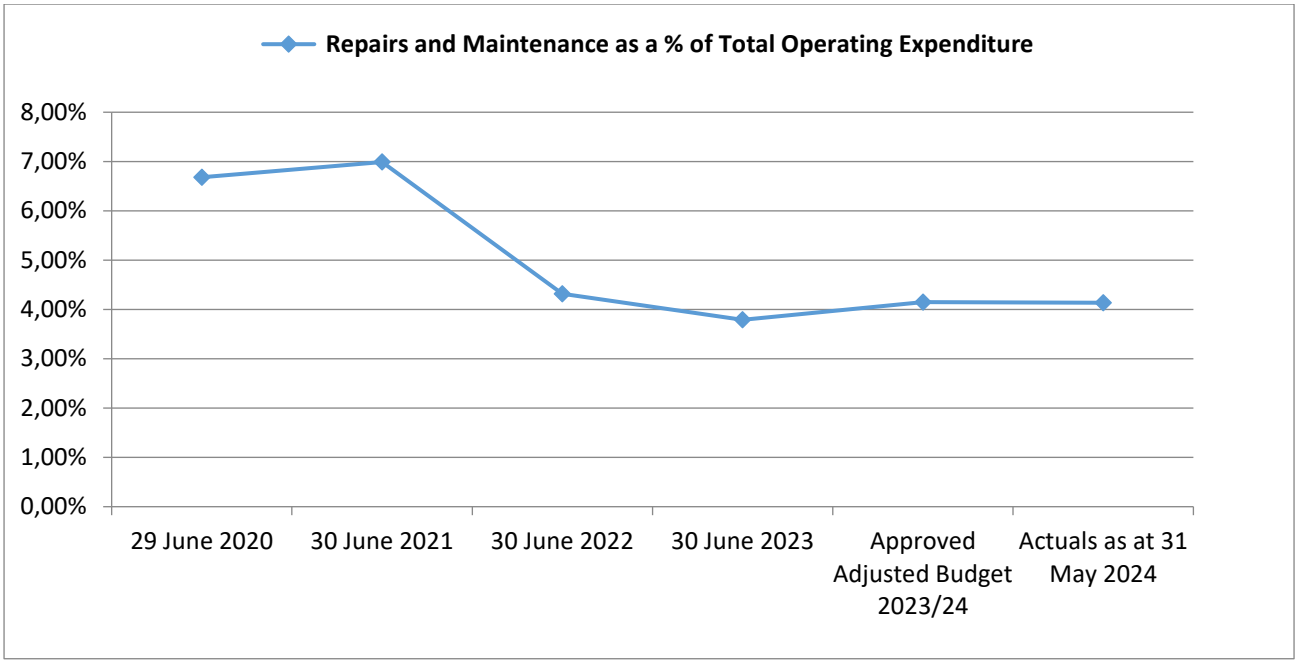
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 May 2024, the ratio was 4.14%, 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)

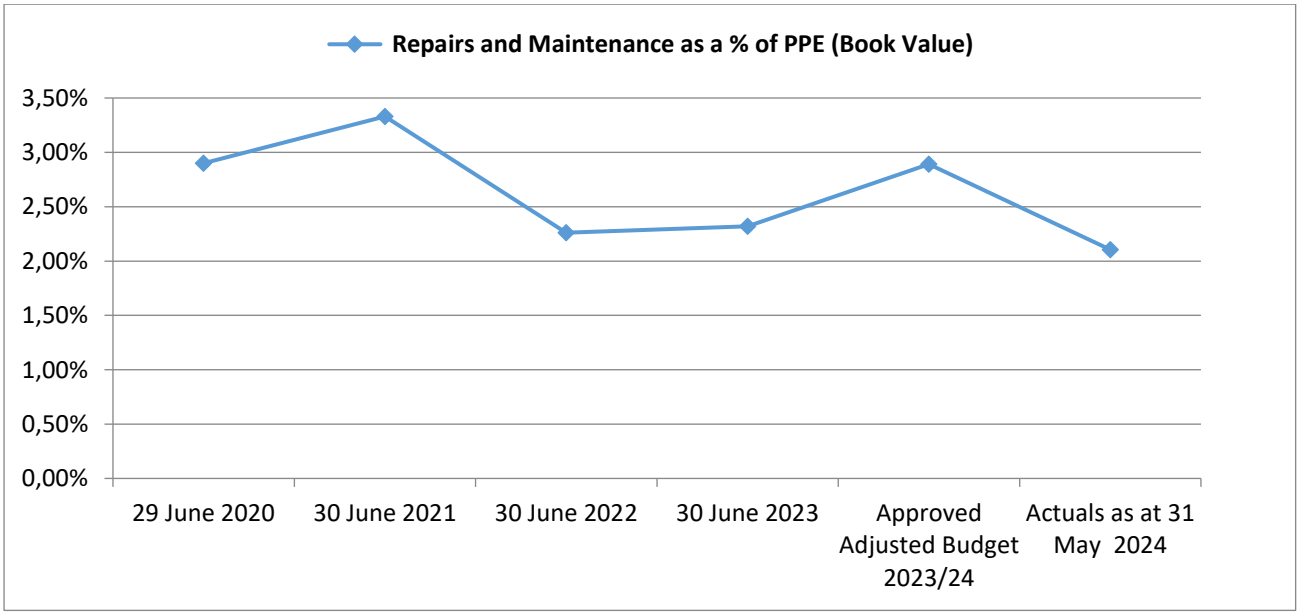
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 May 2024, repairs and maintenance expenditure constituted 2.10% 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%.



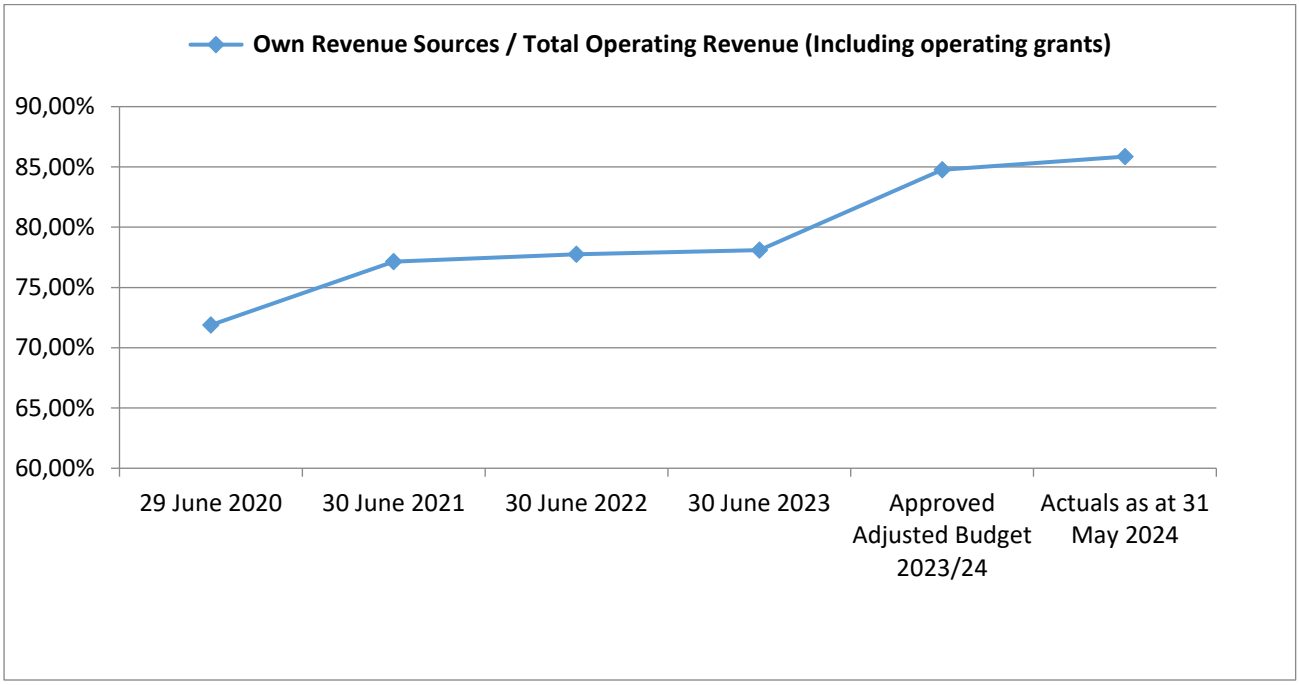
Own Revenue Generation

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 May 2024, the Municipality's own revenue sources constituted 85.86% 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 May 2024 amounted to 46.83%, compared to the approved adjusted budget ratio of 95%.

