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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO AUGUST 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 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 August 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…….. du Plessis ……………..

Date…………13 September 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 August 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 314,157 million, whilst operating expenditure amounted to R 208,666 million, resulting in an operating surplus of R 105,490 million.
- Capital expenditure constituted 1.93% of the 2024/25 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 15,225 million (3.90%) since June 2024.
- An amount of R 69,093 million is owing to creditors, which is 100% current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 78,643,430 (54.74%) since June 2024, from R 143,659,131 to R 222,302,561.

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

	Balance as at 30 June 2024	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2024
Standard Bank	26,516,585	-	344,556	-		26,861,141
ABSA	22,795,366	10,907,000	430,977	-	-	34,133,343
Nedbank	22,593,059	10,897,000	389,325	-		33,879,384
RMB	22,735,812	10,897,000	381,608	-		34,014,420
INVESTEC	22,771,482	10,897,000	386,938	-		34,055,420
Total	**117,412,304**	**43,598,000**	**1,933,405**	**-**	**-**	**162,943,709**
INVESTMENT	**Balance as at 30 June 2024**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 August 2024**
General Account	83,904,387	23,128,000	1,222,588	-	-	108,254,975
Conditional Grants	12,893,198	20,470,000	389,325	-	-	33,752,524
Housing Funds	20,614,718	-	321,492	-	-	20,936,210
Total	**117,412,304**	**43,598,000**	**1,933,405**	**-**	**-**	**162,943,709**
	Balance as at 30 June 2024	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 August 2024**
Cheque Accounts FNB 52540020791	10,314,768			-3,465,514		6,849,253
Cheque Accounts FNB 52540033304	8,553,427	17,726,044				26,279,471
Cheque Accounts FNB 62682103591	3,833			-267		3,566
Cheque Accounts FNB 63022194441	7,374,799	1,008,401				8,383,200
Cheque Accounts ABSA 4114176482	-	9,994				9,994
Cheque Accounts ABSA 4114114771	-	17,823,368				17,823,368
Cheque Accounts ABSA 4114176474	-	10,000				10,000
	26,246,827	**36,577,807**	**-**	**-3,465,782**	**-**	**59,358,852**
Total	**143,659,131**	**80,175,807**	**1,933,405**	**-3,465,782**	**-**	**222,302,561**

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

Cash backed Reserves.

Bank Balances and Cash	R 162,943,709
Short-term Investment Deposits	R 59,358,852
	R 222,302,561

Application of Cash

Unspent Conditional Grants	R 52,184,657
Operational commitments	R 9,053,473
Outstanding Creditors Liability	R 69,092,648
	R 130,330,778
Cash Reserves exceed commitments:	**R 91,971,783**

The cash backed reserves exceed commitments at this stage by an amount of R 91,971,783.

It should be noted that the excess of reserves over commitments as at 31 August 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 August 2023	Approved Adjusted Budget 2024/25	Actuals as at 31 August 2024
Current Ratio	0.78:1	1.24:1	1.5:1 to 2:1	1.71:1	0.96:1	1.32:1
Liquidity Ratio	0.42:1	0.71:1		1.15:1	0.26:1	0.72:1
Cost Coverage (Excluding unspent conditional grants)	0.98 Months	1.09 Months	1 Month to 3 Months	1.59 Months	0.53 Months	1.57 Months
Debtors Collection Rate	86.71%	91.01%	95%	74.4%	95%	74.99%
Capital Expenditure	94.66%	55.48%	95%	3.18%	95%	1.93%

“ANNEXURE A1”

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2024/25					
R thousands	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1,392,621	1,396,119	85,305	314,157	232,687	81,470
Total Expenditure	1,505,474	1,535,251	121,039	208,666	255,736	(47,070)
Surplus/(Deficit)	(112,853)	(139,132)	(35,734)	105,490	(23,050)	128,540

The statement of financial performance reflects an operating surplus of R105,490 million at this stage. It must be noted that the surplus is largely influenced by the debt impairment and irrecoverable debts written off, not yet recognized.

1.2. Revenue

Main revenue sources for 2024/25

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	YearTD Actual	%
Revenue			
Exchange Revenue			
Service charges - Electricity	381 991	71 664	18,76%
Service charges - Water	82 323	19 917	24,19%
Service charges - Waste Water Management	64 086	11 286	17,61%
Service charges - Waste management	71 123	11 527	16,21%
Sale of Goods and Rendering of Services	9 533	936	9,81%
Agency services	4 554	–	0,00%
Interest earned from Receivables	32 335	5 049	15,61%
Interest earned from Current and Non-Current Assets	13 998	2 965	21,18%
Rental from Fixed Assets	3 187	359	11,25%
Licence and permits	2 851	388	13,62%
Operational Revenue	1 955	1 280	65,46%
Non-Exchange Revenue			
Property rates	297 076	96 363	32,44%
Fines, penalties and forfeits	143 343	123	0,09%
Licence and permits	11 772	2 614	22,21%
Transfer and subsidies - Operational	205 651	81 603	39,68%
Interest – Property Rates	5 510	941	17,08%
Operational Revenue – Availability Charges	64 831	7 142	11,02%
Total Revenue (excluding capital transfers and contributions)	**1 396 119**	**314 157**	**22,50%**

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.

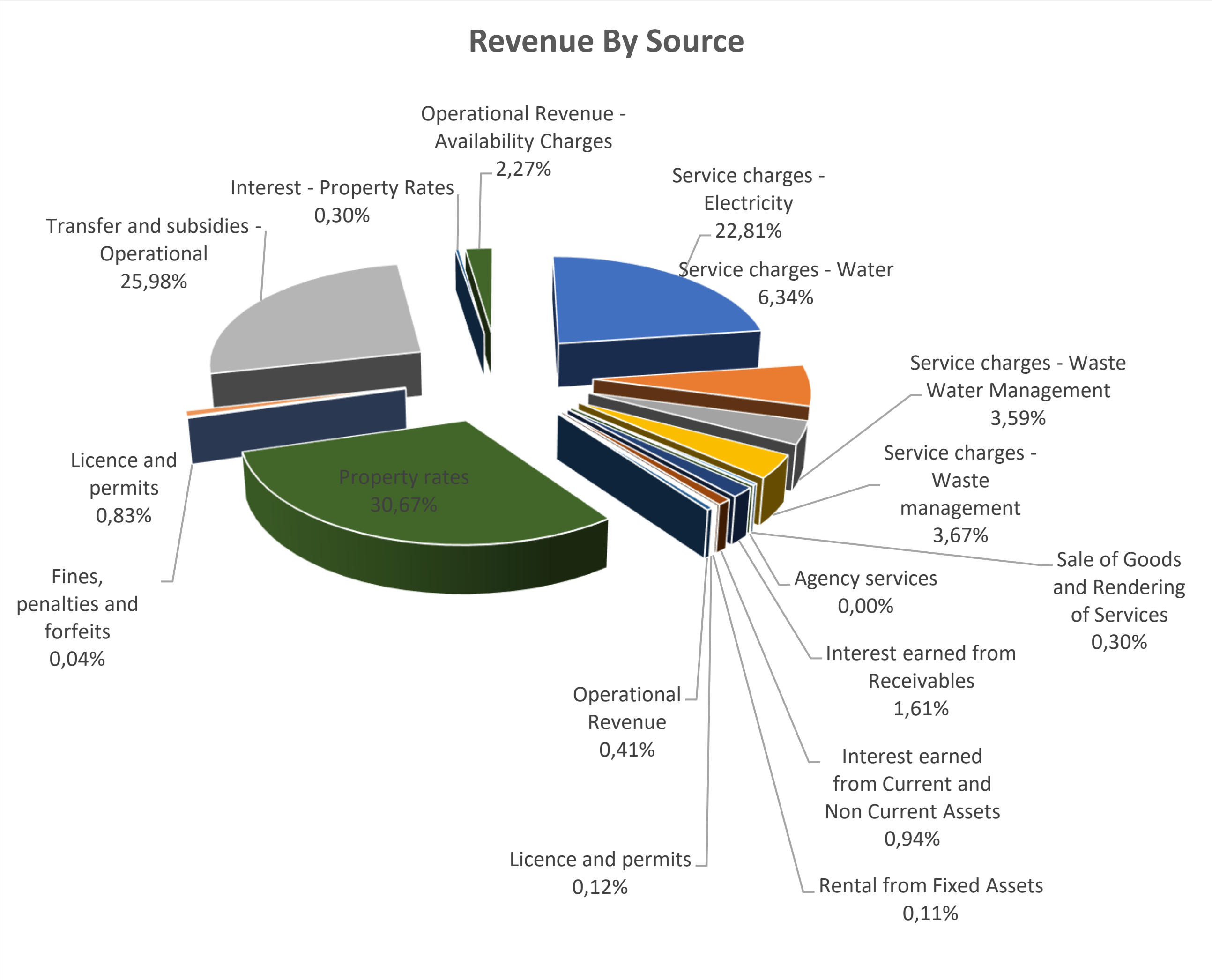
- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences, drivers' licences and other vehicle permits. The commission is then influenced by the revenue collected on behalf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

- **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.
  The operational revenue is largely influenced by Augmentation fees amounting to R 0,753 million, recognized during this reporting period, against no budget provision.

- **Property Rates**
  As at 31 August 2024, the municipality has recognized 32.44 % 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.

- **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.



1.3. Expenditure

Main expenditure types for 2024/25

Description	Budget Year 2024/25		
R thousands	**Adjusted Budget**	**YearTD Actual**	**%**
Expenditure By Type			
Employee related costs	481 056	59 629	12,40%
Remuneration of councillors	15 594	2 409	15,45%
Bulk purchases - electricity	386 299	96 798	25,06%
Inventory consumed	107 827	10 062	9,33%
Debt impairment	158 246	–	0,00%
Depreciation and amortisation	117 798	19 633	16,67%
Interest	36 426	826	2,27%
Contracted services	127 344	8 336	6,55%
Transfers and subsidies	400	–	0,00%
Irrecoverable debts written off	9 359	–	0,00%
Operational costs	94 902	10 974	11,56%
Total Expenditure	**1 535 251**	**208 666**	**13,59%**

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.

- **Finance charges**
  Finance charges currently recognised relate to the finance lease for vehicles and is based on the finance lease amortisation schedule. The spending percentage at this stage is largely influenced by the budget provision finance costs amounting to R 19,922 million, which relate to the R 200 million loan anticipated for the road's infrastructure initiative.

- **Contracted Services**
  Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees. Please refer to the next page for the breakdown of contracted services costs.

- **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 August 2024	%
Inventory Consumed: Consumables	4 353 160	375 991	8,64%
Inventory Consumed: Materials and Supplies	35 271 876	3 527 168	10,00%
Inventory Consumed: Fuel & Oil	26 271 072	3 529 701	13,44%
Inventory Consumed: Bulk Water Purchases	41 930 751	2 629 817	6,27%
Total	**107 826 859**	**10 062 677**	**9,33%**

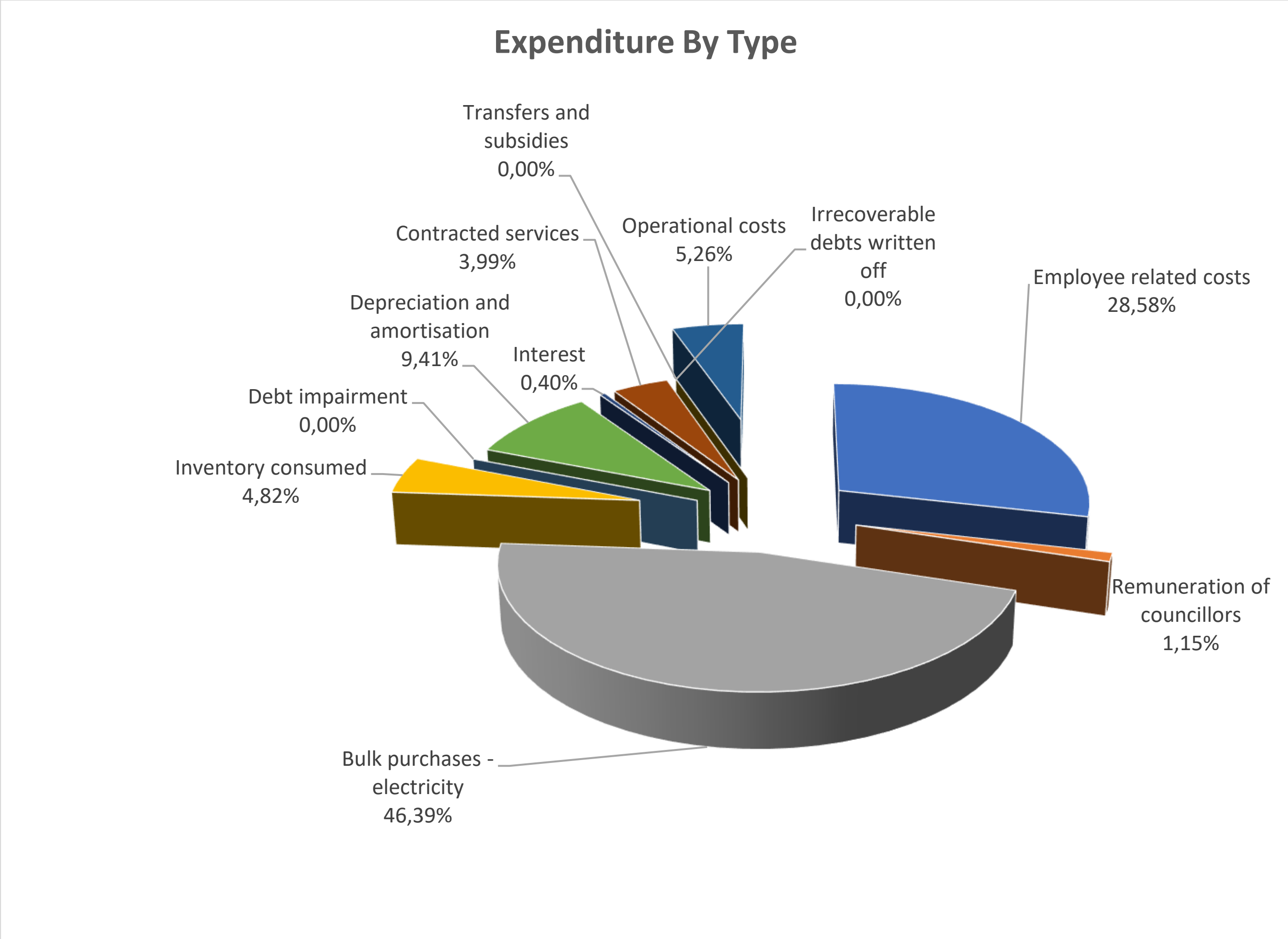
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 August 2024	%
Aloe Cup	80 000	-	0,00%
Air quality Management	400 000	-	0,00%
Amanzi Challenge National Tournament	300 000	300 000	100,00%
Animal Care	508 000	-	0,00%
Audit of Municipal Land & Properties	2 157 000	90 385	4,19%
Burial Services	31 500	3 500	11,11%
Calamari Festival	200 000	200 000	100,00%
Catering Services	1 143 904	45 835	4,01%
Clean up Operation	500 004	23 445	4,69%
Clearing and Grass Cutting Services	1 540 000	-	0,00%
Conducting of feasibility studies (EIA)	2 000 000	-	0,00%
Connection/Dis-connection:Electricity	580 000	-	0,00%
Consultants and Professional Services	8 502 000	311 579	3,66%
Destination Marketing and Promotion	670 000	-	0,00%
Drivers Licence Cards	1 000 000	43 292	4,33%
Dune Stabilisation	2 039 000	10 423	0,51%
Electricity Generation Project	500 000	12 792	2,56%
Environmental protection	800 000	-	0,00%
Employee Wellness	249 204	12 240	4,91%
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	153 450	6,50%
Legal Advice and Litigation	1 000 000	81 735	8,17%
Legal Cost:Collection	1 100 000	193 866	17,62%
Maintenance of Buildings and Facilities	8 046 636	172 694	2,15%
Maintenance of Electrical Infrastructure	1 000 000	-	0,00%
Maintenance of Equipment	858 800	58 517	6,81%
Maintenance of Vehicles	41 089 408	1 780 847	4,33%
Mscoa Alignment	283 136	-	0,00%
Media Monitoring	200 004	17 390	8,69%
Occupational Health and Safety	1 100 004	63 058	5,73%
Other Contracted Services	2 897 900	695 958	24,02%
Personnel and Labour	14 072 550	931 483	6,62%
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	1 312 249	34,08%
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	25 573	8,52%
Transport Services	225 704	-	0,00%
Valuer	13 438 721	1 795 867	13,36%
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%
	127 344 210	**8 336 177**	**6,55%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 August 2024	%
Achievements and Awards	2 300 000	131 966	5,74%
Advertising, Publicity and Marketing	4 339 200	204 894	4,72%
Bank Charges	600 000	- 246 212	-41,04%
Bargaining Council	4 619 580	-	0,00%
Cellular Contract (Subscription and Calls)	3 313 020	596 991	18,02%
Claims paid to Third Parties	200 000	48 708	24,35%
External Audit Fees	4 500 000	-	0,00%
External Computer Service:Internet Charge	5 400 000	1 313 987	24,33%
Hire Charges	7 940 412	979 257	12,33%
Insurance Claims	1 200 000	29 875	2,49%
Insurance Underwriting:Premiums	3 644 283	828 159	22,72%
Leases:Furniture and Office Equipment	4 068 744	449 850	11,06%
Leases:Other Assets	3 963 740	1 348 490	34,02%
Motor Vehicle Licence and Registrations	1 644 488	103 409	6,29%
Other	1 324 176	- 718 314	-54,25%
Postage/Stamps/Franking Machines	2 674 500	272 430	10,19%
Registration Fees:Professional and Regulatory Bodies	551 112	11 896	2,16%
Registration Fees:Seminars, Conferences, Workshops	2 165 482	68 061	3,14%
Remuneration to Ward Committees	2 862 000	346 800	12,12%
Riparian Levies	7 911 471	1 202 639	15,20%
Signage	1 126 212	-	0,00%
Skills Development Fund Levy	4 202 076	590 872	14,06%
Software Licences	8 825 000	2 183 380	24,74%
Storage of Files (Archiving)	399 996	15 185	3,80%
Supplier Development Programme	100 000	-	0,00%
Third Party Vendors	3 550 000	172 306	4,85%
Travel and Subsistence	4 392 369	356 834	8,12%
Uniform and Protective Clothing	3 970 484	205 055	5,16%
Vehicle Tracking	804 742	136 066	16,91%
Workmen's Compensation Fund	2 288 376	341 260	14,91%
	94 902 463	**10 973 847**	**11,56%**



1.4. **<u>Repairs and Maintenance</u>**

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

Description	2024/25 Financial Year		
	Adjusted Budget	Actuals as at 31 August 2024	%
Repairs and Maintenance by Expenditure Items			
Employee related costs	156,271,644	7,472,291	4,78%
Other materials	24,717,864	1,659,944	6,72%
Contracted Services	49,308,844	2,012,054	4,08%
Other expenditure	4,175,000	808,436	19,36%
Total repairs and maintenance expenditure	**234,473,352**	**11,952,725**	**5,10%**

It is to be noted that actual repairs and maintenance expenditure constituted 5,10% of the 2024/25 Approved Adjusted 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		
R thousands	Adjusted Budget	YearTD Actual	%
Revenue			
Exchange Revenue			
Service charges - Electricity	381 991	71 664	18,76%
Interest earned from Receivables	2 214	466	21,06%
Non-Exchange Revenue			
Transfer and subsidies - Operational	5 585	4 678	83,77%
Operational Revenue	15 593	3 701	23,74%
Total Revenue (excluding capital transfers and contributions)	**405 382**	**80 510**	**19,86%**
Expenditure By Type			
Employee related costs	22 716	2 382	10,49%
Bulk purchases - electricity	386 299	96 798	25,06%
Inventory consumed	8 810	1 184	13,44%
Debt impairment	11 528	–	
Depreciation and amortisation	8 909	1 708	19,17%
Interest	–	–	
Contracted services	12 390	1 058	8,54%
Transfers and subsidies	–	–	
Irrecoverable debts written off	3 064	–	
Operational costs	3 967	337	8,50%
Losses on Disposal of Assets	–	–	
Other Losses	–	–	
Total Expenditure	**457 682**	**103 467**	**22,61%**
Surplus/(Deficit)	**(52 301)**	**(22 958)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 18.76% of budget as at 31 August 2024, and this is in line with the projected budget ratio of 16.67% as at 31 August 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 25.06% of budget expenditure as at 31August 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 22,958 million as at 31 August 2024 and the deficit amount equates to 28.52%, compared to the revenue. The adjusted budget deficit for the 2024/25 amount to R 52,301 million and equates to 12.9%, compared to total revenue.

1.5.2 Water

Description	Budget Year 2024/25		
R thousands	**Adjusted Budget**	**YearTD Actual**	**%**
Revenue			
Exchange Revenue			
Service charges - Water	82 323	19 917	24,19%
Interest earned from Receivables	15 537	2 328	14,98%
Operational Revenue	–	678	
Non-Exchange Revenue	–	–	
Transfer and subsidies - Operational	21 232	17 694	83,33%
Operational Revenue	44 879	2 403	5,35%
Total Revenue (excluding capital transfers and contributions)	**163 972**	**43 019**	**26,24%**
Expenditure By Type			
Employee related costs	28 200	4 476	15,87%
Inventory consumed	51 549	3 608	7,00%
Debt impairment	5 652	–	
Depreciation and amortisation	17 074	2 663	15,60%
Interest			
Contracted services	3 580	242	6,75%
Transfers and subsidies			
Irrecoverable debts written off	1 502	–	
Operational costs	2 261	220	9,75%
Losses on Disposal of Assets			
Other Losses	–	–	
Total Expenditure	**109 818**	**11 209**	**10,21%**
Surplus/(Deficit)	**54 154**	**31 810**	

1.5.2.1 Revenue

- The water service charges revenue reflects 24.19% of budget as at 31 August 2024, this is in line with the projected budget ratio of 16.67% as at 31August 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 2,630 million (6,27% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 31,810 million as at 31August 2024 and equates to 73.94% of total revenue.

1.5.3 Wastewater Management

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	YearTD Actual	%
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	64 086	11 286	17,61%
Interest earned from Receivables	5 673	831	14,65%
Non-Exchange Revenue			
Transfer and subsidies - Operational	14 213	11 844	83,33%
Operational Revenue	4 360	1 038	23,80%
Total Revenue (excluding capital transfers and contributions)	**88 332**	**25 000**	**28,30%**
Expenditure By Type			
Employee related costs	25 833	4 137	16,01%
Inventory consumed	14 161	1 243	8,78%
Debt impairment	2 928	–	
Depreciation and amortisation	32 226	5 350	16,60%
Interest			
Contracted services	6 120	130	2,13%
Transfers and subsidies			
Irrecoverable debts written off	778	–	
Operational costs	6 733	1 054	15,65%
Losses on Disposal of Assets			
Other Losses	–	–	
Total Expenditure	**88 779**	**11 914**	**13,42%**
Surplus/(Deficit)	**(447)**	**13 086**	

1.5.3.1 Revenue

- The wastewater service charges revenue reflects 17.61% of budget as at 31 August 2024, and this is in line with the projected budget ratio of 16.67% as at 31 August 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 13,086 million as at 31 August 2024 and equates to 52.34% of total revenue. Council approved a deficit adjusted budget of R 0,447 million for the 2024/25 financial year.

1.5.4. Waste Management

Description	Budget Year 2024/25		
R thousands	**Adjusted Budget**	**YearTD Actual**	**%**
Revenue			
Exchange Revenue			
Service charges - Waste management	71 123	11 527	16,21%
Sale of Goods and Rendering of Services	9	–	
Interest earned from Receivables	8 560	1 364	15,93%
Non-Exchange Revenue			
Transfer and subsidies - Operational	25 741	21 409	83,17%
Total Revenue (excluding capital transfers and contributions)	**105 432**	**34 300**	**32,53%**
Expenditure By Type			
Employee related costs	38 597	6 123	15,86%
Inventory consumed	8 719	1 556	17,85%
Debt impairment	3 147	–	
Depreciation and amortisation	3 195	442	13,83%
Interest			
Contracted services	15 460	210	1,36%
Transfers and subsidies			
Irrecoverable debts written off	837	–	
Operational costs	4 044	391	9,67%
Losses on Disposal of Assets			
Other Losses	–	–	
Total Expenditure	**73 999**	**8 722**	**11,79%**
Surplus/(Deficit)	**31 432**	**25 578**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 16.21% of budget as at 31 August 2024, and this is in line with the budget ratio of 16.67 as at 31August 2024.

- It must be noted that the waste management is the combination of waste services and environmental management services.

1.5.4.2 Expenditure

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

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 25,578million as at 31August 2024 and equates to 74.57% of total revenue. Council approved a surplus adjusted 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			
	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	13 548	931	2 258	(1 326)
2. Travel claims	4 346	330	724	(395)
4. Overtime	20 000	3 425	3 333	92
5. Catering Costs	1 109	46	185	(139)
6. Events, Advertising and sponsorships	5 049	205	842	(637)
7. Attendance of Conferences, Seminars & Workshops	2 165	68	361	(293)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	653	29	109	(80)
9. Projects /Programme Launches	–	–	–	–
10. Essential User Scheme	501	501	501	–
Total	**47 370**	**5 535**	**8 313**	**(2 777)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 2,777 million as at 31 August 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 August 2024			
R thousands	Operating budget	Capital Budget	Total Budget	Operating Expenditure	Capital Expenditure	Total Expenditure	Unauthorised Expenditure
Civil & Water Services	339 329	274 804	614 133	36 573	4 800	41 373	–
Community Services	387 152	1 634	388 786	31 286	209	31 495	–
Electro & Mechanical Services	470 887	73 103	543 990	105 059	–	105 059	–
Finance and Economic Development	142 735	755	143 490	13 241	–	13 241	–
Office of the DMM	131 573	1 413	132 986	15 523	–	15 523	–
Office of the MM	28 093	–	28 093	3 246	–	3 246	–
Planning and Development	35 482	20 386	55 868	3 739	2 172	5 911	–
Total Expenditure by Vote	**1 535 251**	**372 094**	**1 907 345**	**208 666**	**7 181**	**215 847**	**–**

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 August 2024, constituted 1.93% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 4.33% of approved grant funding budget.
- Internally generated funds are 4.60% at this stage.

Capital budget by municipal vote for 2024/25.

Vote Description	Budget Year 2024/25			
	Original Budget	Adjusted Budget	YearTD Actual	%
R thousands				
Multi-Year expenditure appropriation				
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	–	1 413	–	0,00%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	–	755	–	0,00%
Vote 4 - COMMUNITY SERVICES	1 391	1 634	209	12,79%
Vote 5 - CIVIL AND WATER SERVICES	80 868	274 804	4 800	1,75%
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 103	–	0,00%
Vote 7 - PLANNING AND DEVELOPMENT	–	20 386	2 172	10,65%
Total Capital Multi-year expenditure	**150 362**	**372 094**	**7 181**	**1,93%**

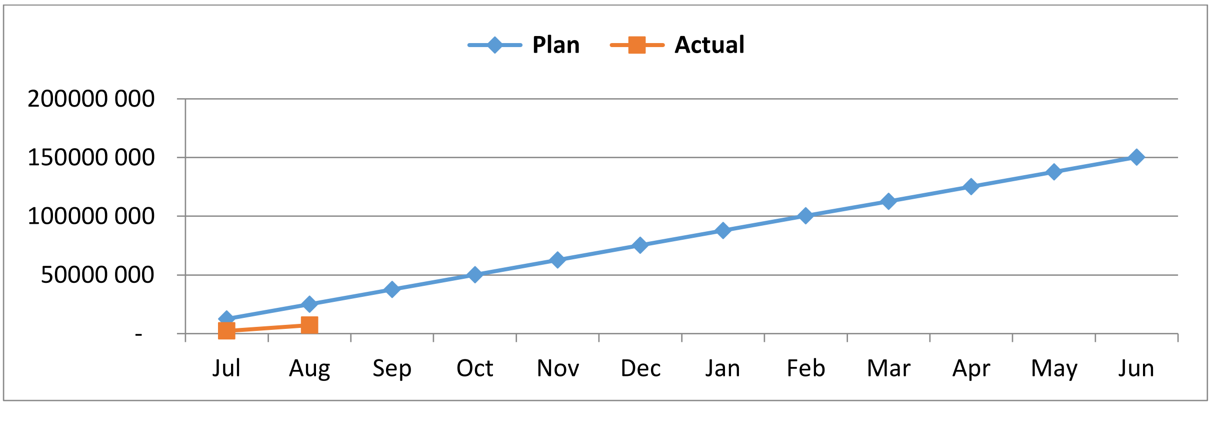
The capital expenditure as at 31 August 2024, constituted 1.93% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of The Deputy Municipal Manager is 0% of R 1,413 million budget.
- Finance And Economic Development is 0% of R 0,755 million budget.
- Community Services is 12.79% of R 1,634 million budget.
- Civil & Water Services 1.75% of R 274,804 million budget.
- Electro and Mechanical Services is 0% of R 73,103 million budget.
- Planning And Development is 10.65% of R 20,386 million budget.

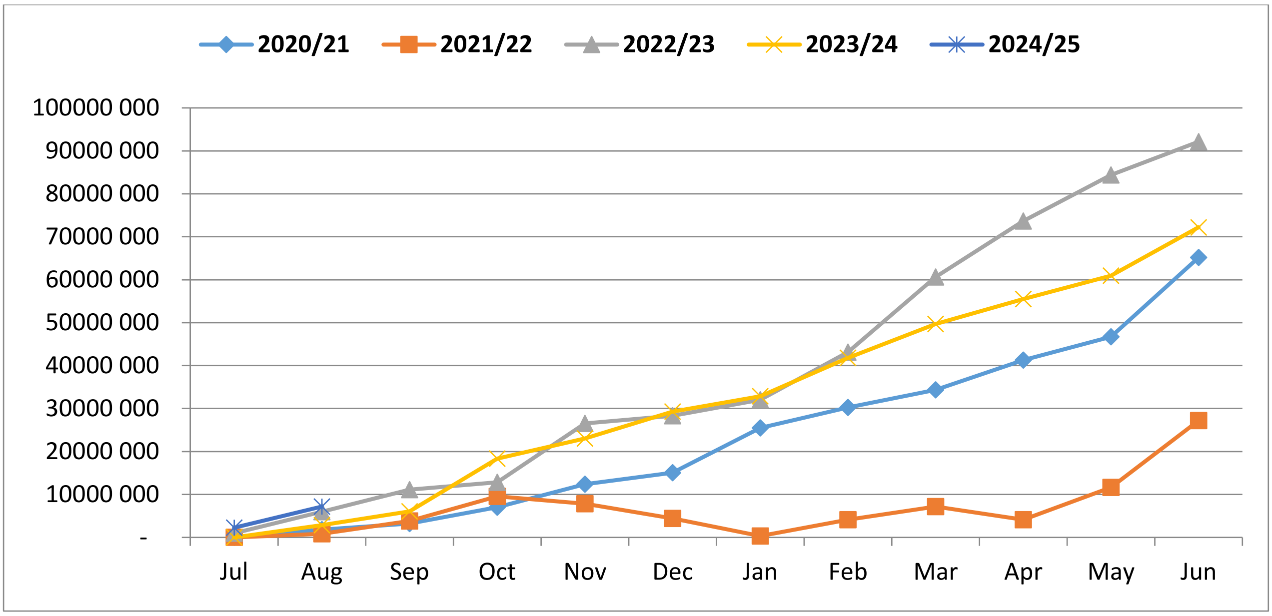
1.2. Monthly capital expenditure

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 August 2024.

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 31 August 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	176 117	132 088	75,00%
PROJECT MANAGEMENT UNIT (PMU)	Internal	UPGRADING LOERIE SPORTS FACILITIES	137 788	102 894	74,68%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga	621 050	-	
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADE OF PHILLIPSVILLE SPORTS FIELD	500 000	-	
ROADS AND STORMWATER	MDRG	St Francis Bay - Nevil Road Reconstruction	508 696	-	
ROADS AND STORMWATER	MDRG	St Francis Bay - Anne Avenue to Ralph Road Reconstruction	1 608 696	392 609	24,41%
ROADS AND STORMWATER	MDRG	Aston Bay to Paradise Beach - Seekoei Estuary Causeway reconstruction	6 478 261	-	
ROADS AND STORMWATER	MDRG	Paradise Beach - Botha Street Stormwater Infrastructure	424 348	89 874	21,18%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	150 000	-	
ROADS AND STORMWATER	Borrowing	ROADS INFRASTRUCTURE IN KOUGA	173 913 043	-	
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANVIEW	80 500	-	
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	29 169 586	3 263 777	11,19%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	200 000	-	
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	508 609	-	
SEWERAGE	Internal	HANKEY WWTW	4 256 462	-	
SEWERAGE	Internal	LA MER NEW SEWER RISING MAIN	6 338 777	818 838	12,92%
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	Internal	JILL MARCUS WATER SUPPLY	4 347 000	-	
WATER	Internal	Construction of Civil Services in Donkerhoek & Humansdorp	3 000 000	-	
WATER	Internal	HUMANSDORP GROUNDWATER SUPPLY	637 410	-	
WATER	DOHS	Kwanomzamo Bulk Water : New Pipeline	6 521 739	-	
WATER	DOHS	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	WSIG	Replace Main Waterline Sout Rivier Bridge Crossing	100 000	-	
WATER	DOHS	New Reservoir on Pnt 2 of the Farm Thornhill	5 018 940	-	
			274 803 977	**4 800 079**	**1,75%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 31 August 2024	%
COMMUNITY SERVICES					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1 391 304	-	
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	242 320	208 874	86,20%
			1 633 624	**208 874**	**12,79%**
ELECTRO & MECHANICAL SERVICES					
FLEET AND WORKSHOP	Finance Lease	Vehicle	34 000 000	-	
ELECTRICITY	INEP	OCEAN VIEW 1250 ELECTRIFICATION	3 654 783	-	
ELECTRICITY	Internal	Electrical Oil circuit breakers replacement with vacuum SCADA ready breakers	5 000 000	-	
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	-	
			73 102 610	**-**	
FINANCE AND ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	577 517	-	
SUPPLY CHAIN MANAGEMENT	Internal	Computer Equipment	55 414	-	
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100 000	-	
REVENUE	Internal	Computer Equipment	22 477	-	
			755 408	**-**	
OFFICE OF THE DMM					
INFORMATION TECHNOLOGY	Internal	Computer Equipment	1 412 789	-	
			1 412 789		
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 2	16 346 963	2 171 886	13,29%
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 3	4 038 699	-	
			20 385 663	**2 171 886**	**10,65%**
		Total	**372 094 071**	**7 180 840**	**1,93%**

<u>Annexure "A3"</u>

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

1.1. <u>Projected Cash Flow Statement as at 31August 2024</u>

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 – M02 August 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	41 214	70 627	47 910	22 717	47%	287 458
Service charges		255 325	761 922	761 922	49 460	92 653	126 987	(34 334)	-27%	761 922
Other revenue		16 788	93 666	100 764	20 812	42 009	16 794	25 215	150%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	2 097	82 919	34 275	48 644	142%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 443	–	18 202	20 574	(2 372)	-12%	123 443
Interest		914 663	13 998	13 998	4 552	9 143	2 333	6 810	292%	13 998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771 377	(1 356 179)	(1 339 133)	(111 758)	(225 585)	(257 841)	(32 256)	13%	(1 339 133)
Interest		–	(16 159)	(36 082)	(425)	(826)	(6 014)	(5 188)	86%	(36 082)
Transfers and Subsidies		–	(400)	(400)	–	–	(67)	(67)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 506 902**	**109 901**	**117 621**	**5 951**	**89 142**	**(15 049)**	**(104 191)**	**692%**	**117 621**
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)	(164 181)	(5 797)	(8 394)	27 363	35 757	131%	(164 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83 038)**	**(116 362)**	**(164 181)**	**(5 797)**	**(8 394)**	**27 363**	**35 757**	**131%**	**(164 181)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22 478)	(32 196)	(1 040)	(2 105)	–	2 105	0%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22 478)**	**(32 196)**	**(1 040)**	**(2 105)**	**–**	**2 105**	**0%**	**(32 196)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 423 864**	**(28 938)**	**(78 756)**	**(885)**	**78 643**	**12 315**			**(78 756)**
Cash/cash equivalents at beginning:		175 550	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 599 414	14 727	64 903		222 303	155 974			64 903

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

Table C1 Monthly Budget Statement Summary – M02 August 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	280 203	297 076	297 076	19 358	96 363	49 513	46 850	95%	297 076
Service charges	607 369	599 522	599 522	56 840	114 395	99 920	14 474	14%	599 522
Investment revenue	12 962	13 998	13 998	1 470	2 965	2 333	632	27%	13 998
Transfers and subsidies - Operational	198 630	202 153	205 651	334	81 603	34 275	47 327	138%	205 651
Other own revenue	110 770	279 872	279 872	7 303	18 831	46 645	(27 814)	-60%	279 872
Total Revenue (excluding capital transfers and	**1 209 934**	**1 392 621**	**1 396 119**	**85 305**	**314 157**	**232 687**	**81 470**	**35%**	**1 396 119**
Employee costs	398 878	471 743	481 056	30 037	59 629	80 176	(20 547)	-26%	481 056
Remuneration of Councillors	14 976	15 594	15 594	1 204	2 409	2 599	(190)	-7%	15 594
Depreciation and amortisation	102 539	117 798	117 798	19 633	19 633	19 635	(2)	-0%	117 798
Interest	10 038	17 404	36 426	425	826	6 071	(5 245)	-86%	36 426
Inventory consumed and bulk purchases	454 301	495 318	494 126	56 551	106 860	82 354	24 506	30%	494 126
Transfers and subsidies	920	400	400	–	–	67	(67)	-100%	400
Other expenditure	327 630	387 217	389 851	13 189	19 310	64 834	(45 524)	-70%	389 851
Total Expenditure	**1 309 281**	**1 505 474**	**1 535 251**	**121 039**	**208 666**	**255 736**	**(47 070)**	**-18%**	**1 535 251**
Surplus/(Deficit)	**(99 347)**	**(112 853)**	**(139 132)**	**(35 734)**	**105 490**	**(23 050)**	**128 540**	**-558%**	**(139 132)**
Transfers and subsidies - capital (monetary allocations)	85 140	133 816	154 202	1 711	5 814	25 700	(19 886)	-77%	154 202
Transfers and subsidies - capital (in-kind)	18 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**3 792**	**20 963**	**15 070**	**(34 022)**	**111 305**	**2 650**	**108 654**	**4099%**	**15 070**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**3 792**	**20 963**	**15 070**	**(34 022)**	**111 305**	**2 650**	**108 654**	**4099%**	**15 070**
Capital expenditure & funds sources									
Capital expenditure	**92 915**	**150 362**	**372 094**	**4 923**	**7 181**	**62 016**	**(54 835)**	**-88%**	**372 094**
Capital transfers recognised	3 157	116 362	136 747	3 660	5 918	22 791	(16 873)	-74%	136 747
Borrowing	–	34 000	207 913	–	–	34 652	(34 652)	-100%	207 913
Internally generated funds	89 757	–	27 434	1 263	1 263	4 572	(3 310)	-72%	27 434
Total sources of capital funds	**92 915**	**150 362**	**372 094**	**4 923**	**7 181**	**62 016**	**(54 835)**	**-88%**	**372 094**
Financial position									
Total current assets	266 448	213 837	235 293		408 828				235 293
Total non current assets	2 312 828	2 369 948	2 591 680		2 300 376				2 591 680
Total current liabilities	293 952	225 392	245 252		309 785				245 252
Total non current liabilities	243 291	270 953	424 224		241 990				424 224
Community wealth/Equity	**2 042 032**	**2 087 440**	**2 157 498**		**2 157 428**				**2 157 498**
Cash flows									
Net cash from (used) operating	2 506 902	109 901	117 621	5 951	89 142	(15 049)	(104 191)	692%	117 621
Net cash from (used) investing	(83 038)	(116 362)	(164 181)	(5 797)	(8 394)	27 363	35 757	131%	(164 181)
Net cash from (used) financing	–	(22 478)	(32 196)	(1 040)	(2 105)	–	2 105		(32 196)
Cash/cash equivalents at the month/year end	**2 599 414**	**14 727**	**64 903**	**–**	**222 303**	**155 974**	**(66 329)**	**-43%**	**64 903**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	94 431	14 011	11 093	10 859	8 989	8 377	60 779	291 027	499 566
Creditors Age Analysis									
Total Creditors	75 706	193	52	383	24	199	(33)	1 723	78 248

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) – M02 August 2024

EC108 Kouga - Table C2 Monthly Budget Statement - Financial Performance (functional classification) -

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		**489,309**	**590,750**	**590,750**	**(28,436)**	**137,155**	**98,458**	38,697	39%	**590,750**
Executive and council		46	142	142	–	30	24	6	25%	142
Finance and administration		489,263	590,608	590,608	(28,436)	137,126	98,435	38,691	39%	590,608
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**51,001**	**87,286**	**111,120**	**1,192**	**4,593**	**18,520**	(13,927)	-75%	**111,120**
Community and social services		2,415	2,460	2,460	34	61	410	(349)	-85%	2,460
Sport and recreation		7,682	11,504	11,504	1,145	2,215	1,917	298	16%	11,504
Public safety		1,792	1,857	1,857	2	1,509	310	1,199	387%	1,857
Housing		35,790	68,969	92,803	–	–	15,467	(15,467)	-100%	92,803
Health		3,322	2,496	2,496	10	809	416	393	94%	2,496
Economic and environmental services		**48,168**	**56,136**	**56,186**	**6,510**	**9,677**	**9,364**	313	3%	**56,186**
Planning and development		8,375	10,252	10,252	684	1,297	1,709	(412)	-24%	10,252
Road transport		16,518	19,972	19,972	897	1,138	3,329	(2,191)	-66%	19,972
Environmental protection		23,276	25,912	25,962	4,928	7,243	4,327	2,916	67%	25,962
Trading services		**724,595**	**792,266**	**792,266**	**107,751**	**168,544**	**132,044**	36,500	28%	**792,266**
Energy sources		398,034	409,585	409,585	42,187	80,472	68,264	12,208	18%	409,585
Water management		156,102	177,913	177,913	29,185	43,019	29,652	13,367	45%	177,913
Waste water management		106,410	123,062	123,062	13,642	17,478	20,510	(3,032)	-15%	123,062
Waste management		64,049	81,707	81,707	22,736	27,576	13,618	13,958	102%	81,707
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,313,073**	**1,526,437**	**1,550,321**	**87,016**	**319,971**	**258,387**	**61,584**	**24%**	**1,550,321**
Expenditure - Functional										
Governance and administration		**328,779**	**362,481**	**362,821**	**23,267**	**40,564**	**60,331**	(19,767)	-33%	**362,821**
Executive and council		57,143	61,996	61,237	3,657	7,180	10,206	(3,026)	-30%	61,237
Finance and administration		271,580	299,963	301,062	19,609	33,382	50,038	(16,656)	-33%	301,062
Internal audit		57	523	523	1	1	87	(86)	-98%	523
Community and public safety		**104,281**	**140,104**	**141,104**	**8,459**	**14,858**	**23,518**	(8,660)	-37%	**141,104**
Community and social services		9,188	13,952	13,952	875	1,506	2,325	(819)	-35%	13,952
Sport and recreation		52,608	75,205	75,205	4,345	6,951	12,535	(5,584)	-45%	75,205
Public safety		28,701	33,254	33,254	2,264	4,417	5,542	(1,125)	-20%	33,254
Housing		5,817	9,703	10,703	425	884	1,784	(900)	-50%	10,703
Health		7,968	7,991	7,991	550	1,100	1,332	(232)	-17%	7,991
Economic and environmental services		**126,118**	**288,532**	**311,182**	**13,415**	**18,564**	**51,864**	(33,300)	-64%	**311,182**
Planning and development		27,163	32,149	34,304	1,899	4,012	5,717	(1,705)	-30%	34,304
Road transport		86,718	246,274	266,719	11,164	13,985	44,453	(30,468)	-69%	266,719
Environmental protection		12,237	10,109	10,159	352	566	1,693	(1,127)	-67%	10,159
Trading services		**743,328**	**714,357**	**720,143**	**75,898**	**134,678**	**120,024**	14,654	12%	**720,143**
Energy sources		426,149	453,172	457,682	54,745	103,451	76,280	27,170	36%	457,682
Water management		161,924	108,542	109,818	8,086	11,192	18,303	(7,111)	-39%	109,818
Waste water management		103,926	88,779	88,779	8,720	11,901	14,796	(2,895)	-20%	88,779
Waste management		51,329	63,864	63,864	4,346	8,133	10,644	(2,511)	-24%	63,864
Other		**6,775**	–	–	–	**3**	–	**3**		–
Total Expenditure - Functional	3	**1,309,281**	**1,505,474**	**1,535,251**	**121,039**	**208,666**	**255,736**	**(47,070)**	**-18%**	**1,535,251**
Surplus/ (Deficit) for the year		**3,792**	**20,963**	**15,070**	**(34,022)**	**111,305**	**2,650**	**108,654**	**4099%**	**15,070**

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 – M02 August 2024

EC108 Kouga - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -

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		1,687	1,115	1,115	86	621	186	435	234.3%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		158,151	446,890	446,890	(34,319)	122,753	74,482	48,271	64.8%	446,890
Vote 4 - COMMUNITY SERVICES		148,611	276,782	276,832	29,092	39,912	46,139	(6,227)	-13.5%	276,832
Vote 5 - CIVIL AND WATER SERVICES		274,288	314,671	314,671	49,318	72,710	52,445	20,265	38.6%	314,671
Vote 6 - ELECTRO/MECHANICAL SERVICES		398,035	409,586	409,586	42,229	80,585	68,264	12,320	18.0%	409,586
Vote 7 - PLANNING AND DEVELOPMENT		41,392	77,392	101,227	516	962	16,871	(15,909)	-94.3%	101,227
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1,022,165**	**1,526,437**	**1,550,321**	**86,921**	**317,541**	**258,387**	**59,155**	**22.9%**	**1,550,321**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		27,222	31,456	30,696	1,762	3,463	5,116	(1,653)	-32.3%	30,696
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		114,919	128,955	128,955	8,305	14,953	21,353	(6,401)	-30.0%	128,955
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		103,128	141,869	142,158	7,239	13,109	23,693	(10,584)	-44.7%	142,158
Vote 4 - COMMUNITY SERVICES		218,052	386,594	387,136	17,773	31,127	64,523	(33,396)	-51.8%	387,136
Vote 5 - CIVIL AND WATER SERVICES		348,309	316,288	339,329	27,632	36,505	56,554	(20,050)	-35.5%	339,329
Vote 6 - ELECTRO/MECHANICAL SERVICES		442,656	466,160	470,989	56,426	105,793	78,498	27,295	34.8%	470,989
Vote 7 - PLANNING AND DEVELOPMENT		23,509	34,152	35,989	1,903	3,717	5,998	(2,281)	-38.0%	35,989
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	**1,277,796**	**1,505,474**	**1,535,251**	**121,039**	**208,666**	**255,736**	**(47,070)**	**-18.4%**	**1,535,251**
Surplus/ (Deficit) for the year	2	**(255,631)**	**20,963**	**15,070**	**(34,117)**	**108,875**	**2,650**	**106,225**	**4007.8%**	**15,070**

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) – M02 August 2024

EC108 Kouga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) -

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		670,815	667,935	667,935	62,542	125,371	111,322	14,048	13%	667,935
Service charges - Electricity		380,376	381,991	381,991	36,661	71,664	63,665	7,999	13%	381,991
Service charges - Water		109,873	82,323	82,323	9,279	19,917	13,721	6,196	45%	82,323
Service charges - Waste Water Management		59,633	64,086	64,086	5,696	11,286	10,681	605	6%	64,086
Service charges - Waste management		57,488	71,123	71,123	5,205	11,527	11,854	(326)	-3%	71,123
Sale of Goods and Rendering of Services		7,442	9,533	9,533	502	936	1,589	(653)	-41%	9,533
Agency services		3,615	4,554	4,554	–	–	759	(759)	-100%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		21,854	32,335	32,335	2,550	5,049	5,389	(340)	-6%	32,335
Interest earned from Current and Non Current Assets		12,962	13,998	13,998	1,470	2,965	2,333	632	27%	13,998
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		3,550	3,187	3,187	195	359	531	(173)	-32%	3,187
Licence and permits		2,368	2,851	2,851	190	388	475	(87)	-18%	2,851
Operational Revenue		11,654	1,955	1,955	793	1,280	326	954	293%	1,955
Non-Exchange Revenue		539,119	724,686	728,184	22,764	188,786	121,364	67,422	56%	728,184
Property rates		280,203	297,076	297,076	19,358	96,363	49,513	46,850	95%	297,076
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		40,084	143,343	143,343	58	123	23,891	(23,767)	-99%	143,343
Licence and permits		7,421	11,772	11,772	1,422	2,614	1,962	652	33%	11,772
Transfer and subsidies - Operational		198,630	202,153	205,651	334	81,603	34,275	47,327	138%	205,651
Interest		5,519	5,510	5,510	430	941	918	23	2%	5,510
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	64,831	64,831	1,163	7,142	10,805	(3,663)	-34%	64,831
Gains on disposal of Assets		(56)	–	–	–	–	–	–		–
Other Gains		7,318	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**1,209,934**	**1,392,621**	**1,396,119**	**85,305**	**314,157**	**232,687**	**81,470**	**35%**	**1,396,119**
Expenditure By Type										
Employee related costs		398,878	471,743	481,056	30,037	59,629	80,176	(20,547)	-26%	481,056
Remuneration of councillors		14,976	15,594	15,594	1,204	2,409	2,599	(190)	-7%	15,594
Bulk purchases - electricity		351,702	386,299	386,299	50,412	96,798	64,383	32,415	50%	386,299
Inventory consumed		102,599	109,019	108,019	6,140	10,062	18,003	(7,941)	-44%	108,019
Debt impairment		87,369	158,246	158,246	–	–	26,374	(26,374)	-100%	158,246
Depreciation and amortisation		102,539	117,798	117,798	19,633	19,633	19,635	(2)	0%	117,798
Interest		10,038	17,404	37,326	425	826	6,221	(5,395)	-87%	37,326
Contracted services		93,766	125,372	127,152	6,421	8,336	21,192	(12,856)	-61%	127,152
Transfers and subsidies		920	400	400	–	–	67	(67)	-100%	400
Irrecoverable debts written off		62,860	9,359	9,359	–	–	1,560	(1,560)	-100%	9,359
Operational costs		81,923	94,240	94,002	7,525	10,974	15,526	(4,553)	-29%	94,002
Losses on Disposal of Assets		1,713	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1,309,281**	**1,505,474**	**1,535,251**	**121,796**	**208,666**	**255,736**	**(47,070)**	**-18%**	**1,535,251**
Surplus/(Deficit)		**(99,347)**	**(112,853)**	**(139,132)**	**(36,491)**	**105,490**	**(23,050)**	**128,540**	**(0)**	**(139,132)**
Transfers and subsidies - capital (monetary allocations)		85,140	133,816	154,202	1,711	5,814	25,700	(19,886)	(0)	154,202
Transfers and subsidies - capital (in-kind)		18,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**3,792**	**20,963**	**15,070**	**(34,780)**	**111,305**	**2,650**			**15,070**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**3,792**	**20,963**	**15,070**	**(34,780)**	**111,305**	**2,650**			**15,070**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**3,792**	**20,963**	**15,070**	**(34,780)**	**111,305**	**2,650**			**15,070**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**3,792**	**20,963**	**15,070**	**(34,780)**	**111,305**	**2,650**			**15,070**

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) – M02 August 2024

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

Vote Description	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									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		71	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1,129	–	1,413	–	–	235	(235)	-100%	1,413
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		810	–	755	–	–	126	(126)	-100%	755
Vote 4 - COMMUNITY SERVICES		3,914	1,391	1,634	209	209	272	(63)	-23%	1,634
Vote 5 - CIVIL AND WATER SERVICES		50,070	80,868	274,804	2,660	4,918	45,801	(40,883)	-89%	274,804
Vote 6 - ELECTRO/MECHANICAL SERVICES		167	68,103	73,103	–	–	12,184	(12,184)	-100%	73,103
Vote 7 - PLANNING AND DEVELOPMENT		(23)	–	20,386	2,172	2,172	3,398	(1,226)	-36%	20,386
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	**56,138**	**150,362**	**372,094**	**5,041**	**7,299**	**62,016**	**(54,717)**	**-88%**	**372,094**
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		39	–	–	–	–	–	–		–
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		35,111	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		58	–	–	–	–	–	–		–
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	36,777	–	–	–	–	–	–		–
Total Capital Expenditure	3	**92,915**	**150,362**	**372,094**	**5,041**	**7,299**	**62,016**	**(54,717)**	**-88%**	**372,094**
Capital Expenditure - Functional Classification										
Governance and administration		**2,644**	**34,000**	**36,311**	**209**	**209**	**6,052**	(5,843)	-97%	**36,311**
Executive and council		336	–	–	–	–	–	–		–
Finance and administration		2,270	34,000	36,311	209	209	6,052	(5,843)	-97%	36,311
Internal audit		39	–	–	–	–	–	–		–
Community and public safety		**9,879**	**1,391**	**21,777**	**2,172**	**2,172**	**3,629**	(1,458)	-40%	**21,777**
Community and social services		6,562	–	–	–	–	–	–		–
Sport and recreation		506	–	–	–	–	–	–		–
Public safety		2,810	1,391	1,391	–	–	232	(232)	-100%	1,391
Housing		–	–	20,386	2,172	2,172	3,398	(1,226)	-36%	20,386
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**29,125**	**9,670**	**184,618**	**717**	**717**	**30,770**	(30,052)	-98%	**184,618**
Planning and development		14	500	1,535	235	235	256	(21)	-8%	1,535
Road transport		28,869	9,170	183,083	482	482	30,514	(30,031)	-98%	183,083
Environmental protection		242	–	–	–	–	–	–		–
Trading services		**51,267**	**105,300**	**129,389**	**1,824**	**4,083**	**21,565**	(17,482)	-81%	**129,389**
Energy sources		5,703	34,103	39,103	–	–	6,517	(6,517)	-100%	39,103
Water management		21,197	29,008	36,992	–	–	6,165	(6,165)	-100%	36,992
Waste water management		22,809	42,190	53,294	1,824	4,083	8,882	(4,800)	-54%	53,294
Waste management		1,557	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**92,915**	**150,362**	**372,094**	**4,923**	**7,181**	**62,016**	**(54,835)**	**-88%**	**372,094**
Funded by:										
National Government		347	54,997	54,997	1,488	3,746	9,166	(5,420)	-59%	54,997
Provincial Government		–	59,973	80,359	2,172	2,172	13,393	(11,221)	-84%	80,359
District Municipality		2,810	1,391	1,391	–	–	232	(232)	-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		**3,157**	**116,362**	**136,747**	**3,660**	**5,918**	**22,791**	**(16,873)**	**-74%**	**136,747**
Borrowing	6	–	34,000	207,913	–	–	34,652	(34,652)	-100%	207,913
Internally generated funds		89,757	–	27,434	1,263	1,263	4,572	(3,310)	-72%	27,434
Total Capital Funding	7	**92,915**	**150,362**	**372,094**	**4,923**	**7,181**	**62,016**	**(54,835)**	**-88%**	**372,094**

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 – M02 August 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		143 659	43 640	64 904	222 303	64 904
Trade and other receivables from exchange transactions		58 750	77 030	77 030	87 052	77 030
Receivables from non-exchange transactions		26 651	29 014	29 014	48 270	29 014
Current portion of non-current receivables		–	–	–	–	–
Inventory		22 450	18 598	18 790	23 756	18 790
VAT		12 790	45 445	45 445	25 298	45 445
Other current assets		2 149	109	109	2 149	109
Total current assets		**266 448**	**213 837**	**235 293**	**408 828**	**235 293**
Non current assets						
Investments		–	–	–	–	–
Investment property		250 794	262 608	262 608	250 794	262 608
Property, plant and equipment		2 061 616	2 106 737	2 328 469	2 049 261	2 328 469
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		419	603	603	321	603
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2 312 828**	**2 369 948**	**2 591 680**	**2 300 376**	**2 591 680**
TOTAL ASSETS		**2 579 276**	**2 583 785**	**2 826 973**	**2 709 203**	**2 826 973**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11 144	23 564	34 488	9 039	34 488
Consumer deposits		31 660	29 060	29 060	32 378	29 060
Trade and other payables from exchange transactions		143 222	124 413	124 605	128 876	124 605
Trade and other payables from non-exchange transactions		38 791	–	8 744	54 794	8 744
Provision		54 427	48 355	48 355	54 427	48 355
VAT		14 707	(0)	(0)	30 271	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**293 952**	**225 392**	**245 252**	**309 785**	**245 252**
Non current liabilities						
Financial liabilities		12 231	11 333	164 604	10 930	164 604
Provision		133 995	140 468	140 468	133 995	140 468
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		97 065	119 151	119 151	97 065	119 151
Total non current liabilities		**243 291**	**270 953**	**424 224**	**241 990**	**424 224**
TOTAL LIABILITIES		**537 243**	**496 345**	**669 475**	**551 775**	**669 475**
NET ASSETS	2	**2 042 032**	**2 087 440**	**2 157 498**	**2 157 428**	**2 157 498**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 036 273	2 087 440	2 157 498	2 151 669	2 157 498
Reserves and funds		5 759	–	–	5 759	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 042 032**	**2 087 440**	**2 157 498**	**2 157 428**	**2 157 498**

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 – M02 August 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	41 214	70 627	47 910	22 717	47%	287 458
Service charges		255 325	761 922	761 922	49 460	92 653	126 987	(34 334)	-27%	761 922
Other revenue		16 788	93 666	100 764	20 812	42 009	16 794	25 215	150%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	2 097	82 919	34 275	48 644	142%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 443	–	18 202	20 574	(2 372)	-12%	123 443
Interest		914 663	13 998	13 998	4 552	9 143	2 333	6 810	292%	13 998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771 377	(1 356 179)	(1 339 133)	(111 758)	(225 585)	(257 841)	(32 256)	13%	(1 339 133)
Interest		–	(16 159)	(36 082)	(425)	(826)	(6 014)	(5 188)	86%	(36 082)
Transfers and Subsidies		–	(400)	(400)	–	–	(67)	(67)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 506 902**	**109 901**	**117 621**	**5 951**	**89 142**	**(15 049)**	**(104 191)**	**692%**	**117 621**
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)	(164 181)	(5 797)	(8 394)	27 363	35 757	131%	(164 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83 038)**	**(116 362)**	**(164 181)**	**(5 797)**	**(8 394)**	**27 363**	**35 757**	**131%**	**(164 181)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22 478)	(32 196)	(1 040)	(2 105)	–	2 105	0%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22 478)**	**(32 196)**	**(1 040)**	**(2 105)**	**–**	**2 105**	**0%**	**(32 196)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 423 864**	**(28 938)**	**(78 756)**	**(885)**	**78 643**	**12 315**			**(78 756)**
Cash/cash equivalents at beginning:		175 550	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 599 414	14 727	64 903		222 303	155 974			64 903

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

<u>Annexure "A5"</u>

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. <u>Overview of outstanding Consumer Debtors (Inclusive of VAT)</u>

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

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

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	20,506	4,579	3,619	4,063	3,080	2,706	24,816	84,951	148,321
Trade and Other Receivables from Exchange Transactions - Electricity	38,652	2,412	1,887	1,558	1,311	1,183	4,661	12,428	64,092
Receivables from Non-exchange Transactions - Property Rates	46,029	2,606	2,123	1,980	1,553	1,560	11,788	25,990	93,629
Receivables from Exchange Transactions - Waste Water Management	9,659	1,588	1,409	1,283	1,131	1,043	5,905	33,079	55,096
Receivables from Exchange Transactions - Waste Management	6,668	1,654	1,294	1,205	1,150	1,113	6,393	46,558	66,035
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	856	463	361	412	414	449	5,074	70,202	78,233
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(27,939)	710	400	356	349	322	2,142	17,820	(5,839)
Total By Income Source	**94,431**	**14,011**	**11,093**	**10,859**	**8,989**	**8,377**	**60,779**	**291,027**	**499,566**
Debtors Age Analysis By Customer Group									
Organs of State	4,495	551	642	434	375	565	3,009	5,069	15,138
Commercial	13,463	567	418	404	283	289	1,312	6,897	23,633
Households	76,469	12,892	10,032	10,020	8,330	7,522	56,453	279,057	460,776
Other	5	1	1	1	1	1	5	5	19
Total By Customer Group	**94,431**	**14,011**	**11,093**	**10,859**	**8,989**	**8,377**	**60,779**	**291,027**	**499,566**

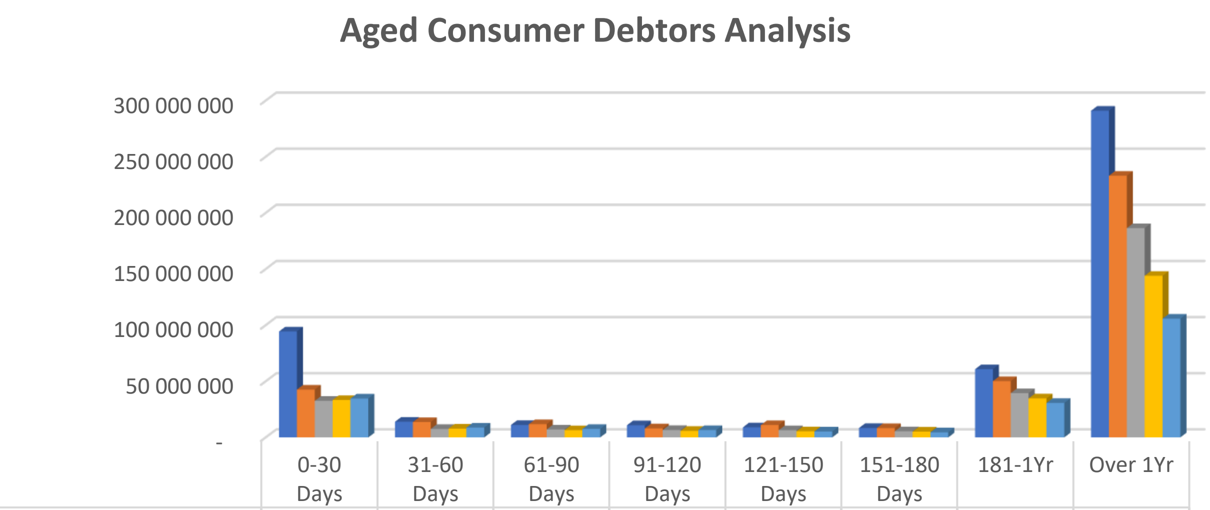
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2024

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 August 2024, the overdue debts have increased by R 15,225 million from R 389,910 million to R 405,135 million, as follows:

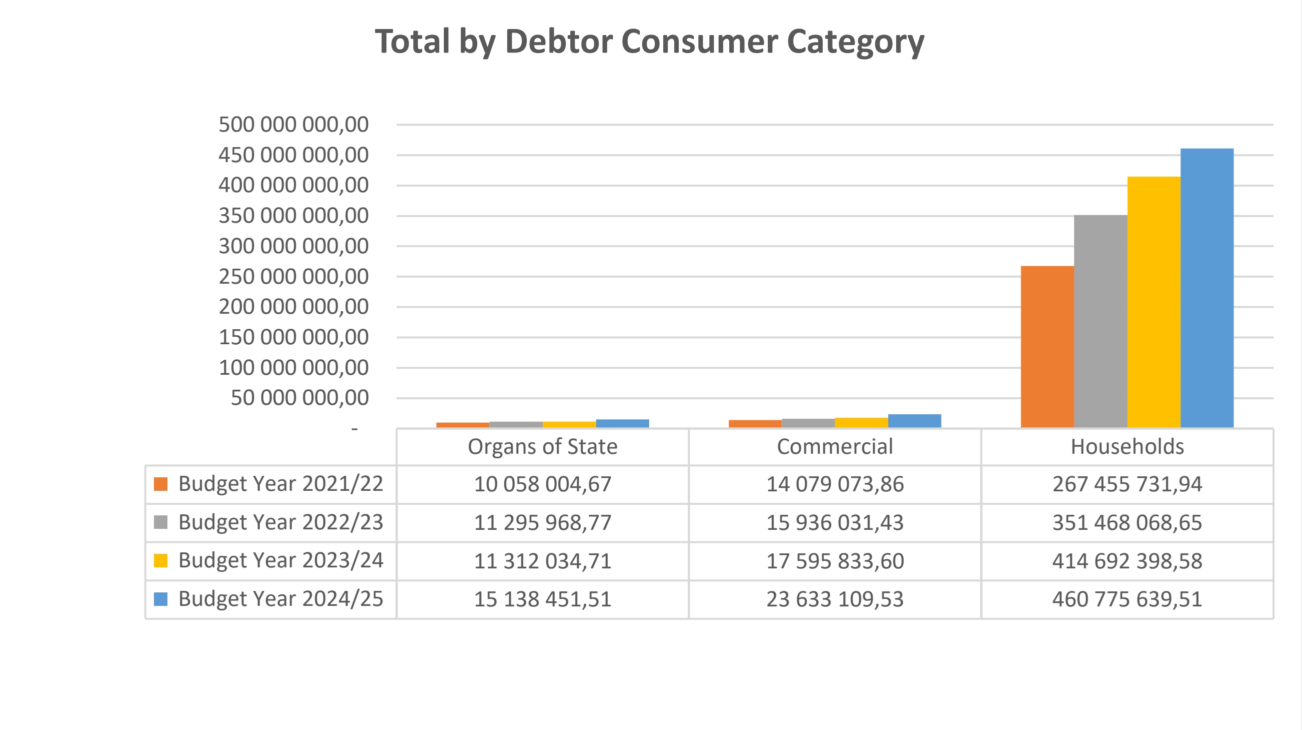
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-24**	**31-Aug-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	122,756	127,815	5,059
Trade and Other Receivables from Exchange Transactions - Electricity	24,488	25,440	952
Receivables from Non-exchange Transactions - Property Rates	47,751	47,600	(151)
Receivables from Exchange Transactions - Waste Water Management	43,719	45,437	1,719
Receivables from Exchange Transactions - Waste Management	57,269	59,367	2,098
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	72,437	77,377	4,940
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	21,492	22,100	608
Total By Income Source	**389,910**	**405,135**	**15,225**
Debtors Age Analysis By Customer Group			
Organs of State	9,907	10,643	737
Commercial	9,975	10,170	196
Households	370,015	384,307	14,291
Other	14	15	1
Total By Customer Group	**389,910**	**405,135**	**15,225**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 August 2024	94 431 451	14 011 431	11 093 021	10 858 740	8 988 571	8 376 523	60 779 400	291 000 00
Actuals 30 June 2023	42 577 572	13 677 986	11 809 605	8 076 144	11 005 536	8 293 751	50 164 014	233 094 80
Actuals 30 June 2022	32 611 964	7 576 439	7 081 656	6 586 082	6 412 160	5 452 968	39 420 216	186 451 32
Actuals 30 June 2021	33 316 142	7 884 929	6 439 337	5 863 323	5 487 594	5 185 739	34 750 983	143 962 57
Actuals 30 June 2020	34 656 877	8 786 809	7 593 891	6 557 058	5 291 610	4 547 471	30 714 011	105 765 98

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



	Organs of State	Commercial	Households
Budget Year 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	15 138 451,51	23 633 109,53	460 775 639,51

1.2 Overview of Creditors position

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

Description	Budget Year 2024/25								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	57,908	6	7	6	6	6	(168)	–	**57,772**
Bulk Water	2,758	17	14	14	18	17	134	(1,172)	**1,799**
PAYE deductions	5,173								**5,173**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	3,469	212	32	363	0	177	–	96	**4,350**
Auditor General									**–**
Other									**–**
Total By Customer Type	**69,308**	**235**	**52**	**383**	**24**	**199**	**(33)**	**(1,076)**	**69,093**

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

Eskom	R 57,772 million
NMBM	R 1,799 million
PAYE	R 5,173 million
Other Creditors	R 4,350 million
Total	**R 69,093 million**

It is to be noted that the SARS amount of R 5,173 million, represents the current account for August 2024, which is due on 3 September 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 – M02 August 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**	**197,760**	**2,097**	**82,969**	**197,760**	**114,791**	**197,760**
Operational Revenue:General Revenue:Equitable Share	192,664	192,664	–	80,277	192,664	112,387	192,664
South Africa National Biodiversity Institute(SANBI)	–	50	–	50	50	–	50
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,495	1,495	374	374	1,495	1,121	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	1,723	1,723	1,723	–	1,723
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	–	545	1,828	1,283	1,828
Provincial Government:	**2,050**	**5,498**	**–**	**–**	**5,498**	**2,050**	**5,498**
Housing Grant	–	3,448	–	–	3,448	3,448	3,448
Library Grant	2,050	2,050	–	–	2,050	2,050	2,050
District Municipality:	**2,893**	**2,893**	**–**	**1,200**	**2,893**	1,693	**2,893**
Environmental Health Subsidy	2,393	2,393	–	793	2,393	1,600	2,393
Skills Development subsidy	500	500	–	407	500	93	500
Total Operating Transfers and Grants	**202,653**	**206,151**	**2,097**	**84,169**	**206,151**	**118,534**	**206,151**
Capital Transfers and Grants							
National Government:	**52,874**	**73,260**	**–**	**18,202**	**73,260**	**55,058**	**73,260**
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	34,730	24,378	34,730
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–
Local Government Financial Management Grant [Schedule 5B]	–	–	–	–	–	–	–
Water Services Infrastructure Grant [Schedule 5B]	13,941	13,941	–	7,850	13,941	6,091	13,941
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	–	–	–	–	–	–	–
Municipal Disaster Relief Grant	–	–			–	–	–
Municipal Human Settlement	–	20,386			20,386	20,386	20,386
District Municipality:	**1,391**	**1,391**	**–**	**–**	**1,391**	1,391	**1,391**
Fire Services Subsidy	1,391	1,391	–	–	1,391	1,391	1,391
Total Capital Transfers and Grants	**54,265**	**74,651**	**–**	**18,202**	**74,651**	**56,449**	**74,651**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**256,918**	**280,802**	**2,097**	**102,371**	**280,802**	**174,983**	**280,802**

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 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							%	
RECEIPTS:								
Operating Expenditure Transfers and Grants								
National Government:	**197,710**	**197,760**	**334**	**80,860**	**193,513**	**112,120**	**57.9%**	**197,760**
Operational Revenue:General Revenue:Equitable Share	192,664	192,664	–	80,277	192,664	112,387	58.3%	192,664
South Africa National Biodiversity Institute(SANBI)	–	50	–	50	8	42	500.0%	50
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,495	1,495	111	111	249	(138)	-55.4%	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	63	126	287	(162)	-56.3%	1,723
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	136	272	305	(33)	-10.7%	1,828
Energy Efficiency and Demand-side [Schedule 5B]	–	–	24	24	–	24		–
Provincial Government:	**2,050**	**5,498**	**–**	**–**	**916**	**342**	**37.3%**	**5,498**
Housing Grant	–	3,448	–	–	575	575	100.0%	3,448
Library Grant	2,050	2,050	–	–	342	342	100.0%	2,050
District Municipality:	**2,893**	**2,893**	**–**	**1,200**	**482**	(718)	-148.9%	**2,893**
Environmental Health Subsidy	2,393	2,393	–	793	399	(394)	-98.8%	2,393
Skills Development subsidy	500	500	–	407	83	(324)	-388.6%	500
Total Operating Transfers and Grants	**202,653**	**206,151**	**334**	**82,060**	**194,912**	**111,744**	**57.3%**	**206,151**
Capital Expenditure Transfers and Grants								
National Government:	**52,874**	**73,260**	**4,345**	**6,942**	**12,210**	**5,268**	**43.1%**	**73,260**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,203	4,203	–	–	701	701	100.0%	4,203
Municipal Infrastructure Grant [Schedule 5B]	34,730	34,730	1,292	3,889	5,788	1,899	32.8%	34,730
Municipal Disaster Relief Grant	–	–	555	555	–	(555)		–
Local Government Financial Management Grant [Schedule 5B]	–	–	–	–	–	–		–
Water Services Infrastructure Grant [Schedule 5B]	13,941	13,941	–	–	2,324	2,324	100.0%	13,941
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	–	–	–	–	–	–		–
Municipal Disaster Relief Grant	–	–	–	–	–	–		–
Municipal Human Settlement	–	20,386	2,498	2,498	3,398	900	26.5%	20,386
District Municipality:	**1,391**	**1,391**	**–**	**–**	**232**	**232**	**100.0%**	**1,391**
Fire Services Subsidy	1,391	1,391	–	–	232	232	100.0%	1,391
Total Capital Expenditure Transfers and Grants	**54,265**	**74,651**	**4,345**	**6,942**	**12,442**	**5,500**	**44.2%**	**74,651**
TOTAL EXPENDITURE OF TRANSFERS & GRANTS	**256,918**	**280,802**	**4,679**	**89,001**	**207,354**	**117,245**	**56.5%**	**280,802**

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 1,723,000
Expenditure to date:	R 125,593
Unspent as at 31 August 2024:	R 1,597,407

The spending of the grant amounted to 7.29% as at 31August 2024, compared to the amount of the grant received.

Expanded Public Works Programme (EPWP)
The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

DORA Allocation:	R 1,495,000
Amount of Grant Received:	R 374,000
Expenditure to date:	R 111,071
Unspent as at 31 August 2024:	R 262,929

The spending of the grant amounted to 29.70% as at 31August 2024, compared to the amount of the grant received.

DORA Capital Grants

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

DORA Allocation:	R 36,558,000
Amount of Grant Received:	R 10,897,000
Expenditure to date:	R 4,161,041
Unspent as at 31 August 2024:	R 6,735,959

The spending of the grant amounted to 38.19% as at 31August 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
Prior Year Unspent:	R 686,303
Expenditure to date:	R 0,00
Unspent as at 31 August 2024:	R 686,303

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
Prior Year Unspent:	R 7,167,886
Expenditure to date:	R 0,00
Unspent as at 31August 2024:	R 15,017,886

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 554,855
Unspent as at 31August 2024:	R 9,875,886

The spending of the grant amounted to 5.35% as at 31August 2024, compared to the amount of the grant received.

Other Conditional Grants

Conditional Grant	Prior Year Unspent	Expenditure	Unspent as at 31 August 2024
Human Settlement Grant	20,555,956	2,497,669	18,058,287
Total	**20,555,956**	**2,497,669**	**18,058,287**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M02 August 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
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**360,945**	**457,873**	**457,873**	**28,884**	**28,884**	**38,156**	**(9,272)**	**-24%**	**457,873**
% increase	4		**26.9%**	**26.9%**						**26.9%**
Total Parent Municipality		**390,735**	**487,337**	**487,337**	**30,797**	**30,797**	**40,612**	**(9,815)**	**-24%**	**487,337**
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 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 June 2024	Approved Adjusted Budget 2024/25	Actuals as at 31 August 2024
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	1.04%	1.21%	0.72%	4.45%	1.4%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0.01	0.05	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.07	0,51	0.78	1.24:1	0.96:1	1.32:1
Liquidity Ratio	Monetary assets / current liabilities	0.34	0,15	0.42	0.71:1	0.26:1	0.72:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	91.01%	95%	74.99%

Other indicators		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 June 2024	Approved Adjusted Budget 2024/25	Actuals as at 31 August 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)	0.65	0.36	0.98	1.09 Months	0.53 Months	1.57 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.22%	31,69%	28.30%	32.85%	31.33%	28.58%
Capital Expenditure	Capital Expenditure / Capital Budget	71.67%	123,92%	94.66%	55.48%	95%	1.93%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.99%	4,32%	3.79%	4.24%	15.27%	13.64%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2,26%	2.32%	2.39%	10.07%	0.58%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.14%	77,76%	78.10%	87.23%	85.27%	74.02%

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 1.40% as at 31 August 2024, compared to the approved adjusted budget ratio of 4.45%.

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 31August 2024, the ratio indicates 0.01, compared to the approved adjusted budget of 0.05.

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:

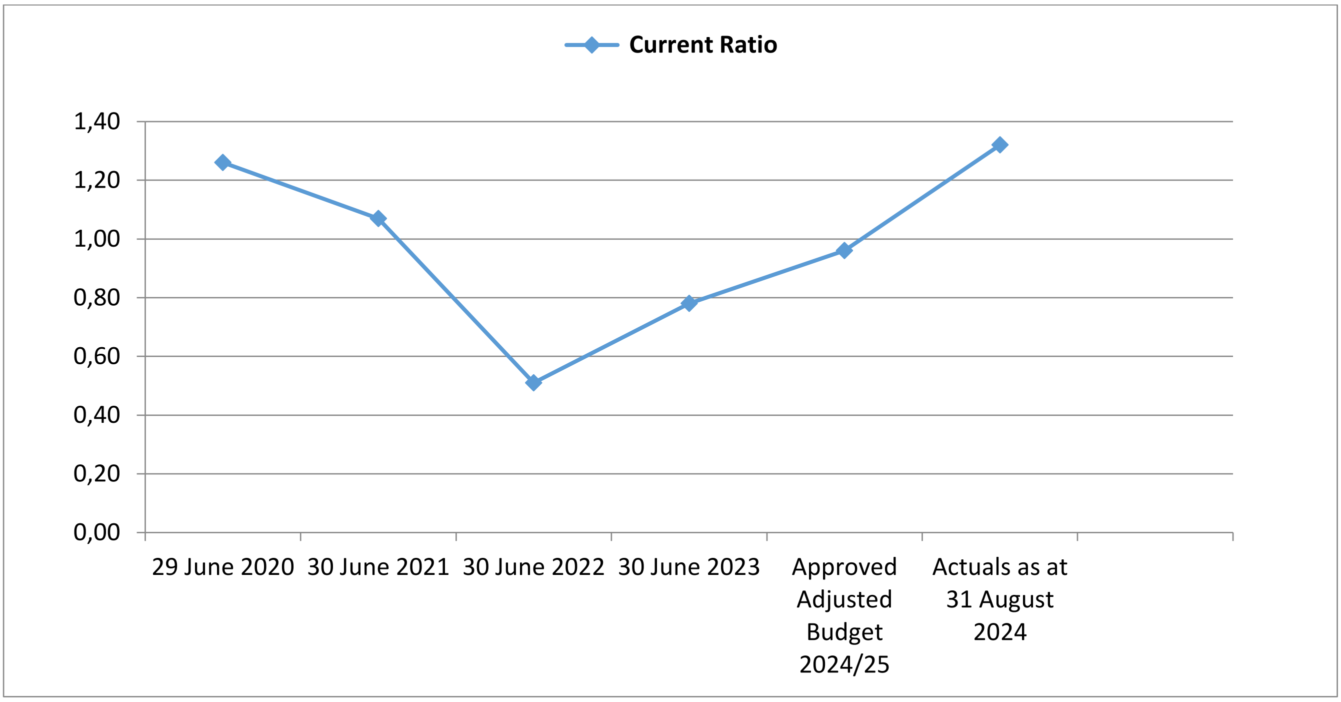
Current assets/Current liabilities

The ratio as at 31August 2024 was 1.32:1, compared to the approved adjusted budget ratio of 0.96:1

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

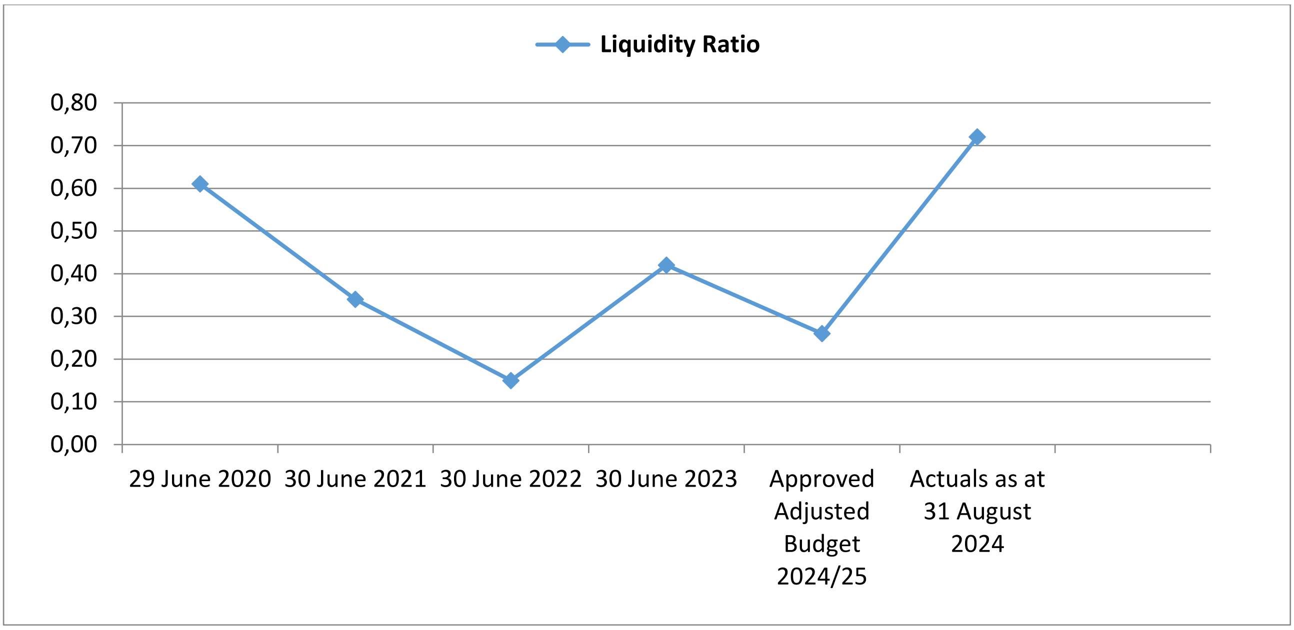
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 August 2024 was 0.72:1 compared to the approved budget ratio of 0.26:1.

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



1.2. Revenue Management

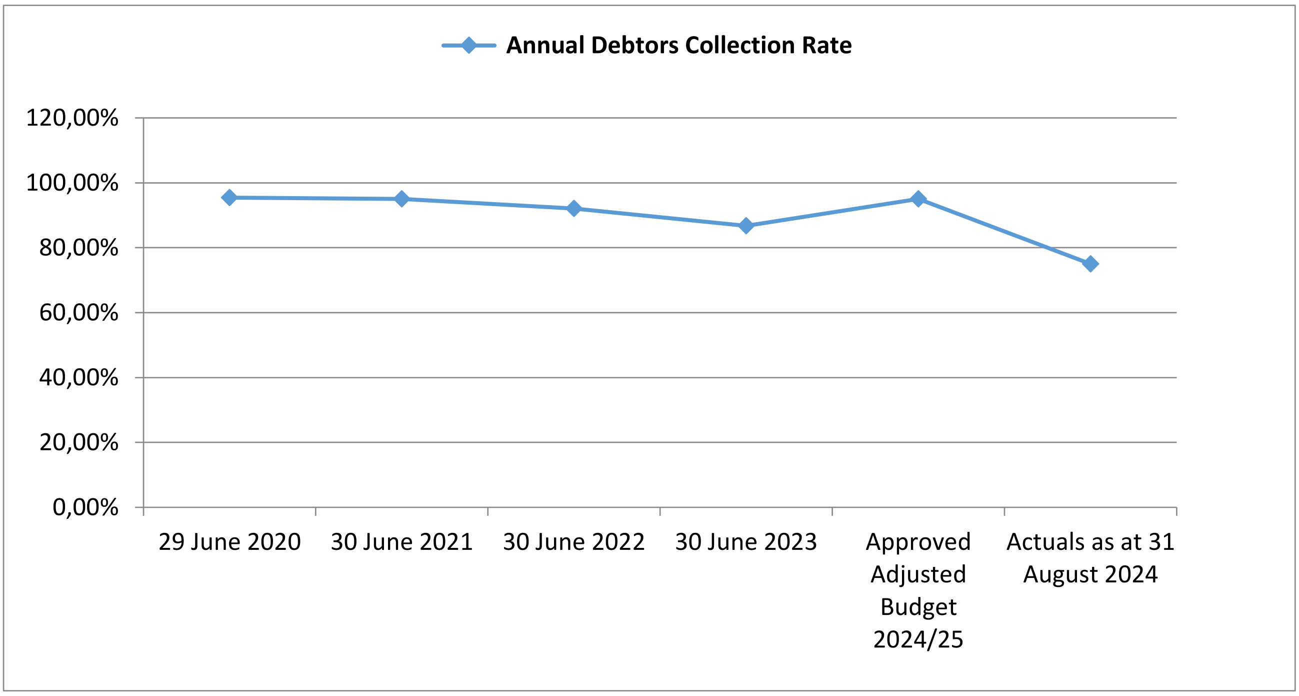
1.2.1. Annual Debtors Collection Rate

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 August 2024 was 74.99%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for August is 115.98%.



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.

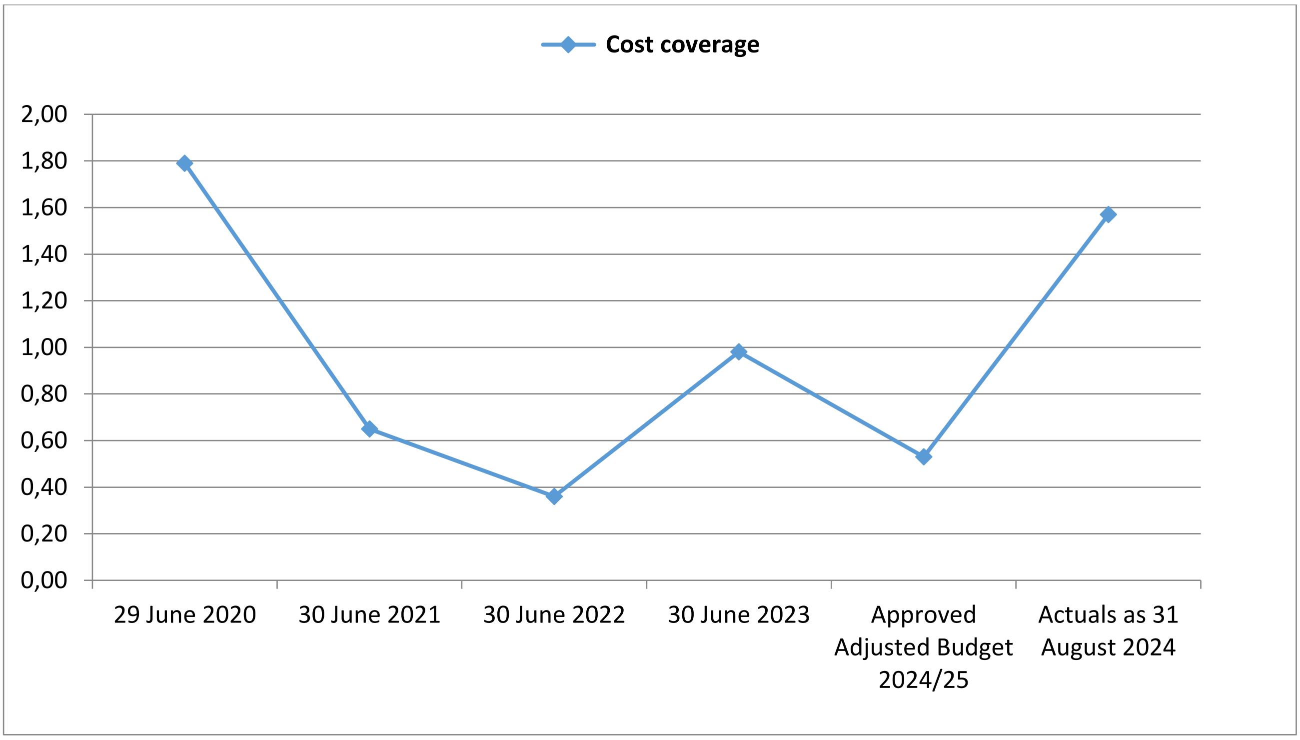
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 31August 2024, the Ratio was 1.57 months, compared to the approved adjusted budget ratio of 0.53 months.

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



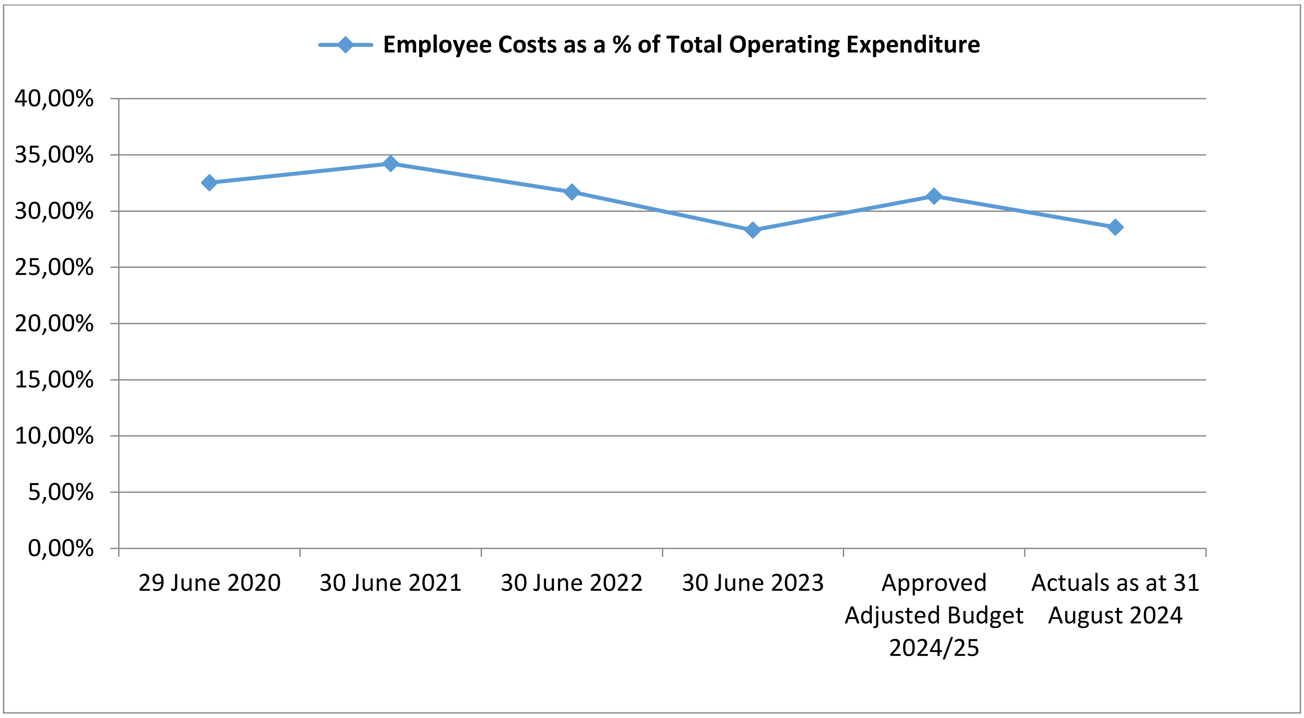
1.3.2. Employee costs as a % of Total Operating Expenditure

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 31August 2024, Employee Related Costs constituted 28.58% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 31.33%.



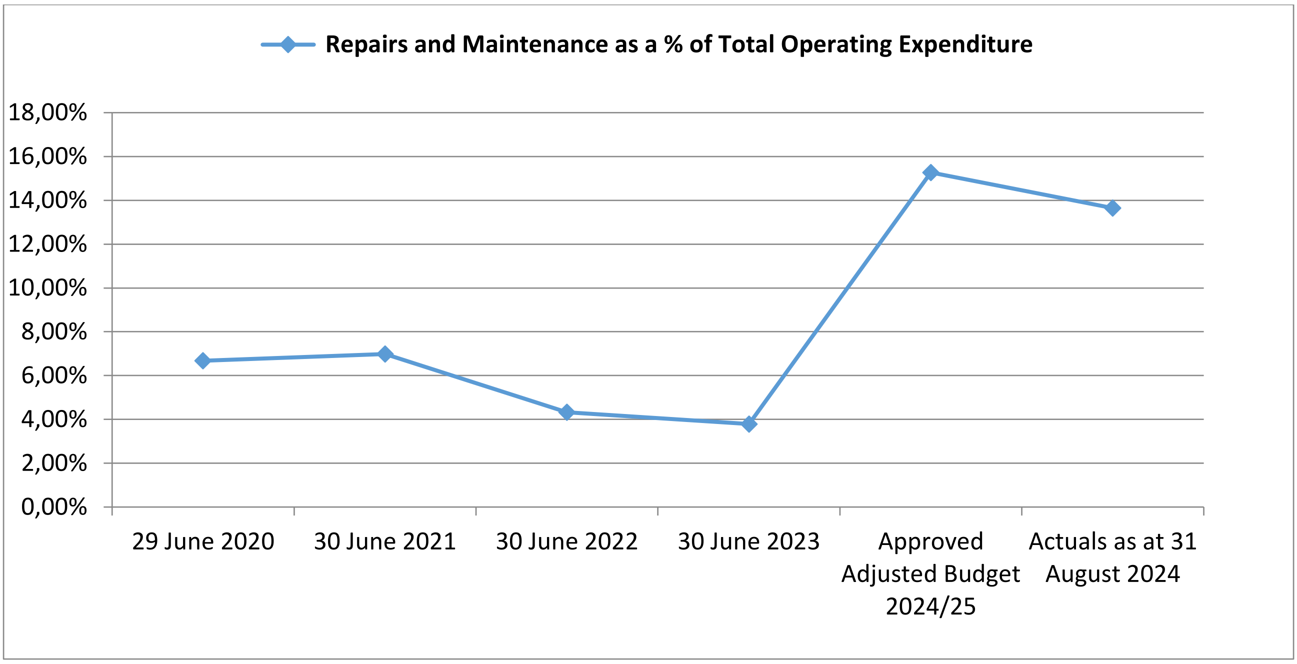
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 August 2024, the ratio was 13.64%, compared to the approved adjusted budget ratio of 15.27%.



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

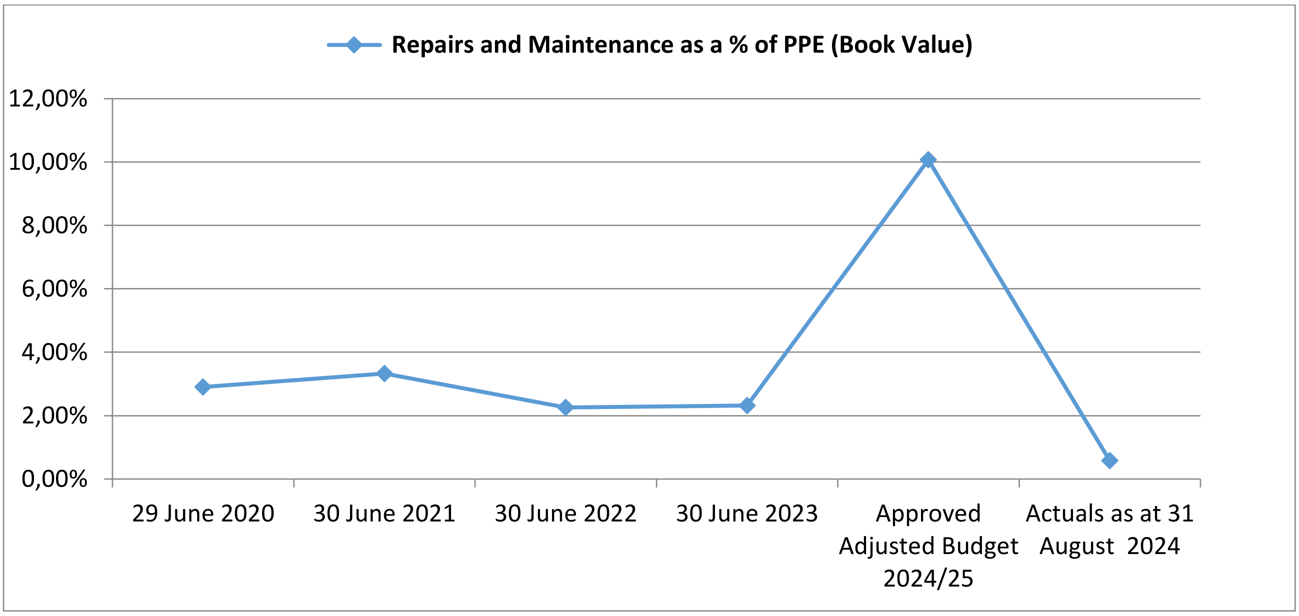
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 August 2024, repairs and maintenance expenditure constituted 0.58% of the book value of PPE, compared to the approved adjusted budget ratio of 10.07%.

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



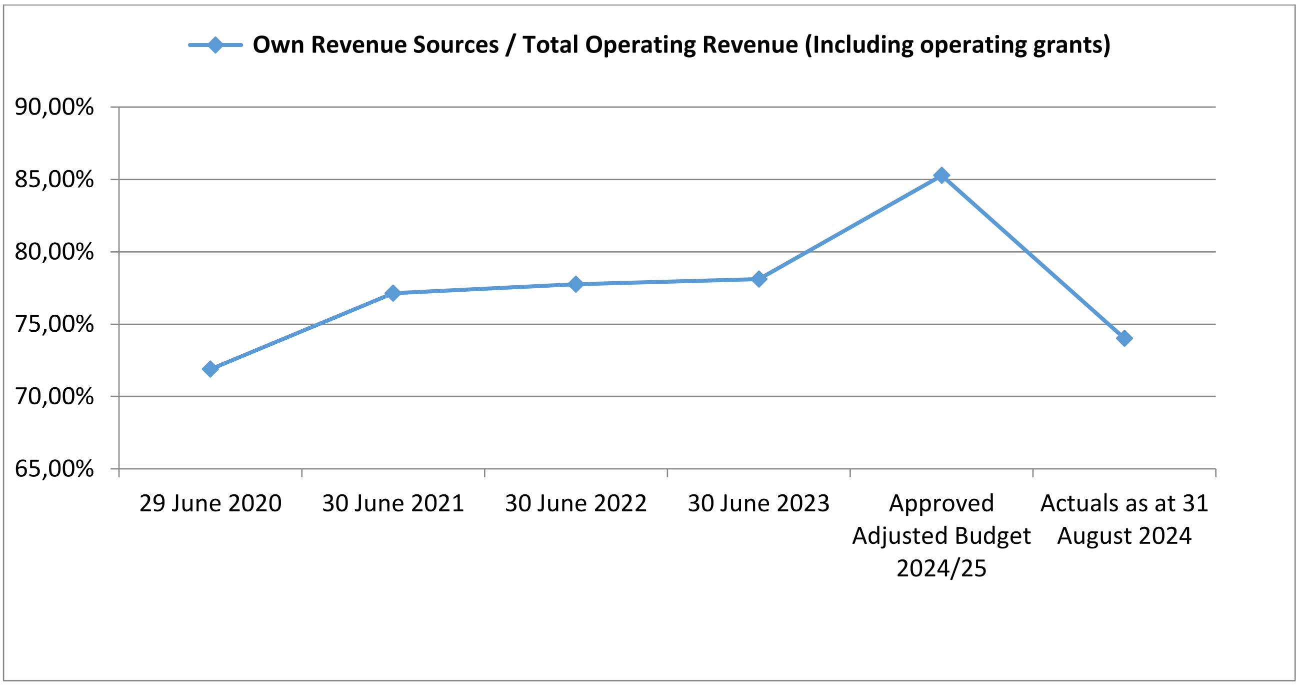
Own Revenue Generation

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 August 2024, the Municipality's own revenue sources constituted 74.02% of its total Operating Income, compared to the approved adjusted budget ratio of 85.27%.



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 August 2024 amounted to 1.93%, compared to the approved adjusted budget ratio of 95%.