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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JULY 2024 (2024/25 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 Regulation 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 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 regulation 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 July 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**

- Section 71 of the Local Government: Municipal Finance Management Act No. 56 of 2003.
- Local Government: Municipal Budget and Reporting Regulations, 17 April 2009.
- Local Government: Municipal Finance Management Act: Municipal Regulations on a Standard Chart of Accounts (mSCOA), 22 April 2014.

6. **Legal Implications**

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

7. **Other Implications**

None.

8. **<u>Comments by Directorates:</u>**

8.1 **Chief Financial Officer:**

[insert comment]

8.2 **Director: Planning & Development**

[insert comment]

8.3 **Director: Civil & Water Services**

[insert comment]

8.4 **Director: Electro and 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… C du Plessis ……………..……

Date…………15 August 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:

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 July 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 228,851 million, whilst operating expenditure amounted to R 87,627 million, resulting in an operating surplus of R 141,224 million.
- Capital expenditure constituted 1.50% of the 2024/25 Approved Capital Budget.
- Overdue consumer debts increased by R 7,071 million (1.81%) since June 2024.
- An amount of R 60,948 million is owing to creditors, 90.04% 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 80,144,095 (55.79%) since June 2024, from R 143,659,131 to R 223,803,226.

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

	Balance as 30 June 2024	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 July 2024**
Standard Bank	26 516 585	-	168 907	-		26 685 492
ABSA	22 795 366	10 897 000	174 961	-	-	33 867 327
Nedbank	22 593 059	10 897 000	157 846	-		33 647 905
RMB	22 735 812	10 897 000	154 907	-		33 787 719
INVESTEC	22 771 482	10 897 000	157 110	-		33 825 591
Total	**117 412 304**	**43 588 000**	**813 730**	**-**	**-**	**161 814 034**
INVESTMENT	**Balance as 30 June 2024**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 July 2024**
General Account	83 904 387	24 841 000	727 776	-	-	109 473 163
Conditional Grants	12 893 198	18 747 000	85 955	-	-	31 726 153
Housing Funds	20 614 718	-	-	-	-	20 614 718
Total	**117 412 304**	**43 588 000**	**813 730**	**-**	**-**	**161 814 034**
	Balance as 30 June 2024	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 July 2024**
Cheque Accounts FNB 52540020791	10 314 767,98			- 42 581,71		10 272 186,27
Cheque Accounts FNB 52540033304	8 553 426,66	35 257 501,07				43 810 927,73
Cheque Accounts FNB 62682103591	3 832,90			- 133,67		3 699,23
Cheque Accounts FNB 63022194441	7 374 799,19	527 579,03				7 902 378,22
	26 246 826,73	**35 785 080,10**	**-**	**- 42 715,38**	**-**	**61 989 191,45**
Total	**143 659 131**	**79 373 080**	**813 730**	**- 42 715**	**-**	**223 803 226**

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

Cash backed Reserves.

Bank Balances and Cash	R 61,989,191
Short-term Investment Deposits	R 161,814,034
	R 223,803,226

Application of Cash

Unspent Conditional Grants	R 55,383,080
Operational commitments	R 5,539,845
Outstanding Creditors Liability	R 60,947,587
	R 121,870,512
Cash Reserves exceed commitments:	**R 101,932,714**

The cash backed reserves exceed commitments at this stage by an amount of R 101,932,714.

It should be noted that the excess of reserves over commitments as at 31 July 2024, is mainly due to an amount of R 80,277 million in respect of the Equitable Share allocation received on 3 July 2024, but not yet fully spent. These funds are already committed towards spending in the 2024/25 operating budget.

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

Ratio	Actuals as at 30 June 2023	Actuals as at 30 June 2024	MFMA Circular 71 Norms	Actuals as at 31 July 2023	Approved Budget 2024/25	Actuals as at 31 July 2024
Current Ratio	0.78:1	1.24:1	1.5:1 to 2:1	1.78:1	0.9:1	1.73:1
Liquidity Ratio	0.42:1	0.71:1		1.13:1	0.2:1	1.1:1
Cost Coverage (Excluding unspent conditional grants)	0.98 Months	1.09 Months	1 Month to 3 Months	1.46 Months	0.40 Months	2 Months
Debtors Collection Rate	86.71%	91.01%	95%	48.94%	95%	52.14%
Capital Expenditure	94.66%	55.48%	95%	0%	95%	1.50%

"ANNEXURE A1"

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2024/25					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	1,392,621	1,392,621	228,851	228,851	116,052	112,800
Total Expenditure	1,505,474	1,505,474	87,627	87,627	125,368	(37,741)
Surplus/(Deficit)	(112,853)	(112,853)	141,224	141,224	(9,317)	150,541

The statement of financial performance reflects an operating surplus of R141,224 million at this stage. It must be noted that the surplus is largely influenced by the debt impairment, depreciation and amortization and irrecoverable debts written off, not yet recognized.

1.2. Revenue

Main revenue sources for 2024/25

Description	Budget Year 2024/245		
	Adjusted Budget	YearTD actual	%
R thousands			
Revenue	-	-	-
Exchange Revenue			
Service charges - Electricity	381,991	35,003	9.16%
Service charges - Water	82,323	10,638	12.92%
Service charges - Waste Water Management	64,086	5,590	8.72%
Service charges - Waste management	71,123	6,323	8.89%
Sale of Goods and Rendering of Services	9,533	433	4.54%
Agency services	4,554	–	0.00%
Interest earned from Receivables	32,335	2,498	7.73%
Interest earned from Current and Non-Current Assets	13,998	1,495	10.68%
Rental from Fixed Assets	3,187	164	5.14%
Licence and permits	2,851	198	6.95%
Operational Revenue	1,955	487	24.89%
Non-Exchange Revenue			
Property rates	297,076	77,005	25.92%
Fines, penalties and forfeits	143,343	65	0.05%
Licence and permits	11,772	1,192	10.13%
Transfer and subsidies - Operational	202,153	81,269	40.20%
Interest	5,510	512	9.28%
Operational Revenue	64,831	5,979	9.22%

Total Revenue (excluding capital transfers and contributions)	**1,392,621**	**228,851**	**16.43%**

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.

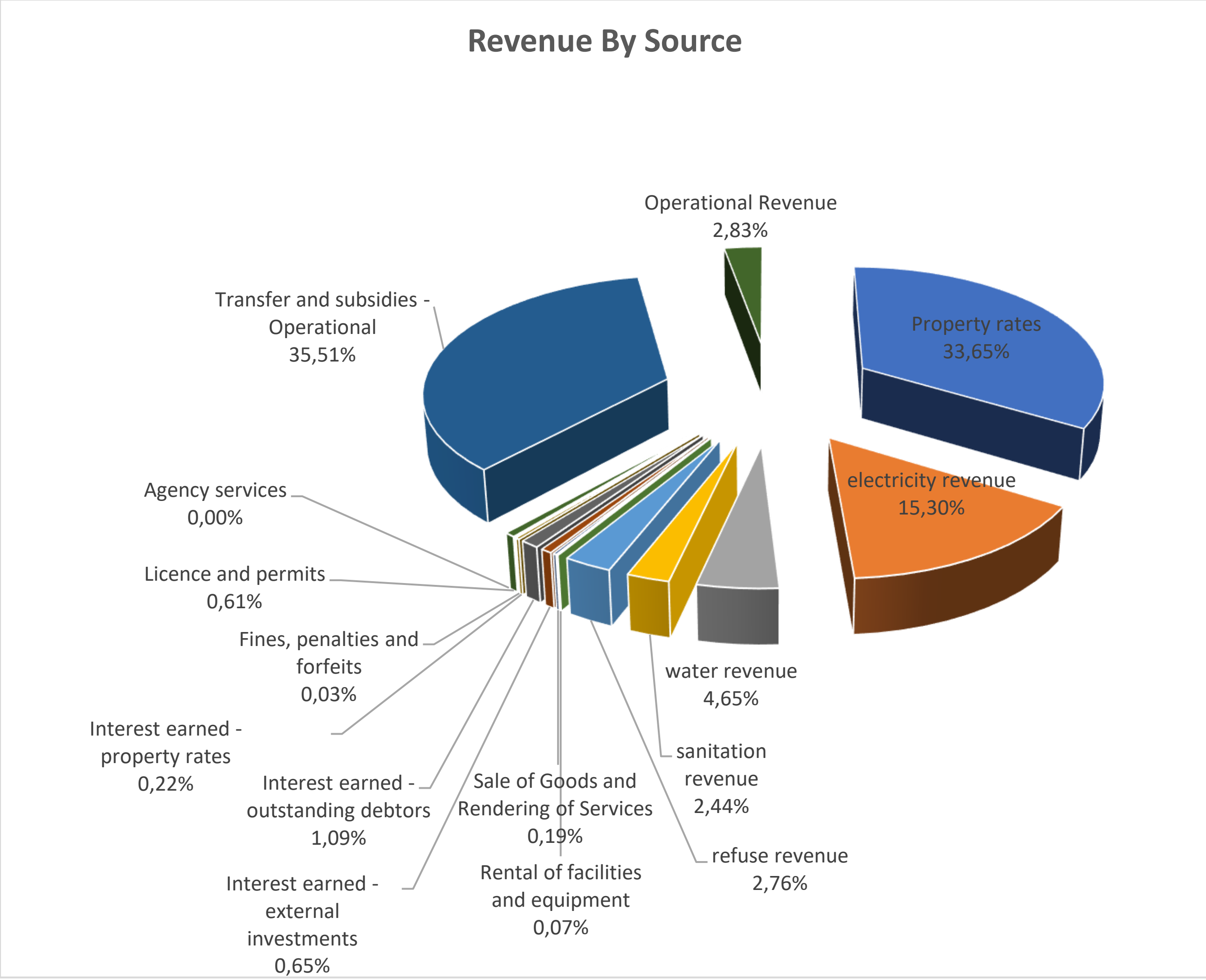
- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences, drivers' licences and other vehicle permits. The commission is then influenced by the revenue collected on behalf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

- **Transfers and subsidies-Operational**
  Transfers and subsidies are largely influenced by the equitable share allocation received on 3 July 2024, amounting to R 80,277 million.

- **Operational revenue (Exchange Revenue)**
  The other revenue relates to various sources of operating revenue such as staff recoveries, insurance refunds and skills development levy refunds.

- **Property Rates**
  As at 31 July 2024, the municipality has recognised 25.92 % of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2024.

- **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.



1.3. Expenditure

Main expenditure types for 2024/25

Description	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Expenditure By Type	-	-	-
Employee related costs	471,743	29,592	6.27%
Remuneration of councillors	15,594	1,204	7.72%
Bulk purchases - electricity	386,299	46,386	12.01%
Inventory consumed	109,019	3,923	3.60%
Debt impairment	158,246	–	0.00%
Depreciation and amortisation	117,798	–	0.00%
Interest	17,404	400	2.30%
Contracted services	125,372	1,915	1.53%
Transfers and subsidies	400	–	0.00%
Irrecoverable debts written off	9,359	–	0.00%
Operational costs	94,240	4,206	4.46%
Total Expenditure	**1,505,474**	**87,627**	**5.82%**

Reasons for major over-/under expenditure per type

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

- **Debt impairment**
  At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.
- **Depreciation and amortisation**
  At this stage, no depreciation was recognised for the period of July 2024. The depreciation journals for July will be processed during the August reporting period.
- **Transfers and subsidies**
  Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.
- **Irrecoverable debts written off.**
  Debts are written off upon Council approval.
- **Inventory Consumed**
  Inventory consumed includes the following expenditure items:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 July 2024	%
Inventory Consumed: Consumables	4,353,160	181,538	4.17%
Inventory Consumed: Materials and Supplies	36,463,876	1,423,611	3.90%
Inventory Consumed: Fuel & Oil	26,271,072	1,773,555	6.75%
Inventory Consumed: Bulk Water Purchases	41,930,751	544,421	1.30%
Total	**109,018,859**	**3,923,124**	**3.60%**

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

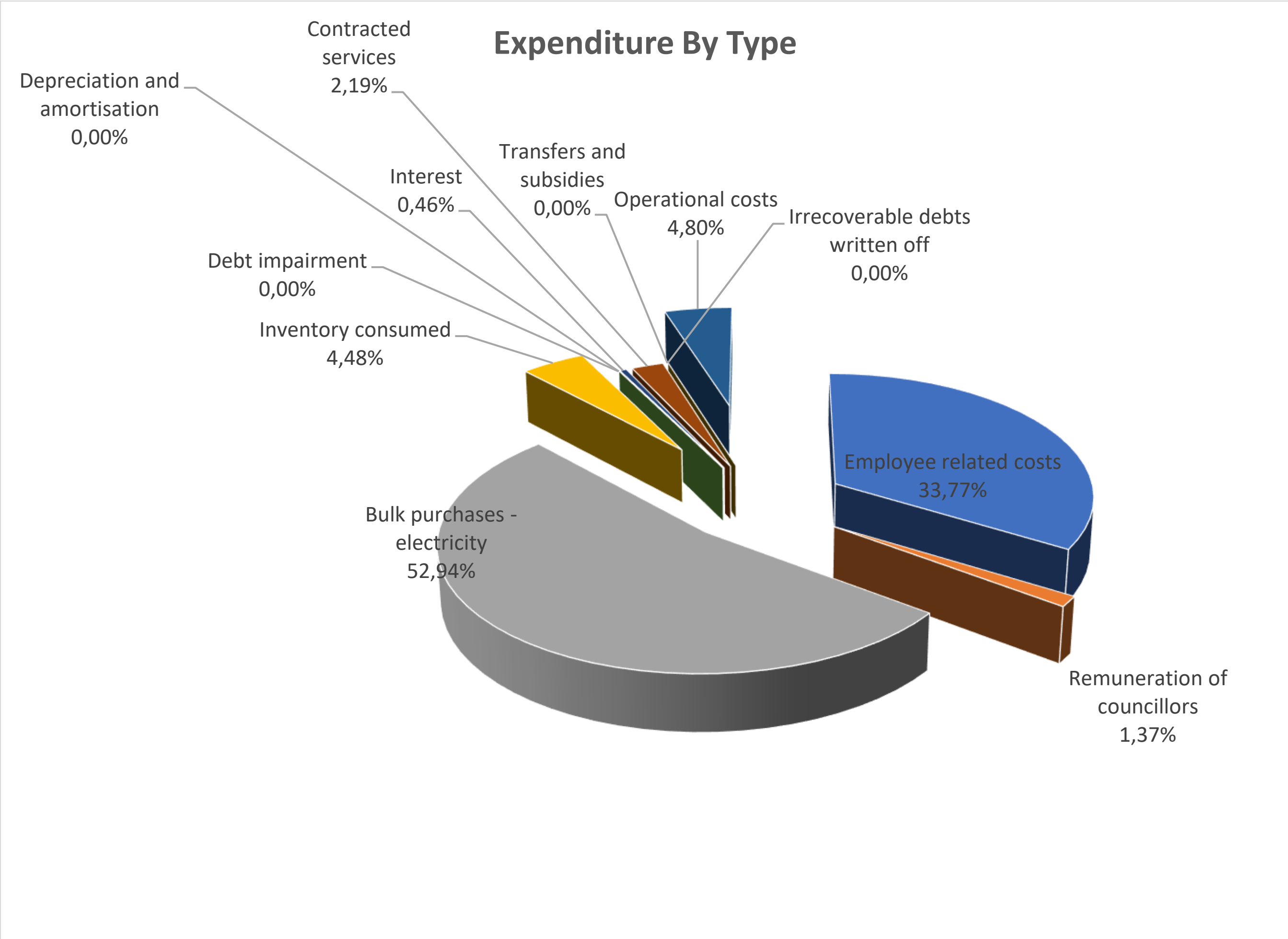
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 July 2024	%
Aloe Cup	80,000	-	0.00%
Air quality Management	400,000	-	0.00%
Amanzi Challenge National Tournament	300,000	-	0.00%
Animal Care	508,000	-	0.00%
Audit of Municipal Land & Properties	2,387,000	-	0.00%
Burial Services	31,500	-	0.00%
Calamari Festival	200,000	-	0.00%
Catering Services	1,143,904	16,940	1.48%
Clean up Operation	500,004	-	0.00%
Clearing and Grass Cutting Services	1,540,000	-	0.00%
Conducting of feasibility studies (EIA)	3,000,000	-	0.00%
Connection/Dis-connection:Electricity	580,000	-	0.00%
Consultants and Professional Services	8,502,000	-	0.00%
Destination Marketing and Promotion	670,000	-	0.00%
Drivers Licence Cards	1,000,000	-	0.00%
Dune Stabilisation	2,039,000	-	0.00%
Electricity Generation Project	500,000	-	0.00%
Environmental protection	800,000	-	0.00%
Employee Wellness	249,204	-	0.00%
ED STRATEGY - roll-out	100,000	-	0.00%
Event Promoters	99,996	-	0.00%
Family Challenge	1,800,000	-	0.00%
Heritage Restoration	200,000	-	0.00%
Internal Auditors	250,000	-	0.00%
KLTO	905,000	-	0.00%
Jbay Precint Plan Implementation	500,000	-	0.00%
Laboratory Services:Water	2,359,000	-	0.00%
Legal Advice and Litigation	1,000,000	30,260	3.03%
Legal Cost:Collection	1,100,000	-	0.00%
Maintenance of Buildings and Facilities	6,058,636	33,651	0.56%
Maintenance of Electrical Infrastructure	1,000,000	-	0.00%
Maintenance of Equipment	858,800	391	0.05%
Maintenance of Vehicles	41,165,008	566,533	1.38%
Mscoa Alignment	283,136	-	0.00%
Media Monitoring	200,004	8,695	4.35%
Occupational Health and Safety	1,100,004	55,196	5.02%
Other Contracted Services	2,897,900	100,440	3.47%
Personnel and Labour	12,783,000	93,126	0.73%
Precinct Plans Project Hankey and St Francis Bay C	100,000	-	0.00%
Private Plots_Alien Vegetation Control	400,000	-	0.00%
Qualification Verification	350,004	-	0.00%
Restricted Water Flow	400,000	-	0.00%
Revision of SDF	650,000	-	0.00%
Security Services	3,850,000	46,990	1.22%
SA Longboard Championship	300,000	-	0.00%
SDC Golf Championship Sponsorship	275,000	-	0.00%
Special Rating Area	2,159,735	-	0.00%
Summer Festival	500,000	-	0.00%
Tourism &Travel Trade Show	682,000	-	0.00%
Township Events	300,000	-	0.00%
Transport Services	225,704	-	0.00%
Valuer	13,438,721	963,041	7.17%
WSL Music Festival	200,000	-	0.00%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000	-	0.00%
Winterfest	1,700,000	-	0.00%
Yellow Wood Annual Jazz Festival	200,000	-	0.00%
	125,372,260	**1,915,264**	**1.53%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 July 2024	%
Achievements and Awards	2,300,000	-	0.00%
Advertising, Publicity and Marketing	4,339,200	123,733	2.85%
Bank Charges	600,000	152,393	25.40%
Bargaining Council	4,619,580	-	0.00%
Cellular Contract (Subscription and Calls)	3,313,020	257,894	7.78%
Claims paid to Third Parties	200,000	12,402	6.20%
External Audit Fees	4,500,000	-	0.00%
External Computer Service:Internet Charge	5,400,000	616,383	11.41%
Hire Charges	7,040,412	386,076	5.48%
Insurance Claims	1,200,000	20,348	1.70%
Insurance Underwriting:Premiums	3,644,283	-	0.00%
Leases:Furniture and Office Equipment	4,068,744	231,592	5.69%
Leases:Other Assets	3,963,740	765,660	19.32%
Motor Vehicle Licence and Registrations	1,644,488	73,459	4.47%
Other	1,324,176	34,160	2.58%
Postage/Stamps/Franking Machines	2,674,500	128,444	4.80%
Registration Fees:Professional and Regulatory Bodies	551,112	-	0.00%
Registration Fees:Seminars, Conferences, Workshops	2,430,482	12,965	0.53%
Remuneration to Ward Committees	2,862,000	177,600	6.21%
Riparian Levies	7,911,471	-	0.00%
Signage	1,126,212	-	0.00%
Skills Development Fund Levy	4,202,076	290,816	6.92%
Software Licences	8,825,000	334,031	3.79%
Storage of Files (Archiving)	399,996	9,885	2.47%
Supplier Development Programme	100,000	-	0.00%
Third Party Vendors	3,550,000	91,853	2.59%
Travel and Subsistence	4,384,369	150,200	3.43%
Uniform and Protective Clothing	3,951,484	98,789	2.50%
Vehicle Tracking	804,742	68,682	8.53%
Workmen's Compensation Fund	2,288,376	168,719	7.37%
	94,240,463	**4,206,086**	**4.46%**



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2024/25 Approved Budget.

Description	2024/25 Financial Year		
	Adjusted Budget	**Actuals as at 31 July 2024**	**%**
Repairs and Maintenance by Expenditure Items			
Employee related costs	151 091 868	-	0,00%
Other materials	25 317 864	474 011	1,87%
Contracted Services	37 796 444	600 574	1,59%
Other expenditure	4 175 000	362 041	8,67%
Total repairs and maintenance expenditure	**218 381 176**	**1 436 626**	**0,66%**

It is to be noted that actual repairs and maintenance expenditure constituted 0.66% of the 2024/25 Approved Budget. It must be noted that the employee related costs, which relate to the repairs and maintenance need to be re-allocated accordingly.

1.5. Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	381,991	35,003	9.16%
Interest earned from Receivables	2,214	244	11.03%
Transfers and subsidies - Operational	5,585	–	0.00%
Non-Exchange Revenue	**15,593**	**3,108**	19.93%
Service charges - Electricity	15,593	3,108	
Total Revenue	**405,382**	**38,356**	**9.46%**
Expenditure By Type			
Employee related costs	18,206	1,164	6.39%
Bulk purchases - electricity	386,299	46,386	12.01%
Inventory consumed	8,810	646	7.33%
Debt impairment	11,528	–	0.00%
Depreciation and amortisation	8,909	–	0.00%
Contracted services	12,390	454	3.66%
Irrecoverable debts written off	3,064	–	0.00%
Operational costs	3,967	57	1.43%
Total Expenditure	**453,172**	**48,706**	**10.75%**
Surplus/(Deficit)	**(47,790)**	**(10,350)**	

1.5.1.1 Revenue

- The electricity revenue reflects 9.16% of budget as at 31July 2024, and this is in line with the projected budget ratio of 8.33% as at 31 July 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 12.01% of budget expenditure as at 31July 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- electricity reflects a deficit of R 10,350 million as at 31 July 2024 and the deficit amount equates to 26.98%, compared to the revenue. The budgeted deficit for the 2024/25 amount to R 47,790 million and equates to 11.79%, compared to total revenue.

1.5.2 Water

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - water	82,323	10,638	12.92%
Interest earned from Receivables	15,537	1,158	7.45%
Transfers and subsidies - Operational	21,232	–	0.00%
Non-Exchange Revenue	**44,879**	**2,038**	**4.54%**
Service charges - Water	44,879	2,038	
Total Revenue	**163,972**	**13,834**	**8.44%**
Expenditure By Type			
Employee related costs	26,923	2,183	8.11%
Inventory consumed	51,549	796	1.54%
Debt impairment	5,652	–	0.00%
Depreciation and amortisation	17,074	–	0.00%
Contracted services	3,580	42	1.16%
Irrecoverable debts written off	1,502	–	0.00%
Operational costs	2,261	86	3.78%
Total Expenditure	**108,542**	**3,106**	**2.86%**
Surplus/(Deficit)	**55,430**	**10,728**	

1.5.2.1 Revenue

- The water revenue reflects 12.92% of budget as at 31 July 2024, this is in line with the projected budget ratio of 8.33% as at 31 July 2024.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 41,931 million for the bulk water purchases and the expenditure amount of R 544,421 million (1.30% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 10,728 million as at 31 July 2024 and equates to 77.55% of total revenue.

1.5.3 Wastewater Management

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	64,086	5,590	8.72%
Interest earned from Receivables	5,673	402	7.09%
Transfers and subsidies - Operational	14,213	–	0.00%
Non-Exchange Revenue	**4,360**	**833**	**19.10%**
Service charges - Waste Water Management	4,360	833	
Total Revenue	**88,332**	**6,825**	**7.73%**
Expenditure By Type			
Employee related costs	25,833	2,051	7.94%
Inventory consumed	14,161	631	4.45%
Debt impairment	2,928	–	0.00%
Depreciation and amortisation	32,226	–	0.00%
Contracted services	6,120	40	0.65%
Irrecoverable debts written off	778	–	0.00%
Operational costs	6,733	459	6.82%
Total Expenditure	**88,779**	**3,181**	**3.58%**
Surplus/(Deficit)	**(447)**	**3,644**	

1.5.3.1 Revenue

- The wastewater revenue reflects 8.72% of budget as at 31 July 2024, and this is in line with the projected budget ratio of 8.33% as at 31 July 2024.

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

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The wastewater management revenue reflects a surplus of R 3,644 million as at 31 July 2024 and equates to 53.39% of total revenue. Council approved a deficit budget of R 0.447 million for the 2024/25 financial year.

1.5.4 Waste Management

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	71,123	6,323	8.89%
Sale of Goods and Rendering of Services	9	–	0.00%
Interest earned from Receivables	8,560	666	7.77%
Operational Revenue	–	–	#DIV/0!
Transfers and subsidies - Operational	25,691	–	0.00%
Total Revenue	**105,382**	**6,988**	**6.63%**
Expenditure By Type			
Employee related costs	38,597	3,065	7.94%
Inventory consumed	8,719	789	9.04%
Debt impairment	3,147	–	0.00%
Depreciation and amortisation	3,195	–	0.00%
Contracted services	15,460	11	0.07%
Irrecoverable debts written off	837	–	0.00%
Operational costs	3,994	137	3.43%
Total Expenditure	**73,949**	**4,001**	**5.41%**
Surplus/(Deficit)	**31,432**	**2,987**	

1.5.4.1 Revenue

- The waste revenue reflects 8.89% of budget as at 31 July 2024, and this is in line with the budget ratio of 8.33% as at 31 July 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 R2,987 million as at 31July 2024 and equates to 42.74% of total revenue. Council approved a surplus budget of R 31,432 million for the 2024/25 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 30 June 2023.

Description	Budget Year 2024/25				
	Original Budget	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands					
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	12,195	12,258	93	1,022	(928)
2. Travel claims	4,394	4,384	150	365	(215)
4. Overtime	20,000	20,000	1,829	1,667	162
5. Catering Costs	1,144	1,144	17	95	(78)
6. Events, Advertising and sponsorships	5,399	5,399	124	450	(326)
7. Attendance of Conferences, Seminars & Workshops	2,430	2,430	13	203	(190)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	571	571	2	48	(46)
9. Projects /Programme Launches	–	–	–	–	–
10. Essential User Scheme	**251**	**251**	**251**	**251**	–
Total	**46,385**	**46,438**	**2,478**	**4,100**	**(1,621)**

A comparison of the actuals to the year-to-date budget reflects savings amounting to R1,621 million as at 31 July 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 2024/25			Actuals as at 31 July 2024			
R thousands	Operating budget	Capital Budget	Approved Adjusted Budget 2024/25	Operating Expenditure Actuals	Capital Actuals	Total Expenditure per Vote	Unauthorised Expenditure
Civil & Water Services	316,288	80,868	397,156	8,872	2,258	11,131	-
Community Services	386,610	1,391	388,001	13,354	-	13,354	-
Electro & Mechanical Services	466,058	68,103	534,161	49,367	-	49,367	-
Finance and Economic Development	142,446	-	142,446	5,870	-	5,870	-
Office of the DMM	131,573	-	131,573	6,771	-	6,771	-
Office of the MM	28,853	-	28,853	1,580	-	1,580	-
Planning and Development	33,646	-	33,646	1,811	-	1,811	-
Total Expenditure by Vote	**1,505,474**	**150,362**	**1,655,835**	**87,627**	**2,258**	**89,886**	**-**

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 July 2024, constituted 1.50% of approved capital budget and the funding is broken down as follows:

- Grant funding is 1.94% of approved grant funding budget.
- Internally generated funds are 0% at this stage.

Capital budget by municipal vote for 2024/25.

Vote Description	Budget Year 2024/25				
	Original Budget	Approved Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	–	
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	–	–	–	–	
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	–	–	–	–	
Vote 4 - COMMUNITY SERVICES	1,391	1,391	–	–	0.00%
Vote 5 - CIVIL AND WATER SERVICES	80,868	80,868	2,258	2,258	2.79%
Vote 6 - ELECTRO/MECHANICAL SERVICES	68,103	68,103	–	–	0.00%
Vote 7 - PLANNING AND DEVELOPMENT	–	–	–	–	
Total Capital Multi-year expenditure	**150,362**	**150,362**	**2,258**	**2,258**	**1.50%**

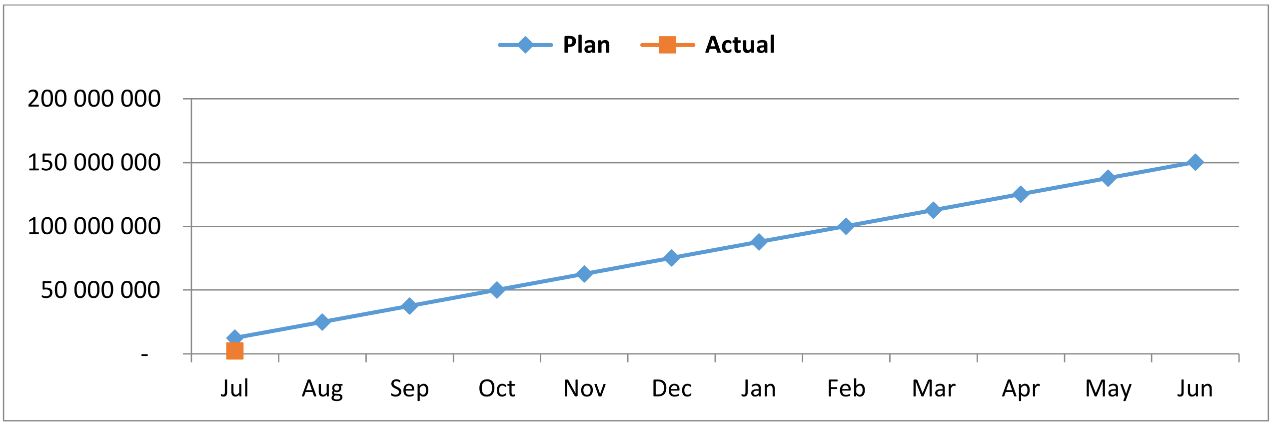
The capital expenditure as at 31 July 2024, constituted 1.50% of approved capital budget.

The capital expenditure is broken down per directorate as follows:

- Community Services is 0% of R 1,391 million budget.
- Civil & Water Services 2.79% of R 80,868 million budget.
- Electro and Mechanical Services is 0% of R68,103 million budget.

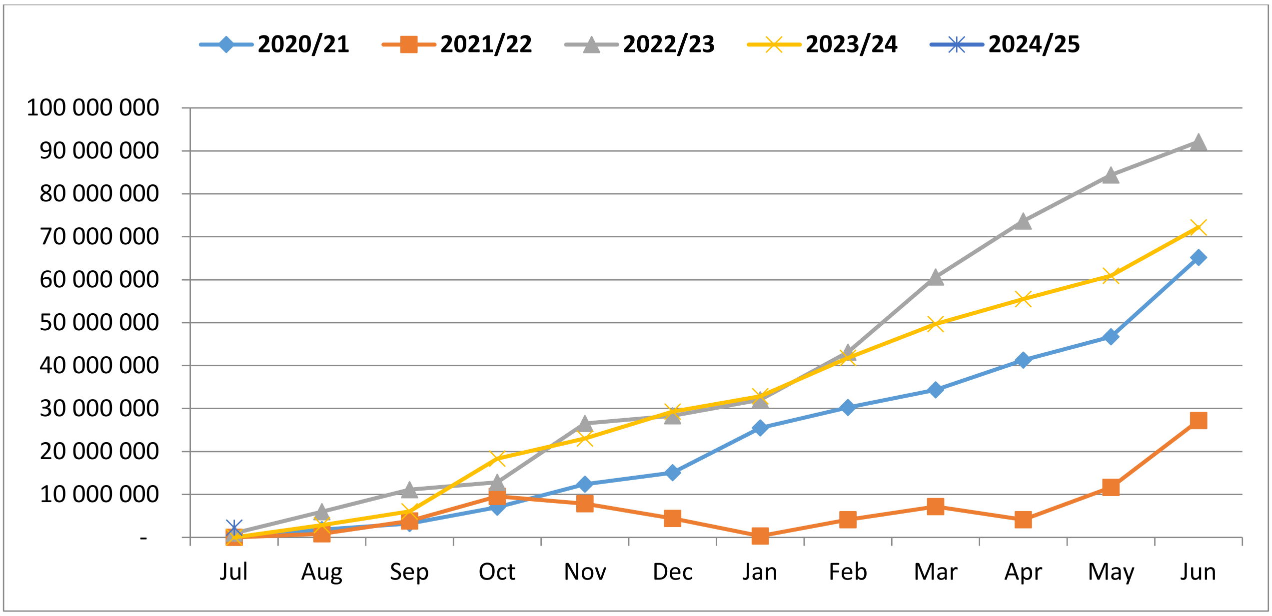
1.2. Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2024/25 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, 2023/24 and 2024/25.



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

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Annual Budget 2024/25	Actuals as at 31 July 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADE OF PHILLIPSVILLE SPORTS FIELD	500 000	-	
ROADS AND STORMWATER	MIG	St Francis Bay - Nevil Road Reconstruction	508 696	-	
ROADS AND STORMWATER	MIG	St Francis Bay - Anne Avenue to Ralph Road Reconstruction	1 608 696	-	
ROADS AND STORMWATER	MIG	Aston Bay to Paradise Beach - Seekoei Estuary Causeway reconstruction	6 478 261	-	
ROADS AND STORMWATER	MIG	Paradise Beach - Botha Street Stormwater Infrastructure	424 348	-	
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	150 000	-	
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANVIEW	80 500	-	
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	29 169 586	2 258 288	7,74%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	200 000	-	
SEWERAGE	DOHS	Phase 1 Upgrade of Thornhill Sewer Treatment Works	553 739	-	
SEWERAGE	DOHS	Kruisfontein Bulk Sewer -Link Line	1 997 391	-	
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	1 287 831	-	
SEWERAGE	DOHS	Kwanomzamo Bulk Sanitation -Pump Station & Rising Main	7 304 348	-	
SEWERAGE	DOHS	Envirosan Toilets (40 Units)	1 446 261	-	
SEWERAGE	WSIG	Loerie Sewer Pump Station upgrade and new sewer rising main	150 000	-	
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	6 956 517	-	
WATER	DOHS	Kwanomzamo Bulk Water : New Pipeline	6 521 739	-	
WATER	WSIG	Kruisfontein Bulk Water -Gill Marcus Reservoir and pipeline upgrade	6 782 609	-	
WATER	WSIG	RETICULATION REPLACE PIPELINES	3 478 260	-	
WATER	WSIG	Replace Ageing Water Infrastructure in St Francis Bay	150 000	-	
WATER	DOHS	Replace Main Waterline Sout Rivier Bridge Crossing	100 000	-	
WATER	DOHS	New Reservoir on Pnt 2 of the Farm Thornhill	5 018 940	-	
			80 867 722	**2 258 288**	**2,79%**
COMMUNITY SERVICES					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1 391 304	-	
			1 391 304	**-**	**-**
ELECTRO & MECHANICAL SERVICES					
FLEET AND WORKSHOP	Finance Lease	Vehicle	34 000 000	-	
ELECTRICITY	INEP	OCEAN VIEW 1250 ELECTRIFICATION	3 654 783	-	
ELECTRICITY	DOHS	Oceanview Substation Upgrade	10 434 783	-	
ELECTRICITY	DOHS	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder line & substation	19 130 435	-	
ELECTRICITY	MIG	DESIGN: HIGH MAST LIGHTS	100 000	-	
ELECTRICITY	DOHS	Electricity	782 609	-	
			68 102 610	**-**	**-**
		Total	**150 361 636**	**2 258 288**	**1,50%**

Annexure "A3"

1. PROJECTED CASH FLOW STATEMENT FOR THE 2024/25 FINANCIAL YEAR

1.1. Projected Cash Flow Statement as at 31 July 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 – M01 July 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		362,726	287,458	287,458	29,413	29,413	23,955	5,458	23%	287,458
Service charges		255,325	761,922	761,922	43,194	43,194	63,494	(20,300)	-32%	761,922
Other revenue		16,788	93,666	93,666	21,197	21,197	7,805	13,392	172%	93,666
Transfers and Subsidies - Operational		184,436	202,153	202,153	80,822	80,822	16,846	63,976	380%	202,153
Transfers and Subsidies - Capital		1,586	123,443	123,443	18,202	18,202	10,287	7,915	77%	123,443
Interest		912,223	13,998	13,998	4,590	4,590	1,166	3,424	294%	13,998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771,378	(1,327,265)	(1,327,265)	(112,547)	(112,547)	(110,605)	1,941	-2%	(1,327,265)
Interest		–	(16,159)	(16,159)	(1,065)	(1,065)	(1,347)	(282)	21%	(16,159)
Transfers and Subsidies		–	(400)	(400)	–	–	(33)	(33)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,504,462**	**138,815**	**138,815**	**83,806**	**83,806**	**11,568**	**(72,238)**	**-624%**	**138,815**
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		(83,038)	(116,362)	(116,362)	(2,597)	(2,597)	(9,697)	(7,100)	73%	(116,362)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83,038)**	**(116,362)**	**(116,362)**	**(2,597)**	**(2,597)**	**(9,697)**	**(7,100)**	**73%**	**(116,362)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22,478)	(22,478)	(1,065)	(1,065)	(1,873)	(808)	43%	(22,478)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22,478)**	**(22,478)**	**(1,065)**	**(1,065)**	**(1,873)**	**(808)**	**43%**	**(22,478)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,421,424**	**(24)**	**(24)**	**80,144**	**80,144**	**(2)**			**(24)**
Cash/cash equivalents at beginning:		175,550	43,665	43,665		143,659	43,665			143,659
Cash/cash equivalents at month/year end:		2,596,974	43,641	43,641		223,803	43,663			143,635

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 2024/25 budget performance for the period of July 2024 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M01 July 2024

Description	2023/24	Budget Year 2024/25							
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	278,930	297,076	297,076	77,005	77,005	24,756	52,249	211%	297,076
Service charges	535,882	599,522	599,522	57,554	57,554	49,960	7,594	15%	599,522
Investment revenue	12,969	13,998	13,998	1,495	1,495	1,166	328	28%	13,998
Transfers and subsidies - Operational	198,620	202,153	202,153	81,269	81,269	16,846	64,422	382%	202,153
Other own revenue	146,779	279,872	279,872	11,528	11,528	23,323	(11,794)	-51%	279,872
Total Revenue (excluding capital transfers and	**1,173,179**	**1,392,621**	**1,392,621**	**228,851**	**228,851**	**116,052**	**112,800**	**97%**	**1,392,621**
Employee costs	375,759	471,743	471,743	29,592	29,592	39,312	(9,720)	-25%	471,743
Remuneration of Councillors	14,976	15,594	15,594	1,204	1,204	1,300	(95)	-7%	15,594
Depreciation and amortisation	98,441	117,798	117,798	–	–	9,819	(9,819)	-100%	117,798
Interest	5,663	17,404	17,404	400	400	1,450	(1,050)	-72%	17,404
Inventory consumed and bulk purchases	452,322	495,318	495,318	50,309	50,309	41,276	9,032	22%	495,318
Transfers and subsidies	720	400	400	–	–	33	(33)	-100%	400
Other expenditure	192,704	387,217	387,217	6,121	6,121	32,178	(26,057)	-81%	387,217
Total Expenditure	**1,140,585**	**1,505,474**	**1,505,474**	**87,627**	**87,627**	**125,368**	**(37,741)**	**-30%**	**1,505,474**
Surplus/(Deficit)	**32,594**	**(112,853)**	**(112,853)**	**141,224**	**141,224**	**(9,317)**	**150,541**	**-1616%**	**(112,853)**
Transfers and subsidies - capital (monetary allocations)	66,367	133,816	133,816	4,103	4,103	11,151	(7,048)	-63%	133,816
Transfers and subsidies - capital (in-kind)	18,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**	**143,492**	**7821%**	**20,963**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**	**143,492**	**7821%**	**20,963**
Capital expenditure & funds sources									
Capital expenditure	**71,568**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**
Capital transfers recognised	59,567	116,362	116,362	2,258	2,258	9,697	(7,439)	-77%	116,362
Borrowing	–	34,000	34,000	–	–	2,833	(2,833)	-100%	34,000
Internally generated funds	12,001	–	–	–	–	–	–		–
Total sources of capital funds	**71,568**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**
Financial position									
Total current assets	475,535	213,837	213,837		626,486				213,837
Total non current assets	2,306,974	2,369,948	2,369,948		2,297,061				2,369,948
Total current liabilities	334,273	225,392	225,392		342,824				225,392
Total non current liabilities	240,492	270,953	270,953		234,591				270,953
Community wealth/Equity	**2,207,754**	**2,087,440**	**2,087,440**		**2,200,806**				**2,087,440**
Cash flows									
Net cash from (used) operating	2,504,462	109,901	109,901	305,993	305,993	9,158	(296,835)	-3241%	1,353,065
Net cash from (used) investing	(83,038)	(116,362)	(116,362)	(4,695)	(4,695)	9,697	14,392	148%	116,362
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**2,596,974**	**37,204**	**37,204**	**–**	**596,196**	**62,520**	**(533,676)**	**-854%**	**1,764,325**

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	115,381	13,251	12,099	9,612	8,845	8,121	60,410	284,642	512,362
Creditors Age Analysis									
Total Creditors	59,956	1,488	378	32	23	20	(42)	(907)	60,948

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) – M01 July 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue - Functional									%	
Governance and administration		**504,069**	**590,750**	**590,750**	**165,591**	**165,591**	**49,229**	116,362	236%	**590,750**
Executive and council		36	142	142	30	30	12	18	151%	142
Finance and administration		504,034	590,608	590,608	165,562	165,562	49,217	116,345	236%	590,608
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**50,450**	**87,286**	**87,286**	**3,401**	**3,401**	**7,274**	(3,873)	-53%	**87,286**
Community and social services		2,415	2,460	2,460	26	26	205	(179)	-87%	2,460
Sport and recreation		8,637	11,504	11,504	1,070	1,070	959	111	12%	11,504
Public safety		286	1,857	1,857	1,507	1,507	155	1,352	874%	1,857
Housing		35,790	68,969	68,969	–	–	5,747	(5,747)	-100%	68,969
Health		3,322	2,496	2,496	798	798	208	590	284%	2,496
Economic and environmental services		**47,966**	**56,136**	**56,136**	**3,168**	**3,168**	**4,678**	(1,510)	-32%	**56,136**
Planning and development		8,340	10,252	10,252	613	613	854	(241)	-28%	10,252
Road transport		16,468	19,972	19,972	241	241	1,664	(1,424)	-86%	19,972
Environmental protection		23,158	25,912	25,912	2,314	2,314	2,159	155	7%	25,912
Trading services		**655,060**	**792,266**	**792,266**	**60,794**	**60,794**	**66,022**	(5,228)	-8%	**792,266**
Energy sources		374,838	409,585	409,585	38,285	38,285	34,132	4,153	12%	409,585
Water management		114,257	177,913	177,913	13,834	13,834	14,826	(992)	-7%	177,913
Waste water management		101,274	123,062	123,062	3,836	3,836	10,255	(6,419)	-63%	123,062
Waste management		64,691	81,707	81,707	4,839	4,839	6,809	(1,970)	-29%	81,707
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,257,546**	**1,526,437**	**1,526,437**	**232,954**	**232,954**	**127,203**	**105,751**	**83%**	**1,526,437**
Expenditure - Functional										
Governance and administration		**259,388**	**362,481**	**362,481**	**17,297**	**17,297**	**30,119**	(12,822)	-43%	**362,481**
Executive and council		56,568	61,996	61,996	3,524	3,524	5,167	(1,643)	-32%	61,996
Finance and administration		202,762	299,963	299,963	13,773	13,773	24,909	(11,135)	-45%	299,963
Internal audit		57	523	523	–	–	44	(44)	-100%	523
Community and public safety		**103,414**	**140,104**	**140,104**	**6,399**	**6,399**	**11,676**	(5,277)	-45%	**140,104**
Community and social services		9,195	13,952	13,952	631	631	1,163	(531)	-46%	13,952
Sport and recreation		52,182	75,205	75,205	2,605	2,605	6,267	(3,662)	-58%	75,205
Public safety		28,505	33,254	33,254	2,153	2,153	2,771	(618)	-22%	33,254
Housing		5,791	9,703	9,703	459	459	809	(350)	-43%	9,703
Health		7,740	7,991	7,991	550	550	666	(116)	-17%	7,991
Economic and environmental services		**144,903**	**288,532**	**288,532**	**5,149**	**5,149**	**24,044**	(18,895)	-79%	**288,532**
Planning and development		26,809	32,149	32,149	2,113	2,113	2,679	(566)	-21%	32,149
Road transport		106,710	246,274	246,274	2,822	2,822	20,523	(17,701)	-86%	246,274
Environmental protection		11,384	10,109	10,109	214	214	842	(628)	-75%	10,109
Trading services		**626,380**	**714,357**	**714,357**	**58,780**	**58,780**	**59,529**	(749)	-1%	**714,357**
Energy sources		400,026	453,172	453,172	48,706	48,706	37,764	10,941	29%	453,172
Water management		101,531	108,542	108,542	3,106	3,106	9,045	(5,939)	-66%	108,542
Waste water management		70,300	88,779	88,779	3,181	3,181	7,398	(4,217)	-57%	88,779
Waste management		54,523	63,864	63,864	3,787	3,787	5,322	(1,535)	-29%	63,864
Other		**6,501**	–	–	**3**	**3**	–	**3**		–
Total Expenditure - Functional	3	**1,140,585**	**1,505,474**	**1,505,474**	**87,627**	**87,627**	**125,368**	**(37,741)**	**-30%**	**1,505,474**
Surplus/ (Deficit) for the year		**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**	**143,492**	**7821%**	**20,963**

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 – M01 July 2024

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1,659	1,115	1,115	535	535	93	442	476.0%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		147,853	446,890	446,890	157,072	157,072	37,241	119,831	321.8%	446,890
Vote 4 - COMMUNITY SERVICES		174,313	276,782	276,782	10,820	10,820	23,065	(12,245)	-53.1%	276,782
Vote 5 - CIVIL AND WATER SERVICES		227,257	314,671	314,671	23,392	23,392	26,223	(2,831)	-10.8%	314,671
Vote 6 - ELECTRO/MECHANICAL SERVICES		374,839	409,586	409,586	38,356	38,356	34,132	4,223	12.4%	409,586
Vote 7 - PLANNING AND DEVELOPMENT		41,386	77,392	77,392	446	446	6,449	(6,004)	-93.1%	77,392
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	**967,306**	**1,526,437**	**1,526,437**	**230,620**	**230,620**	**127,203**	**103,417**	**81.3%**	**1,526,437**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		29,009	31,456	31,456	1,701	1,701	2,621	(920)	-35.1%	31,456
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		90,285	128,955	128,955	6,648	6,648	10,658	(4,010)	-37.6%	128,955
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		76,355	141,869	141,869	5,870	5,870	11,822	(5,952)	-50.3%	141,869
Vote 4 - COMMUNITY SERVICES		218,608	386,594	386,594	13,354	13,354	32,217	(18,863)	-58.5%	386,594
Vote 5 - CIVIL AND WATER SERVICES		274,267	316,288	316,288	8,872	8,872	26,357	(17,485)	-66.3%	316,288
Vote 6 - ELECTRO/MECHANICAL SERVICES		416,980	466,160	466,160	49,367	49,367	38,847	10,521	27.1%	466,160
Vote 7 - PLANNING AND DEVELOPMENT		22,620	34,152	34,152	1,814	1,814	2,846	(1,032)	-36.3%	34,152
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	**1,128,123**	**1,505,474**	**1,505,474**	**87,627**	**87,627**	**125,368**	**(37,741)**	**-30.1%**	**1,505,474**
Surplus/ (Deficit) for the year	2	**(160,817)**	**20,963**	**20,963**	**142,993**	**142,993**	**1,835**	**141,158**	**7694.1%**	**20,963**

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) – M01 July 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue		615,383	667,935	667,935	62,829	62,829	55,661	7,168	13%	667,935
Service charges - Electricity		356,972	381,991	381,991	35,003	35,003	31,833	3,171	10%	381,991
Service charges - Water		67,487	82,323	82,323	10,638	10,638	6,860	3,777	55%	82,323
Service charges - Waste Water Management		54,062	64,086	64,086	5,590	5,590	5,340	250	5%	64,086
Service charges - Waste management		57,361	71,123	71,123	6,323	6,323	5,927	396	7%	71,123
Sale of Goods and Rendering of Services		5,939	9,533	9,533	433	433	794	(361)	-45%	9,533
Agency services		3,615	4,554	4,554	–	–	380	(380)	-100%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		24,607	32,335	32,335	2,498	2,498	2,695	(196)	-7%	32,335
Interest earned from Current and Non Current Assets		12,969	13,998	13,998	1,495	1,495	1,166	328	28%	13,998
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		3,528	3,187	3,187	164	164	266	(102)	-38%	3,187
Licence and permits		2,368	2,851	2,851	198	198	238	(40)	-17%	2,851
Operational Revenue		26,475	1,955	1,955	487	487	163	324	199%	1,955
Non-Exchange Revenue		557,796	724,686	724,686	166,022	166,022	60,390	105,632	175%	724,686
Property rates		278,930	297,076	297,076	77,005	77,005	24,756	52,249	211%	297,076
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		65,812	143,343	143,343	65	65	11,945	(11,880)	-99%	143,343
Licence and permits		8,029	11,772	11,772	1,192	1,192	981	211	22%	11,772
Transfer and subsidies - Operational		198,620	202,153	202,153	81,269	81,269	16,846	64,422	382%	202,153
Interest		6,121	5,510	5,510	512	512	459	52	11%	5,510
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	64,831	64,831	5,979	5,979	5,403	577	11%	64,831
Gains on disposal of Assets		284	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**1,173,179**	**1,392,621**	**1,392,621**	**228,851**	**228,851**	**116,052**	**112,800**	**97%**	**1,392,621**
Expenditure By Type										
Employee related costs		375,759	471,743	471,743	29,592	29,592	39,312	(9,720)	-25%	471,743
Remuneration of councillors		14,976	15,594	15,594	1,204	1,204	1,300	(95)	-7%	15,594
Bulk purchases - electricity		351,702	386,299	386,299	46,386	46,386	32,192	14,194	44%	386,299
Inventory consumed		100,619	109,019	109,019	3,923	3,923	9,085	(5,162)	-57%	109,019
Debt impairment		–	158,246	158,246	–	–	13,187	(13,187)	-100%	158,246
Depreciation and amortisation		98,441	117,798	117,798	–	–	9,819	(9,819)	-100%	117,798
Interest		5,663	17,404	17,404	400	400	1,450	(1,050)	-72%	17,404
Contracted services		108,955	125,372	125,372	1,915	1,915	10,448	(8,532)	-82%	125,372
Transfers and subsidies		720	400	400	–	–	33	(33)	-100%	400
Irrecoverable debts written off		5,601	9,359	9,359	–	–	780	(780)	-100%	9,359
Operational costs		76,663	94,240	94,240	4,206	4,206	7,764	(3,557)	-46%	94,240
Losses on Disposal of Assets		1,485	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1,140,585**	**1,505,474**	**1,505,474**	**87,627**	**87,627**	**125,368**	**(37,741)**	**-30%**	**1,505,474**
Surplus/(Deficit)		**32,594**	**(112,853)**	**(112,853)**	**141,224**	**141,224**	**(9,317)**	**150,541**	**(0)**	**(112,853)**
Transfers and subsidies - capital (monetary allocations)		66,367	133,816	133,816	4,103	4,103	11,151	(7,048)	**(0)**	133,816
Transfers and subsidies - capital (in-kind)		18,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &		**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**			**20,963**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**			**20,963**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**			**20,963**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**116,961**	**20,963**	**20,963**	**145,327**	**145,327**	**1,835**			**20,963**

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) – M01 July 2024

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		42	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1,486	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		626	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		3,625	1,391	1,391	–	–	116	(116)	-100%	1,391
Vote 5 - CIVIL AND WATER SERVICES		57,052	80,868	80,868	2,258	2,258	6,739	(4,481)	-66%	80,868
Vote 6 - ELECTRO/MECHANICAL SERVICES		4,464	68,103	68,103	–	–	5,675	(5,675)	-100%	68,103
Vote 7 - PLANNING AND DEVELOPMENT		1,272	–	–	–	–	–	–		–
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	**68,566**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		44	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		11	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		1,557	–	–	–	–	–	–		–
Vote 5 - CIVIL AND WATER SERVICES		–	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		1,390	–	–	–	–	–	–		–
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
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	3,002	–	–	–	–	–	–		–
Total Capital Expenditure	3	**71,568**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**
Capital Expenditure - Functional Classification										
Governance and administration		**2,822**	**34,000**	**34,000**	**–**	**–**	**2,833**	(2,833)	-100%	**34,000**
Executive and council		325	–	–	–	–	–	–		–
Finance and administration		2,452	34,000	34,000	–	–	2,833	(2,833)	-100%	34,000
Internal audit		44	–	–	–	–	–	–		–
Community and public safety		**4,300**	**1,391**	**1,391**	**–**	**–**	**116**	(116)	-100%	**1,391**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		135	–	–	–	–	–	–		–
Public safety		2,893	1,391	1,391	–	–	116	(116)	-100%	1,391
Housing		1,272	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**14,197**	**9,670**	**9,670**	**–**	**–**	**806**	(806)	-100%	**9,670**
Planning and development		7,837	500	500	–	–	42	(42)	-100%	500
Road transport		6,118	9,170	9,170	–	–	764	(764)	-100%	9,170
Environmental protection		242	–	–	–	–	–	–		–
Trading services		**50,249**	**105,300**	**105,300**	**2,258**	**2,258**	**8,775**	(6,517)	-74%	**105,300**
Energy sources		5,587	34,103	34,103	–	–	2,842	(2,842)	-100%	34,103
Water management		20,455	29,008	29,008	–	–	2,417	(2,417)	-100%	29,008
Waste water management		22,650	42,190	42,190	2,258	2,258	3,516	(1,258)	-36%	42,190
Waste management		1,557	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**71,568**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**
Funded by:										
National Government		55,402	54,997	54,997	2,258	2,258	4,583	(2,325)	-51%	54,997
Provincial Government		1,272	59,973	59,973	–	–	4,998	(4,998)	-100%	59,973
District Municipality		2,893	1,391	1,391	–	–	116	(116)	-100%	1,391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**59,567**	**116,362**	**116,362**	**2,258**	**2,258**	**9,697**	**(7,439)**	**-77%**	**116,362**
Borrowing	6	–	34,000	34,000	–	–	2,833	(2,833)	-100%	34,000
Internally generated funds		12,001	–	–	–	–	–	–		–
Total Capital Funding	7	**71,568**	**150,362**	**150,362**	**2,258**	**2,258**	**12,530**	**(10,272)**	**-82%**	**150,362**

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 – M01 July 2024

Description	Ref	2023/24	Budget Year 2024/25			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		141,215	43,640	43,640	223,803	43,640
Trade and other receivables from exchange transactions		93,486	77,030	77,030	71,674	77,030
Receivables from non-exchange transactions		90,613	29,014	29,014	37,856	29,014
Current portion of non-current receivables		–	–	–	–	–
Inventory		20,840	18,598	18,598	19,729	18,598
VAT		127,229	45,445	45,445	–	45,445
Other current assets		2,152	109	109	–	109
Total current assets		**475,535**	**213,837**	**213,837**	**353,062**	**213,837**
Non current assets						
Investments		–	–	–	–	–
Investment property		262,608	262,608	262,608	262,608	262,608
Property, plant and equipment		2,043,964	2,106,737	2,106,737	2,034,592	2,106,737
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		402	603	603	(139)	603
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2,306,974**	**2,369,948**	**2,369,948**	**2,297,061**	**2,369,948**
TOTAL ASSETS		**2,782,509**	**2,583,785**	**2,583,785**	**2,650,123**	**2,583,785**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		(827)	23,564	23,564	1,065	23,564
Consumer deposits		31,773	29,060	29,060	31,968	29,060
Trade and other payables from exchange transactions		123,997	124,413	124,413	116,268	124,413
Trade and other payables from non-exchange transactions		39,369	–	–	–	–
Provision		54,450	48,355	48,355	54,450	48,355
VAT		85,510	(0)	(0)	–	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**334,273**	**225,392**	**225,392**	**203,751**	**225,392**
Non current liabilities						
Financial liabilities		23,744	11,333	11,333	23,543	11,333
Provision		124,716	140,468	140,468	124,716	140,468
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		92,032	119,151	119,151	–	119,151
Total non current liabilities		**240,492**	**270,953**	**270,953**	**148,258**	**270,953**
TOTAL LIABILITIES		**574,765**	**496,345**	**496,345**	**352,009**	**496,345**
NET ASSETS	2	**2,207,744**	**2,087,440**	**2,087,440**	**2,298,114**	**2,087,440**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,207,744	2,087,440	2,087,440	2,298,114	2,087,440
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,207,744**	**2,087,440**	**2,087,440**	**2,298,114**	**2,087,440**

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 – M01 July 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		362,726	287,458	287,458	29,413	29,413	23,955	5,458	23%	287,458
Service charges		255,325	761,922	761,922	43,194	43,194	63,494	(20,300)	-32%	761,922
Other revenue		16,788	93,666	93,666	21,197	21,197	7,805	13,392	172%	93,666
Transfers and Subsidies - Operational		184,436	202,153	202,153	80,822	80,822	16,846	63,976	380%	202,153
Transfers and Subsidies - Capital		1,586	123,443	123,443	18,202	18,202	10,287	7,915	77%	123,443
Interest		912,223	13,998	13,998	4,590	4,590	1,166	3,424	294%	13,998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771,378	(1,327,265)	(1,327,265)	(112,547)	(112,547)	(110,605)	1,941	-2%	(1,327,265)
Interest		–	(16,159)	(16,159)	(1,065)	(1,065)	(1,347)	(282)	21%	(16,159)
Transfers and Subsidies		–	(400)	(400)	–	–	(33)	(33)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,504,462**	**138,815**	**138,815**	**83,806**	**83,806**	**11,568**	**(72,238)**	**-624%**	**138,815**
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		(83,038)	(116,362)	(116,362)	(2,597)	(2,597)	(9,697)	(7,100)	73%	(116,362)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83,038)**	**(116,362)**	**(116,362)**	**(2,597)**	**(2,597)**	**(9,697)**	**(7,100)**	**73%**	**(116,362)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22,478)	(22,478)	(1,065)	(1,065)	(1,873)	(808)	43%	(22,478)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22,478)**	**(22,478)**	**(1,065)**	**(1,065)**	**(1,873)**	**(808)**	**43%**	**(22,478)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,421,424**	**(24)**	**(24)**	**80,144**	**80,144**	**(2)**			**(24)**
Cash/cash equivalents at beginning:		175,550	43,665	43,665		143,659	43,665			143,659
Cash/cash equivalents at month/year end:		2,596,974	43,641	43,641		223,803	43,663			143,635

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 July 2024, compared to the position as at 30 June 2024.

Debtors’ Age Analysis (Inclusive of VAT) as at 31 July2024

Description	Budget Year 2024/25								
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	20,665	4,049	4,381	3,242	2,826	2,692	24,685	83,069	145,610
Trade and Other Receivables from Exchange Transactions - Electricity	35,338	2,674	1,936	1,527	1,359	1,074	4,431	12,156	60,495
Receivables from Non-exchange Transactions - Property Rates	67,968	2,700	2,331	1,732	1,691	1,440	12,044	25,824	115,731
Receivables from Exchange Transactions - Waste Water Management	9,553	1,648	1,431	1,189	1,089	1,029	5,779	32,405	54,122
Receivables from Exchange Transactions - Waste Management	6,719	1,417	1,278	1,189	1,141	1,101	6,315	45,666	64,825
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,010	305	355	363	403	435	4,962	67,985	75,818
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(25,873)	457	388	371	336	350	2,194	17,538	(4,240)
Total By Income Source	**115,381**	**13,251**	**12,099**	**9,612**	**8,845**	**8,121**	**60,410**	**284,642**	**512,362**
Debtors Age Analysis By Customer Group									
Organs of State	4,155	755	525	416	572	438	2,930	4,956	14,748
Commercial	11,570	630	446	312	311	255	1,245	6,776	21,544
Households	99,652	11,865	11,128	8,883	7,961	7,428	56,229	272,905	476,051
Other	4	1	1	1	1	1	5	4	18
Total By Customer Group	**115,381**	**13,251**	**12,099**	**9,612**	**8,845**	**8,121**	**60,410**	**284,642**	**512,362**

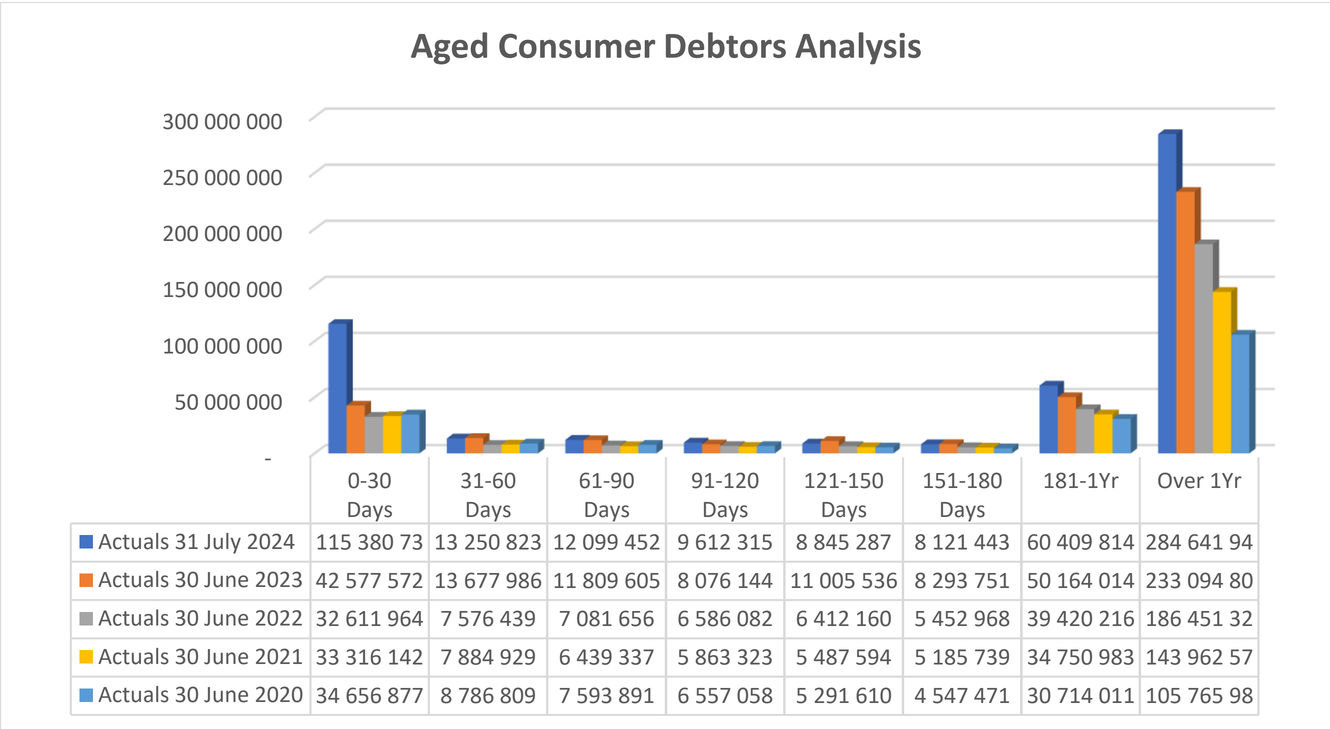
Debtors’ Age Analysis (Inclusive of VAT) as at 30 June 2024

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	16,926	4,991	3,560	2,947	2,757	3,342	23,674	81,485	139,681
Trade and Other Receivables from Exchange Transactions - Electricity	30,100	2,656	1,822	1,523	1,227	1,205	3,967	12,087	54,588
Receivables from Non-exchange Transactions - Property Rates	20,688	2,926	2,041	1,917	1,656	1,607	12,274	25,329	68,439
Receivables from Exchange Transactions - Waste Water Management	8,472	1,630	1,289	1,139	1,069	1,426	5,337	31,828	52,190
Receivables from Exchange Transactions - Waste Management	6,656	1,404	1,250	1,181	1,129	1,384	5,914	45,009	63,925
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,047	293	312	353	395	688	4,539	65,856	73,483
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(30,180)	448	401	356	365	371	2,128	17,423	(8,688)
Total By Income Source	**53,707**	**14,348**	**10,675**	**9,416**	**8,597**	**10,023**	**57,833**	**279,018**	**443,618**
Debtors Age Analysis By Customer Group									
Organs of State	1,405	559	416	572	440	360	2,688	4,873	11,312
Commercial	7,621	589	366	362	305	260	1,475	6,618	17,596
Households	44,677	13,199	9,892	8,482	7,852	9,403	53,664	267,524	414,692
Other	4	1	1	1	1	1	6	4	18
Total By Customer Group	**53,707**	**14,348**	**10,675**	**9,416**	**8,597**	**10,023**	**57,833**	**279,018**	**443,618**

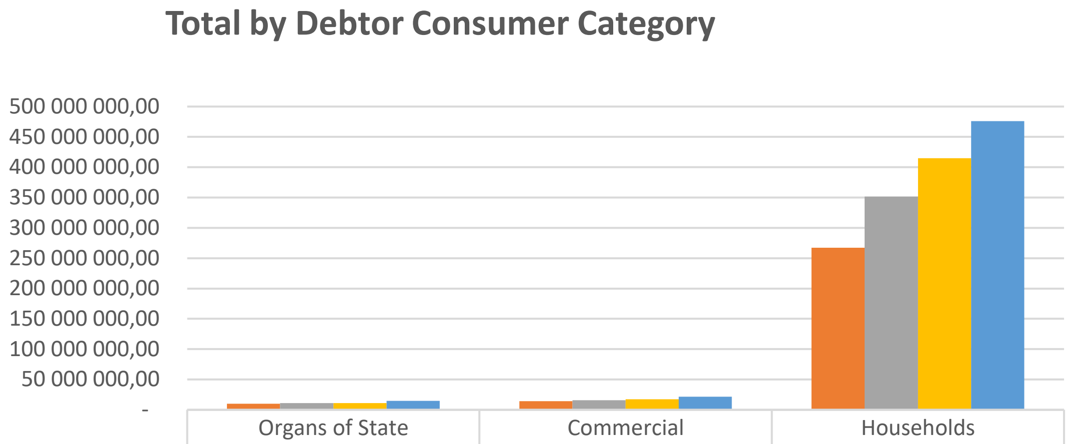
The analysis indicates that from 30 June 2024 to 31 July 2024, the overdue debts have increased by R 7,071 million from R 389,910 million to R 396,981 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-24**	**31-Jul-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	122,756	124,944	2,189
Trade and Other Receivables from Exchange Transactions - Electricity	24,488	25,157	669
Receivables from Non-exchange Transactions - Property Rates	47,751	47,762	12
Receivables from Exchange Transactions - Waste Water Management	43,719	44,569	850
Receivables from Exchange Transactions - Waste Management	57,269	58,107	838
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	72,437	74,808	2,371
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	21,492	21,634	142
Total By Income Source	**389,910**	**396,981**	**7,071**
Debtors Age Analysis By Customer Group			
Organs of State	9,907	10,593	686
Commercial	9,975	9,975	0
Households	370,015	376,400	6,384
Other	14	14	0
Total By Customer Group	**389,910**	**396,981**	**7,071**

Graphical Analysis of consumer debtors



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



	Organs of State	Commercial	Households
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	11 312 034,71	17 595 833,60	414 692 398,58
Budget Year 2024/25	14 747 848,51	21 544 418,54	476 051 416,35

1.2 Overview of Creditors position

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

Description	Budget Year 2024/25								
	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
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	53,298	8	6	7	6	4	(174)	–	**53,155**
Bulk Water	355	14	14	18	17	16	132	(1,186)	**(621)**
PAYE deductions	5,076								**5,076**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	1,227	1,466	358	8	–	(0)	–	279	**3,338**
Auditor General									**–**
Other									**–**
Total By Customer Type	**59,956**	**1,488**	**378**	**32**	**23**	**20**	**(42)**	**(907)**	**60,948**

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

Eskom	R 53,155 million
NMBM	-R 0,621 million
PAYE	R 5,076 million
Other Creditors	R 3,338 million
Total	**R 60,948 million**

It is to be noted that the Eskom amount of R 23,227 million, represents the current account for July 2024, which will be fully paid on 23 August 2024.

1.3 Allocation and Grants receipts and expenditure for the 2024/25 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M01 July 2024.

Description	Budget Year 2024/25						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	197,710	197,710	80,822	80,822	197,710	116,888	197,710
Operational Revenue:General Revenue:Equitable Share	192,664	192,664	80,277	80,277	192,664	112,387	192,664
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,495	1,495	–	–	1,495	1,495	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	-	–	1,723	1,723	1,723
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	545	545	1,828	1,283	1,828
Energy Efficiency and Demand-side [Schedule 5B]	–	–	-	–	–		–
Provincial Government:	2,050	2,050	-	-	2,050	2,050	2,050
Library grant	2,050	2,050	-	–	2,050	2,050	2,050
District Municipality:	2,893	2,893	1,200	1,200	2,893	1,600	2,893
Environmental health subsidy	2,393	2,393	793	793	2,393	1,600	2,393
Skills Development subsidy	500	500	407	407	500		500
Total Operating Transfers and Grants	202,653	202,653	82,022	82,021,734	202,652,812	120,538	202,653
Capital Transfers and Grants							
National Government:	52,874	52,874	18,202	18,202	52,874	34,672	52,874
Energy Efficiency and Demand-side [Schedule 5B]	–	–	–	–	–		–
Local Government Financial Management Grant [Schedule 5B]	–	–	–	–	–		–
Municipal Disaster Relief Grant	–	–	–	–	–	-	–
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,203	4,203	–	–	4,203	4,203	4,203
Municipal Infrastructure Grant [Schedule 5B]	34,730	34,730	10,352	10,352	34,730	24,378	34,730
Water Services Infrastructure Grant	13,941	13,941	7,850	7,850	13,941	6,091	13,941
District Municipality:	1,391	1,391	-	-	1,391	-	1,391
Fire Services Subsidy	1,391	1,391	–	–	1,391	-	1,391
Total Capital Transfers and Grants	54,265	54,265	18,202	18,202	54,265	34,672	54,265
TOTAL RECEIPTS OF TRANSFERS & GRANTS	256,918	256,918	100,224	100,224	256,918	155,210	256,918

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M01 July 2024.

Description	Budget Year 2024/25							
	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:	197,710	197,710	80,476	80,476	193,084	112,609	0	197,710
Operational Revenue:General Revenue:Equitable Share	192,664	192,664	80,277	80,277	192,664	112,387	58%	192,664
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,495	1,495	–	–	125	125	100%	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	63	63	144	81	56%	1,723
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	136	136	152	16	11%	1,828
Energy Efficiency and Demand-side [Schedule 5B]	–	–	–	–	–	–	#DIV/0!	–
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:	2,893	2,893	1,200	1,200	241	(959)	(0)	2,893
Environmental health subsidy	2,393	2,393	793	793	199	(593)	-298%	2,393
Skills Development subsidy	500	500	407	407	42	(365)		500
Total operating expenditure of Transfers and Grants:	202,653	202,653	81,676	81,676	195,376	113,700	28%	202,653
Capital expenditure of Transfers and Grants								
National Government:	52,874	52,874	2,597	2,597	4,406	1,809	0	52,874
Municipal Disaster Relief Grant	–	–	–	–	–	–		–
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,203	4,203	–	–	350	350	100%	4,203
Municipal Infrastructure Grant [Schedule 5B]	34,730	34,730	2,597	2,597	2,894	297	10%	34,730
Water Services Infrastructure Grant	13,941	13,941	–	–	1,162	1,162	100%	13,941
District Municipality:	1,391	1,391	–	–	116	116	0	1,391
Fire Services Subsidy	1,391	1,391	–	–	116	116	100%	1,391
Total capital expenditure of Transfers and Grants	54,265	54,265	2,597	2,597	4,522	1,925	43%	54,265
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	256,918	256,918	84,273	84,273	199,898	115,625	58%	256,918

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 1,723,000
Amount of Grant Received:	R 0,00
Expenditure to date:	R 62,796
Overspent as at 31 July 2024:	-R 62,796

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 1,495,000
Amount of Grant Received:	R 0,00
Expenditure to date:	R 0,00
Unspent as at 31 July 2024:	R 0,00

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 36,558,000
Amount of Grant Received:	R 10,897,000
Expenditure to date:	R 2,733,037
Unspent as at 31 July 2024:	R 8,163,963

The spending of the grant amounted to 25,08% as at 31 July 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.

DORA Allocation:	R 4,203,000
Current Year Receipts:	R 0,00
Expenditure to date:	R 0,00
Unspent as at 31 July 2024:	R 0,00

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 13,941,000
Amount of Grant Received:	R 7,850,000
Expenditure to date:	R 0,00
Unspent as at 31 July 2024:	R 7,850,000

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 10,430,741
Amount of Grant Received:	R 10,430,741
Expenditure to date:	R 0,00
Unspent as at 31 July 2024:	R10,430,741

Other Conditional Grants

2023/24 Unspent conditional grants to be rollover to the 2024/25 financial year

Conditional Grant	Unspent Amount	Comment	
Human Settlement Grant	20,194,789	Waiting Council approval in August.	
Water Services Infrastructure Grant	8,057,325	Need to be approved by National Treasury.	
Integrated National Electrification Programme (INEP)	686 262	Need to be approved by National Treasury.	
Total	**28,938,376**		

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M01 July 2024.

EC108 Kouga - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits -

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		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		9,997	10,414	10,414	804	804	868	(64)	-7%	10,414
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		126	–	–	11	11	–	11		–
Motor Vehicle Allowance		3,363	3,503	3,503	272	272	292	(20)	-7%	3,503
Cellphone Allowance		1,489	1,678	1,678	118	118	140	(22)	-16%	1,678
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**14,976**	**15,594**	**15,594**	**1,204**	**1,204**	**1,300**	**(95)**	**-7%**	**15,594**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,044	9,681	9,681	641	641	807	(166)	-21%	9,681
Pension and UIF Contributions		65	123	123	6	6	10	(5)	-45%	123
Medical Aid Contributions		33	56	56	3	3	5	(2)	-39%	56
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		1,318	1,798	1,798	–	–	150	(150)	-100%	1,798
Motor Vehicle Allowance		594	2,196	2,196	58	58	183	(125)	-68%	2,196
Cellphone Allowance		17	11	11	1	1	1	0	12%	11
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		1	5	5	0	0	0	(0)	-86%	5
Payments in lieu of leave		5,743	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**14,815**	**13,870**	**13,870**	**708**	**708**	**1,156**	**(448)**	**-39%**	**13,870**
Other Municipal Staff										
Basic Salaries and Wages		231,392	295,150	294,990	18,796	18,796	24,583	(5,786)	-24%	294,990
Pension and UIF Contributions		35,304	38,991	38,991	2,908	2,908	3,249	(341)	-11%	38,991
Medical Aid Contributions		19,084	19,915	19,915	1,651	1,651	1,660	(9)	-1%	19,915
Overtime		28,258	29,255	29,335	2,660	2,660	2,445	215	9%	29,335
Performance Bonus		25	26	26	–	–	2	(2)	-100%	26
Motor Vehicle Allowance		10,907	12,091	12,091	867	867	1,008	(140)	-14%	12,091
Cellphone Allowance		11	59	59	1	1	5	(4)	-85%	59
Housing Allowances		724	1,308	1,308	53	53	109	(56)	-51%	1,308
Other benefits and allowances		33,498	37,715	37,795	1,516	1,516	3,150	(1,634)	-52%	37,795
Payments in lieu of leave		419	–	–	–	–	–	–		–
Long service awards		1,322	–	–	64	64	–	64		–
Post-retirement benefit obligations	2	1	23,361	23,361	368	368	1,947	(1,579)	-81%	23,361
Sub Total - Other Municipal Staff		**360,945**	**457,873**	**457,873**	**28,884**	**28,884**	**38,156**	**(9,272)**	**-24%**	**457,873**
Total Parent Municipality		**390,735**	**487,337**	**487,337**	**30,797**	**30,797**	**40,612**	**(9,815)**	**-24%**	**487,337**
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		**390,735**	**487,337**	**487,337**	**30,797**	**30,797**	**40,612**	**(9,815)**	**-24%**	**487,337**
TOTAL MANAGERS AND STAFF		**375,759**	**471,743**	**471,743**	**29,592**	**29,592**	**39,312**	**(9,720)**	**-25%**	**471,743**

1.5. Key performance indicators

The table below reflects the key performance indicators as per the 2024/25 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 31 July 2023**	**Approved Budget 2024/25**	**Actuals as at 31 July 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.22%	1.13%	1.04%	1.11%	2.57%	1.67%
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	0.00	0.02	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.26	1.07	0,51	1.78:1	0.9:1	1.73:1
Liquidity Ratio	Monetary assets / current liabilities	0.61	0.34	0,15	1.13:1	0.2:1	1.1:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.42	94.41%	94.32%	49.00%	95%	52.14%

Other indicators		Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 31 July 2023	Approved Budget 2024/25	Actuals as at 31 July 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	1.46 Months	0.40 Months	2 Months
Employee Costs	Employee Costs / Total Operating Expenditure	32.53%	34.22%	31,69%	37,07%	31.34%	33.77%
Capital Expenditure	Capital Expenditure / Capital Budget	75.33%	71.67%	123,92%	0,00%	95%	1.50%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.68%	6.99%	4,32%	1,67%	14.51%	1.64%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.90%	3.33%	2,26%	0,06%	10.37%	0.07%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	71.88%	77.14%	77,76%	26,75%	85.48%	64.49%

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 1.67% as at 31 July 2024, compared to the approved budget ratio of 2.57%.

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 2024/25 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 July 2024, the ratio indicates 0.01, compared to the approved budget of 0.02.

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:

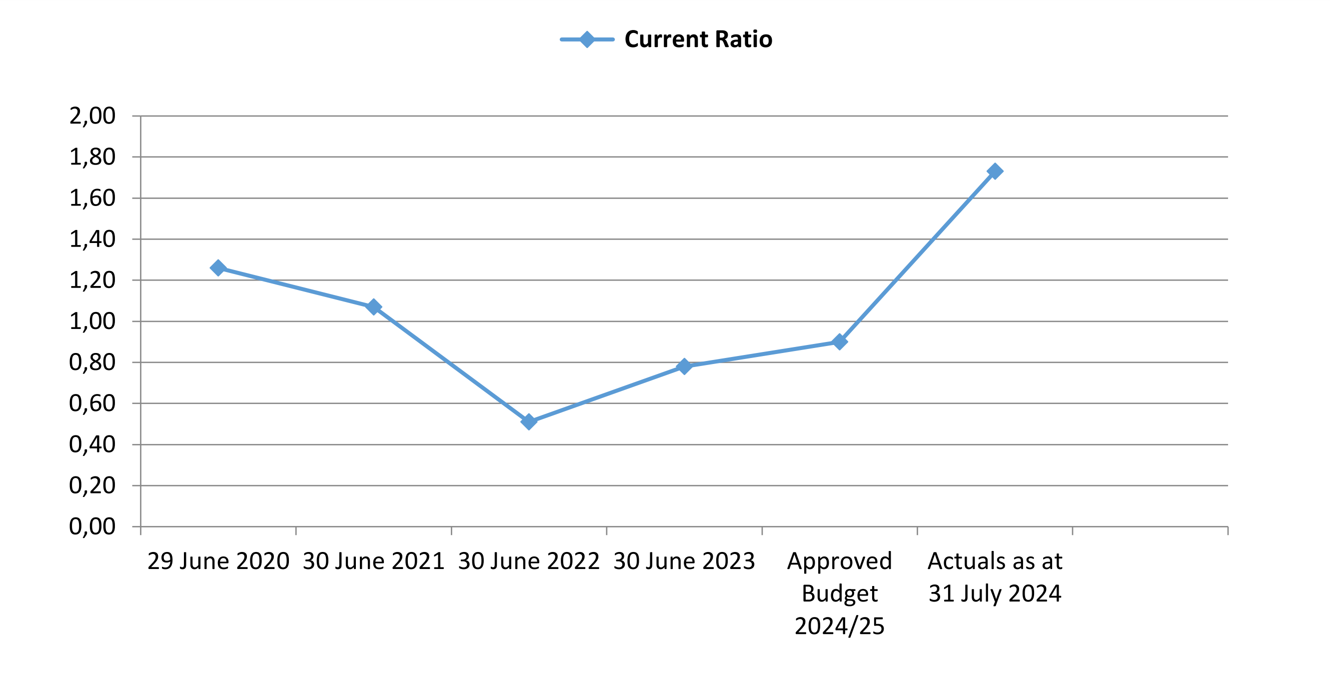
Current assets/Current liabilities

The ratio as at 31 July 2024 was 1.73:1, compared to the approved budget ratio of 0.9:1

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

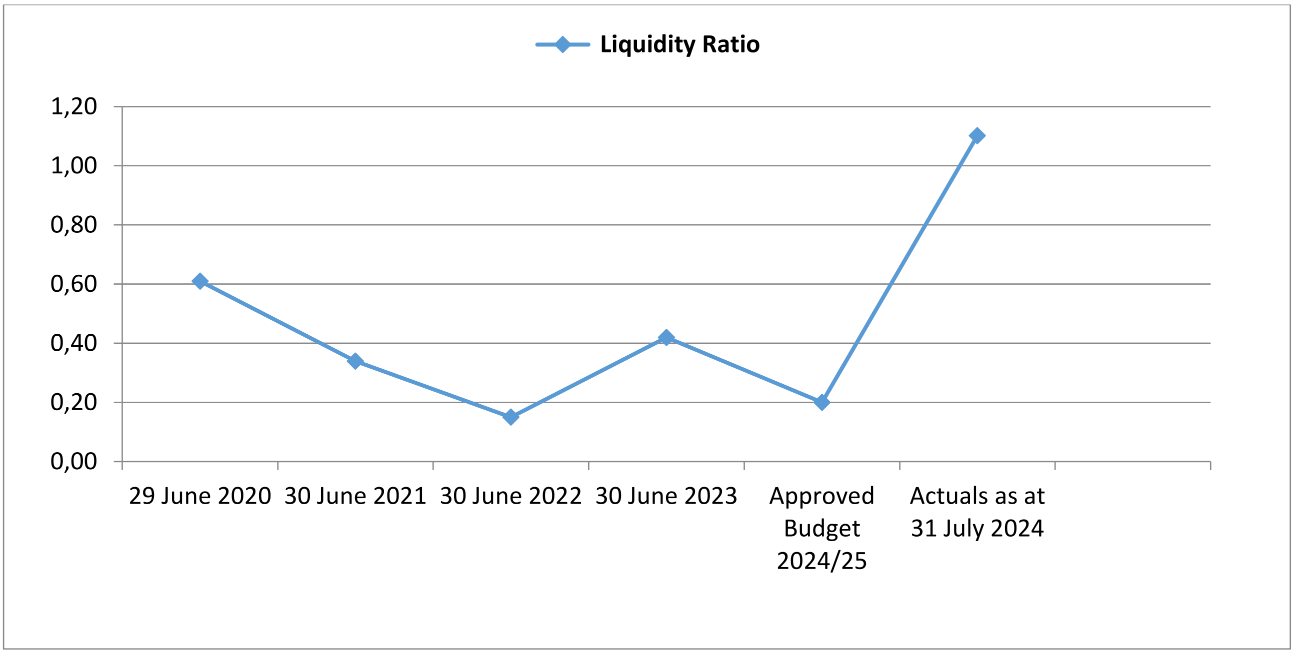
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 July 2024 was 1.10:1 compared to the approved budget ratio of 0.2:1.

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



1.2. Revenue Management

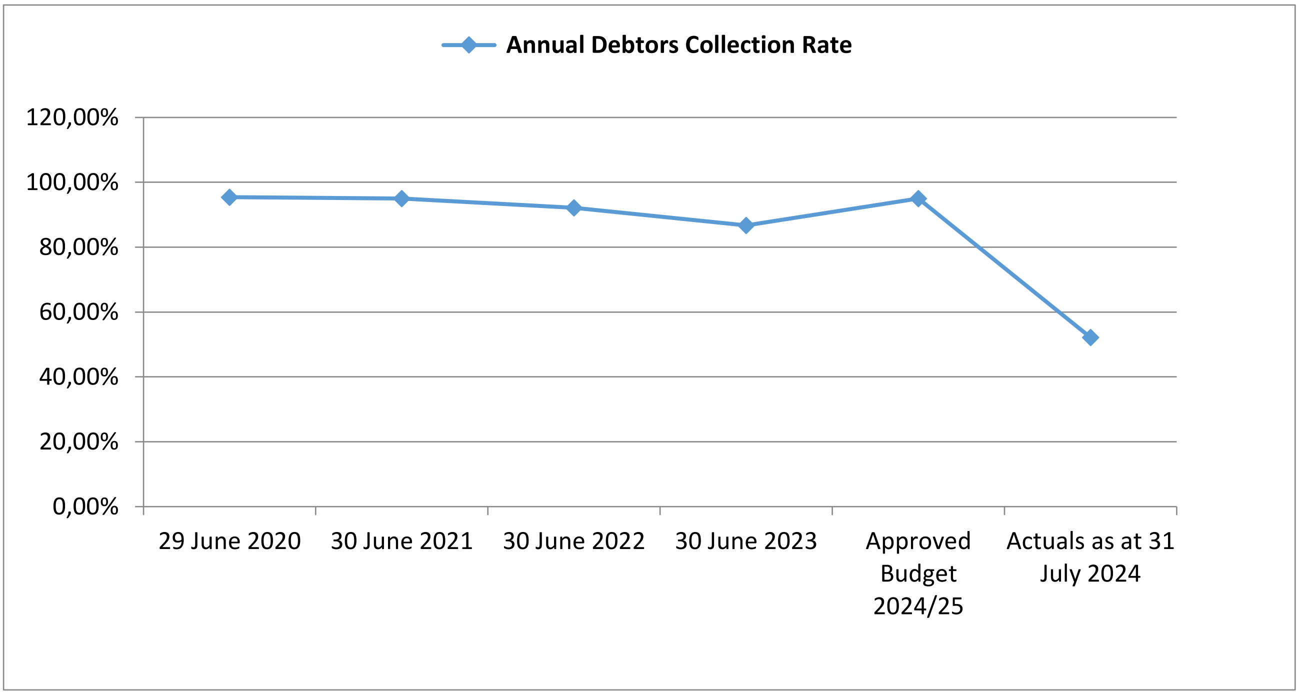
1.2.1. Annual Debtors Collection Rate

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 July 2024 was 52.14%, compared to the approved budget collection rate of 95%.



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.

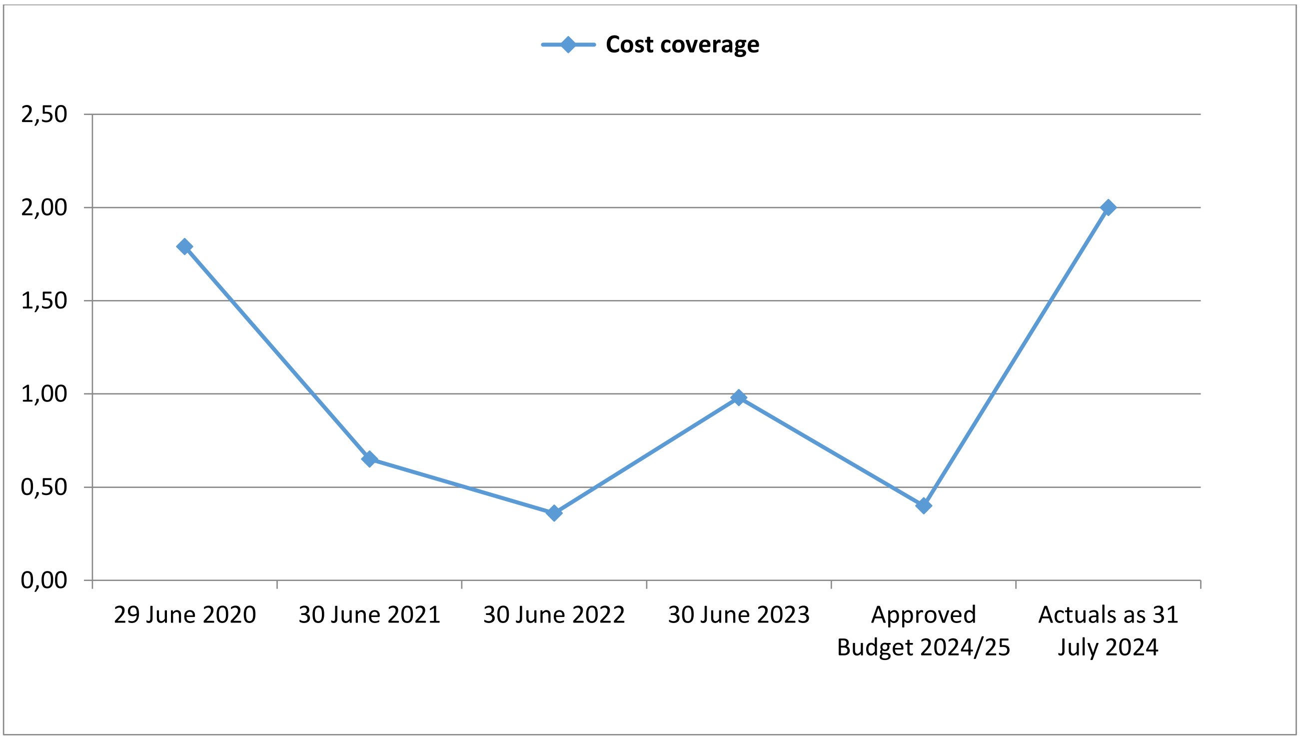
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 July 2024, the Ratio was 2 months, compared to the approved budget ratio of 0.40 months.

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



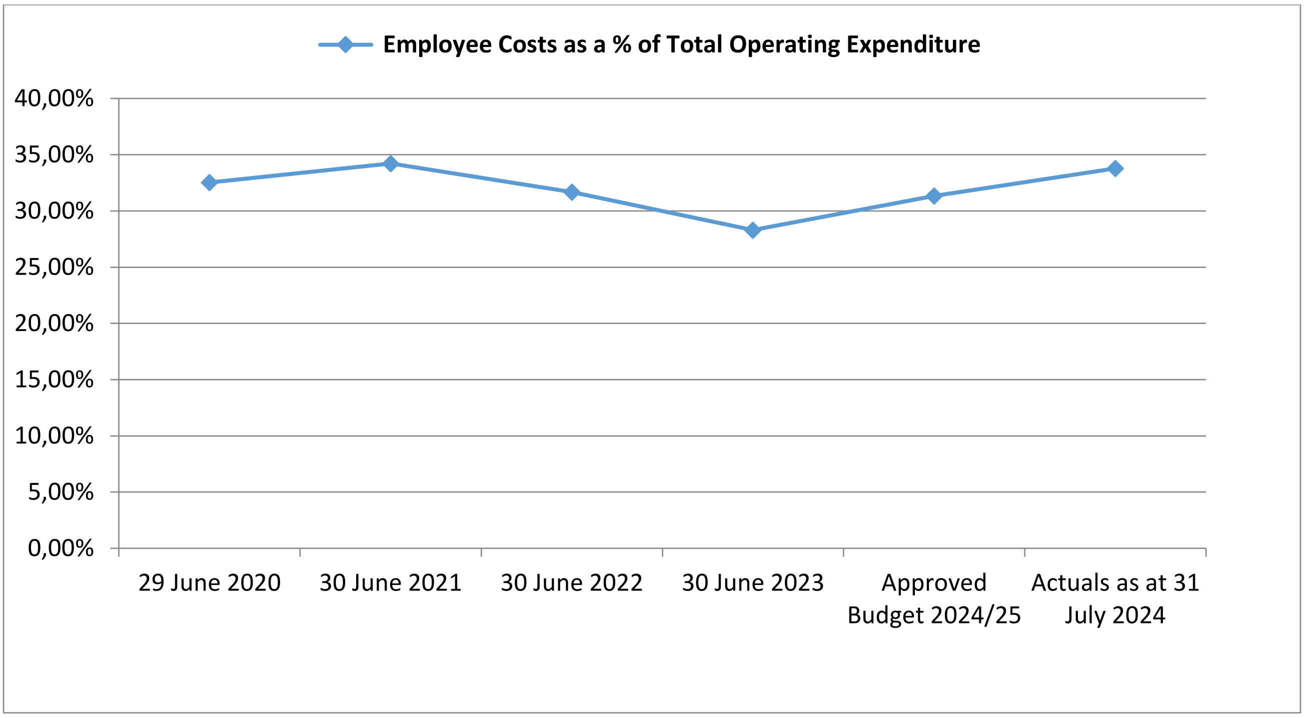
1.3.2. Employee costs as a % of Total Operating Expenditure

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 July 2024, Employee Related Costs constituted 33.77% of the Total Operating Expenditure, compared to the approved budget ratio 31.34%.



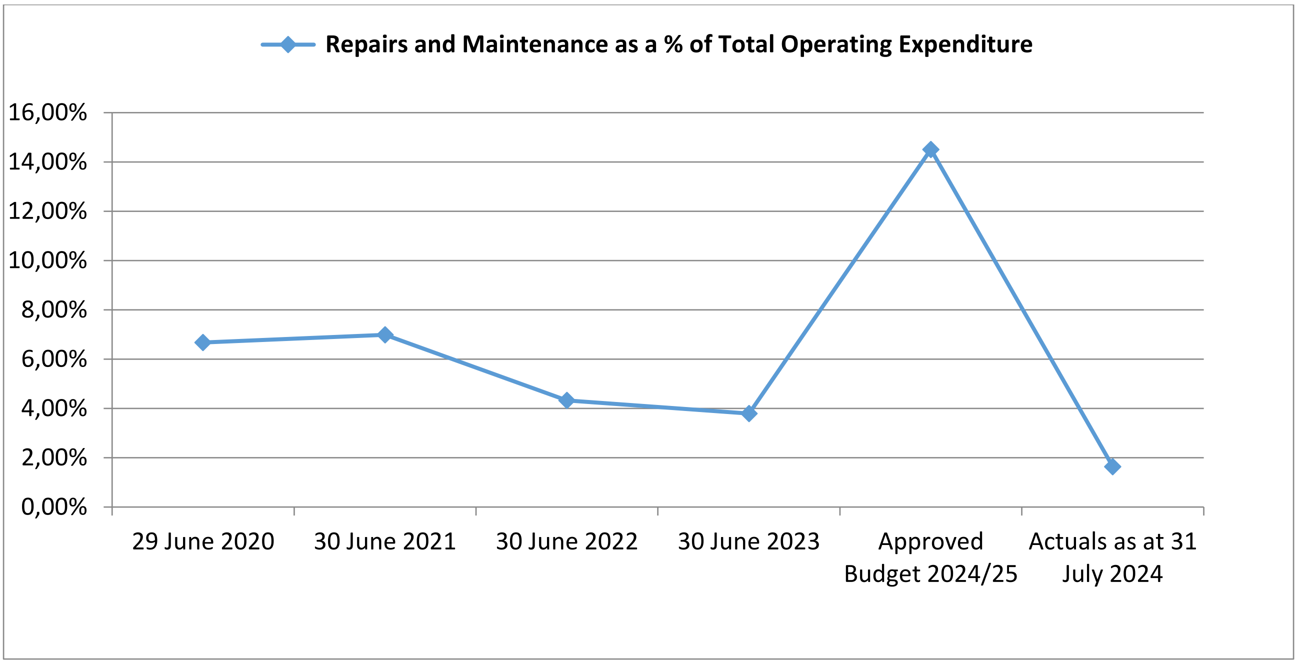
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 July 2024, the ratio was 1.64%, compared to the approved budget ratio of 14.51%.



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

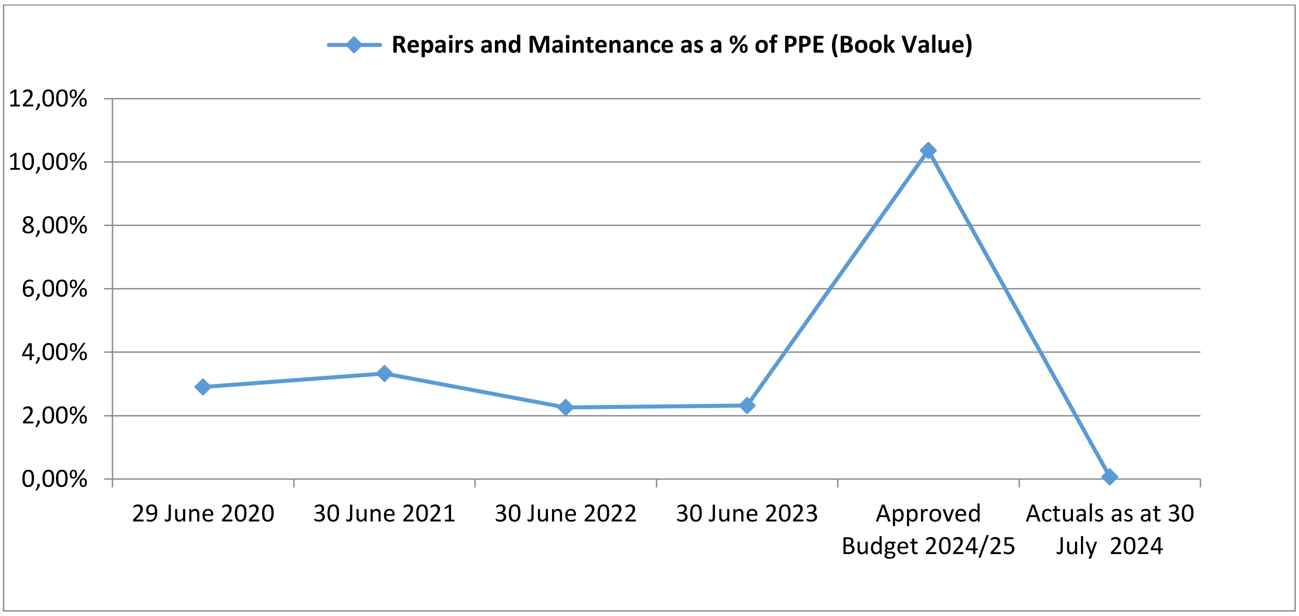
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 July 2024, repairs and maintenance expenditure constituted 0.07% of the book value of PPE, compared to the approved budget ratio of 10.37%.

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



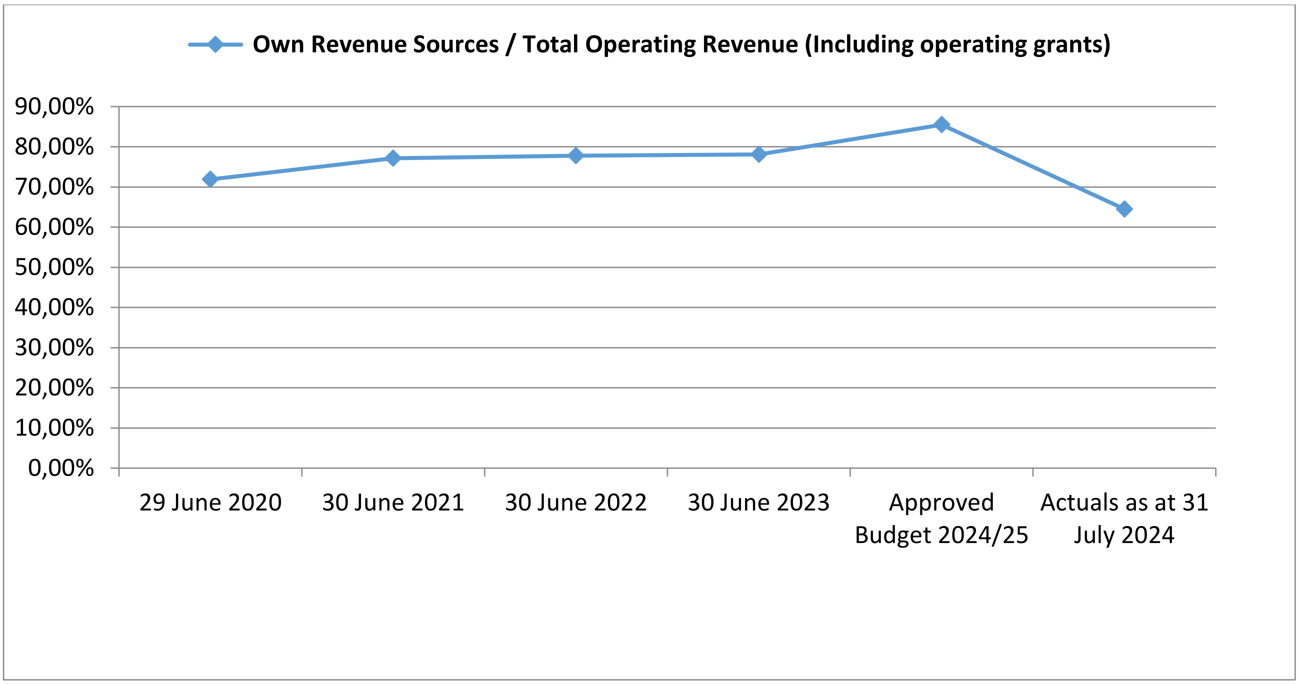
Own Revenue Generation

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 July 2024, the Municipality's own revenue sources constituted 64.49% of its total Operating Income, compared to the approved budget ratio of 85.48%.



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 July 2024 amounted to 1.50%, compared to the approved budget ratio of 95%.