

**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO SEPTEMBER 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 SEPTEMBER 2024 (2024/25 FINANCIAL YEAR)**

**1. Introduction**

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

In accordance with 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 30 September 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**

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

#### 5. **Applicable Legislation**

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

7. **Other Implications**

None.

8. **Comments by Directorates:**

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

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

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

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

Print Name \_Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature.....  .....

Date.....11 October 2024.....

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

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

Item endorsed by the Municipal Manager: [Insert signature]

Item noted by Portfolio Chairperson: [Insert signature]

## “ANNEXURE A”

### 1. FINANCIAL OVERVIEW

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the months of September 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 398,132 million, whilst operating expenditure amounted to R 316,089 million, resulting in an operating surplus of R 82,043 million.
- Capital expenditure constituted 3,41% of the 2024/25 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 28,017 million (7.19%) since June 2024.
- An amount of R 61,690 million is owing to creditors, which is 99.54% current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 52,983,199 (36.88%) since June 2024, from R 143,659,131 to R 196,642,330.

Below is an analysis of the Investment Portfolio as at 30 September 2024.

	Balance as at 30 June 2024	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2024
<b>Standard Bank</b>	26 516 585	-	513 818	-		27 030 403
<b>ABSA</b>	22 795 366	10 907 000	678 083	-	-	34 380 449
<b>Nedbank</b>	22 593 059	10 897 000	612 326	-		34 102 385
<b>RMB</b>	22 735 812	10 897 000	570 564	28 000 000		6 203 376
<b>INVESTEC</b>	22 771 482	10 897 000	608 299	-		34 276 780
<b>Total</b>	<b>117 412 304</b>	<b>43 598 000</b>	<b>2 983 089</b>	<b>28 000 000</b>	<b>-</b>	<b>135 993 393</b>
	Balance as at 30 June 2024	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2024
<b>INVESTMENT</b>						
General Account	78 621 419	23 128 000	2 050 580	14 585 076	-	89 214 923
Conditional Grants	18 234 929	20 470 000	612 326	10 917 255	-	28 400 000
Housing Funds	20 555 956	-	320 183	2 497 669	-	18 378 470
<b>Total</b>	<b>117 412 304</b>	<b>43 598 000</b>	<b>2 983 089</b>	<b>28 000 000</b>	<b>-</b>	<b>135 993 393</b>
	Balance as at 30 June 2024	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 September 2024
Cheque Accounts FNB 52540020791	10 314 768			8 814 535		1 500 233
Cheque Accounts FNB 52540033304	8 553 427	5 392 632				13 946 059
Cheque Accounts FNB 62682103591	3 833			402		3 431
Cheque Accounts FNB 63022194441	7 374 799	1 382 028				8 756 827
Cheque Accounts ABSA 4114176482	-	7 777 835				7 777 835
Cheque Accounts ABSA 4114114771	-	28 654 341				28 654 341
Cheque Accounts ABSA 4114176474	-	10 210				10 210
Cheque Accounts ABSA 4114176490		1				1
<b>Total</b>	<b>26 246 827</b>	<b>43 217 047</b>	<b>-</b>	<b>8 814 937</b>	<b>-</b>	<b>60 648 937</b>
<b>Total</b>	<b>143 659 131</b>	<b>86 815 047</b>	<b>2 983 089</b>	<b>19 185 063</b>	<b>-</b>	<b>196 642 330</b>

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

**Cash backed Reserves.**

Bank Balances and Cash	<u>R 60,648,936</u>
Short-term Investment Deposits	<u>R 135,993,393</u>
	<b><u>R 196,642,330</u></b>

**Application of Cash**

Unspent Conditional Grants	R 46,034,992
Operational commitments	R 11,485,056
Outstanding Creditors Liability	<u>R 61,690,316</u>
	<b><u>R 119,210,364</u></b>

**Cash Reserves exceed commitments: R 77,431,966**

The cash backed reserves exceed commitments at this stage by an amount of R 77,431,966.

It should be noted that the excess of reserves over commitments as at 30 September 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 30 September 2023	Approved Adjusted Budget 2024/25	Actuals as at 30 September 2024
Current Ratio	0.78:1	1.24:1	1.5:1 to 2:1	1.51:1	0.96:1	1.27:1
Liquidity Ratio	0.42:1	0.71:1		0.94:1	0.26:1	0.63:1
Cost Coverage (Excluding unspent conditional grants)	0.98 Months	1.09 Months	1 Month to 3 Months	1.25 Months	0.53 Months	1.41 Months
Debtors Collection Rate	86.71%	91.01%	95%	77.26%	95%	80.85%
Capital Expenditure	94.66%	55.48%	95%	6.53%	95%	3.41%

## “ANNEXURE A1”

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

#### 1.1. Summary Statement of Financial Performance

Description	Budget Year 2024/25					
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance
<b>Revenue</b>						
Total Revenue (excluding capital transfers and contributions)	1 392 621	1 396 119	83 976	398 132	349 030	49 102
Total Expenditure	1 505 474	1 535 251	107 423	316 089	383 600	(67 512)
Surplus/(Deficit)	(112 853)	(139 132)	(23 447)	82 043	(34 570)	116 614

The statement of financial performance reflects an operating surplus of R 82,043 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		
	Adjusted Budget	YearTD Actual	%
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	381 991	109 809	28,75%
Service charges - Water	82 323	28 989	35,21%
Service charges - Waste Water Management	64 086	16 783	26,19%
Service charges - Waste management	71 123	16 690	23,47%
Sale of Goods and Rendering of Services	9 533	1 246	13,07%
Agency services	4 554	–	0,00%
Interest earned from Receivables	32 335	7 625	23,58%
Interest earned from Current and Non-Current Assets	13 998	3 280	23,43%
Rental from Fixed Assets	3 187	810	25,41%
Licence and permits	2 851	548	19,23%
Operational Revenue	1 955	1 345	68,78%
<b>Non-Exchange Revenue</b>			
Property rates	297 076	116 090	39,08%
Fines, penalties and forfeits	143 343	165	0,12%
Licence and permits	11 772	3 161	26,85%
Transfer and subsidies - Operational	205 651	81 868	39,81%
Interest – Property Rates	5 510	1 388	25,19%
Operational Revenue – Availability charges	64 831	8 335	12,86%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 396 119</b>	<b>398 132</b>	<b>28,52%</b>

## Reasons for major over-/under-recovery per revenue source

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

- **Service charges – Water**

The service charges water revenue recognized as at 30 September 2024, amounts to 35.21% of the budget. The variance is largely due to the water availability charges amounting to R 9,429 million included in the service charges for water revenue. This amount should have been included under the Non-Exchange Revenue; operational revenue - availability charges.

It must be noted that the correction will be implemented in the next reporting period.

- **Sale of Goods and Rendering of Services**

The sale of goods and services relates to various sources of rendering of services such as application fees for land usage, building plan fees, cemeteries' fees and removal of restrictions fees etc. These revenue sources are influenced by community demands.

- **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 30 September 2024, the municipality has recognized 39.08% 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.

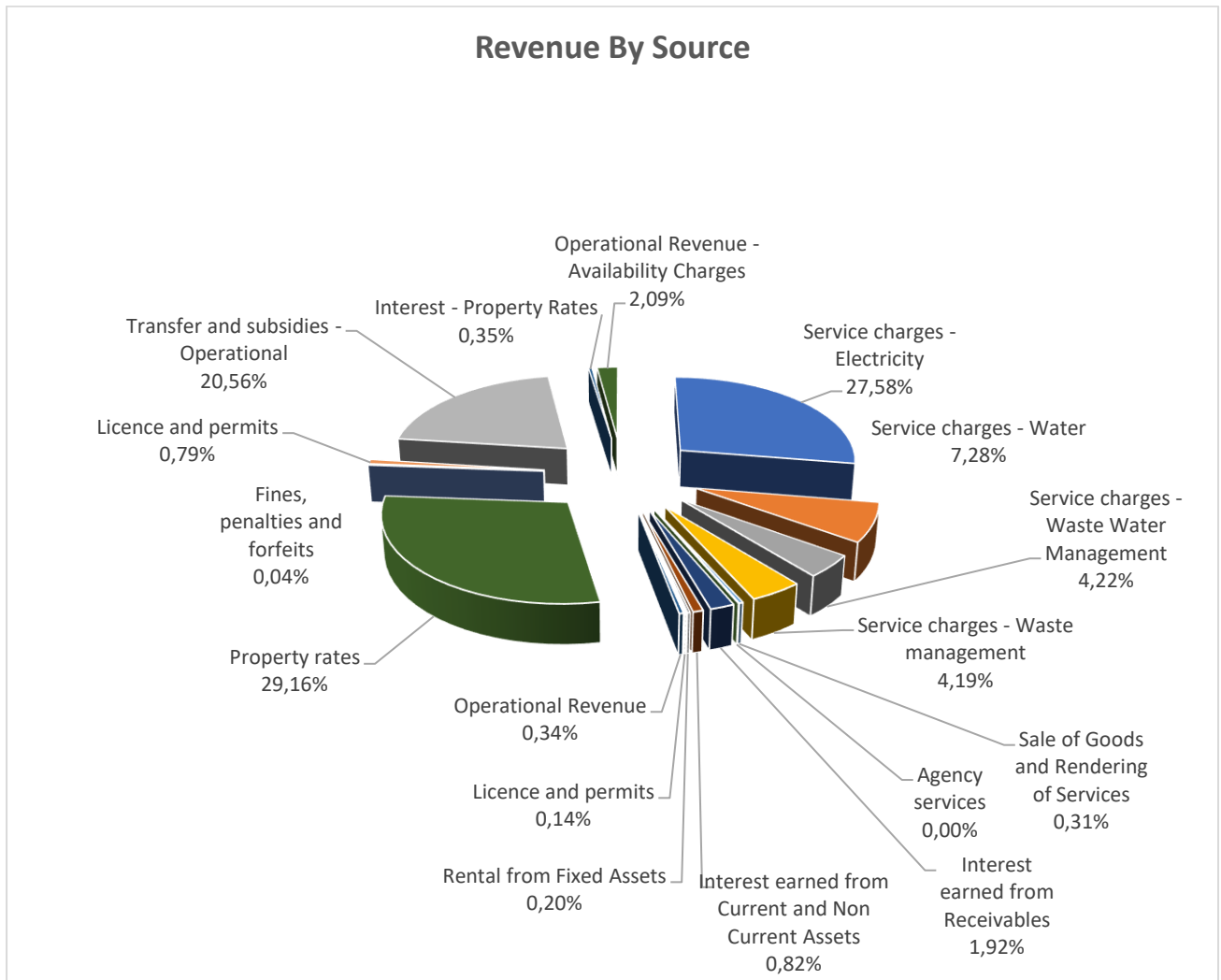


- **Transfers and subsidies-Operational**

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

- **Operational revenue (Non-Exchange Revenue)**

Operational revenue: non-exchange revenue relates to the availability charges for electricity, water and wastewater management. The variance is largely due to the water availability charges amounting to R 9,429 million included in the service charges for water revenue. This amount should have been included under the Non-Exchange Revenue; operational revenue - availability charges.



### 1.3. Expenditure

#### Main expenditure types for 2024/25

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Expenditure By Type</b>			
Employee related costs	481 056	92 746	19,28%
Remuneration of councillors	15 594	3 613	23,17%
Bulk purchases - electricity	386 299	141 368	36,60%
Inventory consumed	108 862	12 246	11,25%
Debt impairment	158 246	–	0,00%
Depreciation and amortisation	117 798	29 450	25,00%
Interest	36 426	1 222	3,35%
Contracted services	126 099	17 669	14,01%
Transfers and subsidies	400	–	0,00%
Irrecoverable debts written off	9 359	–	0,00%
Operational costs	95 112	17 775	18,69%
<b>Total Expenditure</b>	<b>1 535 251</b>	<b>316 089</b>	<b>20,59%</b>

#### 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.

- **Bulk purchases – electricity**

The bulk purchases – electricity reflects a 36.6% expenditure, compared to the approved budget. This is slightly higher than anticipated and compared to the previous year, which was 30.72% for the same reporting period.

- **Inventory consumed.**

Inventory consumed includes the following expenditure items:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 August 2024	%
Inventory Consumed: Consumables	4 403 160	525 986	11.95%
Inventory Consumed: Materials and Supplies	36 256 876	5 550 168	15.31%
Inventory Consumed: Fuel & Oil	26 271 072	3 540 396	13,48%
Inventory Consumed: Bulk Water Purchases	41 930 751	2 629 817	6,27%
<b>Total</b>	<b>108 861 859</b>	<b>12 246 367</b>	<b>11.25%</b>

- **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.

Contracted services are broken down as follows:

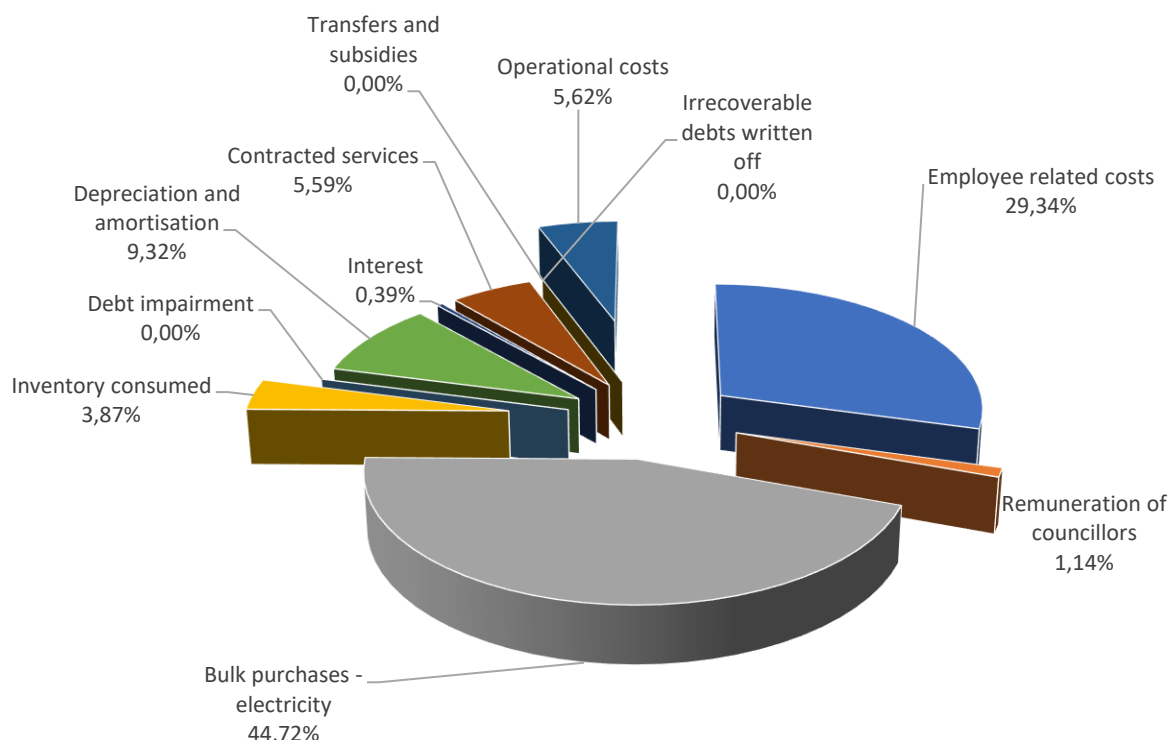
<b>Item Description</b>	<b>Adjusted Budget 2024/25</b>	<b>Actuals as at 30 September 2024</b>	<b>%</b>
Aloe Cup	80 000	-	0,00%
Air quality Management	400 000	-	0,00%
Amanzi Challenge National Tournament	300 000	300 000	100,00%
Animal Care	508 000	-	0,00%
Audit of Municipal Land & Properties	1 894 000	110 515	5,83%
Burial Services	31 500	12 600	40,00%
Calamari Festival	200 000	200 000	100,00%
Catering Services	1 158 904	145 657	12,57%
Clean up Operation	500 004	23 445	4,69%
Clearing and Grass Cutting Services	1 540 000	29 100	1,89%
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	757 446	8,91%
Destination Marketing and Promotion	670 000	69 746	10,41%
Drivers Licence Cards	1 000 000	86 189	8,62%
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	19 560	7,85%
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	29 000	11,60%
KLTO	905 000	55 348	6,12%
Jbay Precint Plan Implementation	500 000	-	0,00%
Laboratory Services:Water	2 359 000	182 026	7,72%
Legal Advice and Litigation	1 000 000	181 157	18,12%
Legal Cost:Collection	1 100 000	285 437	25,95%
Maintenance of Buildings and Facilities	8 046 636	797 508	9,91%
Maintenance of Electrical Infrastructure	1 000 000	-	0,00%
Maintenance of Equipment	858 800	83 395	9,71%
Maintenance of Vehicles	40 059 408	4 350 951	10,86%
Mscoa Alignment	283 136	-	0,00%
Media Monitoring	200 004	17 390	8,69%
Occupational Health and Safety	1 100 004	65 578	5,96%
Other Contracted Services	2 667 900	801 122	30,03%
Personnel and Labour	14 335 550	2 071 435	14,45%
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	2 704 938	70,26%
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	341 189	50,03%
Township Events	300 000	25 573	8,52%
Transport Services	225 704	10 413	4,61%
Valuer	13 438 721	3 888 778	28,94%
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%
	<b>126 099 210</b>	<b>17 668 711</b>	<b>14,01%</b>

- **Other Expenditure**

The other expenditure is broken down as follows:

<b>Item Description</b>	<b>Adjusted Budget 2024/25</b>	<b>Actuals as at 30 September 2024</b>	<b>%</b>
Achievements and Awards	2 300 000	203 132	8,83%
Advertising, Publicity and Marketing	4 339 200	445 891	10,28%
Bank Charges	600 000	13 337	2,22%
Bargaining Council	4 619 580	-	0,00%
Cellular Contract (Subscription and Calls)	3 313 020	606 068	18,29%
Claims paid to Third Parties	200 000	69 169	34,58%
External Audit Fees	4 500 000	645 787	14,35%
External Computer Service:Internet Charge	5 400 000	1 682 383	31,16%
Hire Charges	7 940 412	1 661 202	20,92%
Insurance Claims	1 200 000	82 557	6,88%
Insurance Underwriting:Premiums	3 644 283	898 716	24,66%
Leases:Furniture and Office Equipment	4 068 744	591 967	14,55%
Leases:Other Assets	3 963 740	1 744 363	44,01%
Motor Vehicle Licence and Registrations	1 644 488	155 513	9,46%
Other	1 524 176	170 316	11,17%
Postage/Stamps/Franking Machines	2 674 500	382 247	14,29%
Registration Fees:Professional and Regulatory Bodies	551 112	20 289	3,68%
Registration Fees:Seminars, Conferences, Workshops	2 165 482	299 661	13,84%
Remuneration to Ward Committees	2 862 000	508 800	17,78%
Riparian Levies	7 911 471	1 502 513	18,99%
Signage	1 126 212	28 658	2,54%
Skills Development Fund Levy	4 202 076	923 081	21,97%
Software Licences	8 825 000	3 087 810	34,99%
Storage of Files (Archiving)	399 996	15 185	3,80%
Supplier Development Programme	100 000	-	0,00%
Third Party Vendors	3 550 000	368 212	10,37%
Travel and Subsistence	4 392 369	494 127	11,25%
Uniform and Protective Clothing	3 980 484	427 236	10,73%
Vehicle Tracking	804 742	203 650	25,31%
Workmen's Compensation Fund	2 288 376	543 320	23,74%
	<b>95 112 463</b>	<b>17 775 191</b>	<b>18,69%</b>

## Expenditure By Type



### 1.4. Repairs and Maintenance

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 30 September 2024	%
<b>Repairs and Maintenance by Expenditure Items</b>			
Employee related costs	156,271,644	15 798 428	10,11%
Other materials	24,717,864	2 913 237	11,79%
Contracted Services	49,308,844	5 206 263	10,56%
Other expenditure	4,175,000	1 092 086	26,16%
<b>Total repairs and maintenance expenditure</b>	<b>234,473,352</b>	<b>25 010 014</b>	<b>10,67%</b>

It is to be noted that actual repairs and maintenance expenditure constituted 10.67% of the 2024/25 Approved Adjusted Budget.

## 1.5. Trading Services Performance

### 1.5.1. Electricity

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Electricity	381 991	109 809	28,75%
Interest earned from Receivables	2 214	682	30,79%
Operational Revenue	-	75	
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	5 585	4 654	83,33%
Operational Revenue	15 593	4 310	27,64%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>405 382</b>	<b>119 529</b>	<b>29,49%</b>
<b>Expenditure By Type</b>			
Employee related costs	22 716	3 938	17,33%
Bulk purchases - electricity	386 299	141 368	36,60%
Inventory consumed	8 648	1 791	20,71%
Debt impairment	11 528	-	
Depreciation and amortisation	8 909	2 562	28,75%
Contracted services	12 552	1 364	10,87%
Irrecoverable debts written off	3 064	-	
Operational costs	3 967	550	13,87%
<b>Total Expenditure</b>	<b>457 682</b>	<b>151 573</b>	<b>33,12%</b>
<b>Surplus/(Deficit)</b>	<b>(52 301)</b>	<b>(32 044)</b>	<b>61,27%</b>

#### 1.5.1.1 Revenue

- The electricity service charges revenue reflects 28.75% of budget as at 30 September 2024, and this is in line with the projected budget ratio of 25% as at 30 September 2024.

#### 1.5.1.2 Expenditure

- the bulk electricity reflects 36.6% of budget expenditure as at 30 September 2024.

#### 1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 32,044 million as at 30 September 2024 and the deficit amount equates to 26.81%, 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		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Water	82 323	28 989	35,21%
Interest earned from Receivables	15 537	3 527	22,70%
Operational Revenue	–	678	
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	21 232	17 694	83,33%
Operational Revenue	44 879	2 780	6,20%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>163 972</b>	<b>53 668</b>	<b>32,73%</b>
<b>Expenditure By Type</b>			
Employee related costs	28 200	6 940	24,61%
Inventory consumed	51 549	4 720	9,16%
Debt impairment	5 652	–	
Depreciation and amortisation	17 074	3 995	23,40%
Contracted services	3 580	323	9,02%
Irrecoverable debts written off	1 502	–	
Operational costs	2 261	351	15,52%
<b>Total Expenditure</b>	<b>109 818</b>	<b>16 327</b>	<b>14,87%</b>
<b>Surplus/(Deficit)</b>	<b>54 154</b>	<b>37 341</b>	<b>68,95%</b>

### 1.5.2.1 Revenue

- The water service charges revenue reflects 35.21% of budget as at 30 September 2024, this is higher than anticipated due to the misallocation of water availability charges, amounting to R 9,429 million to water service charges revenue.

### 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 3,211 million (7.66% of budget).

### 1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 37,341 million as at 30 September 2024 and equates to 69.58% of total revenue.



### 1.5.3 Wastewater Management

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Waste Water Management	64 086	16 784	26,19%
Interest earned from Receivables	5 673	1 266	22,31%
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	14 213	11 844	83,33%
Operational Revenue	4 360	1 245	28,54%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>88 332</b>	<b>31 138</b>	<b>35,25%</b>
<b>Expenditure By Type</b>			
Employee related costs	25 833	6 349	24,58%
Inventory consumed	15 161	1 777	11,72%
Debt impairment	2 928	-	
Depreciation and amortisation	32 226	8 025	24,90%
Contracted services	5 120	348	6,80%
Irrecoverable debts written off	778	-	
Operational costs	6 733	1 731	25,71%
<b>Total Expenditure</b>	<b>88 779</b>	<b>18 231</b>	<b>20,54%</b>
<b>Surplus/(Deficit)</b>	<b>(447)</b>	<b>12 907</b>	

#### 1.5.3.1 Revenue

- The wastewater service charges revenue reflects 26.19% of budget as at 30 September 2024, and this is in line with the projected budget ratio of 25% as at 30 September 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 12,907 million as at 30 September 2024 and equates to 41.45% 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		
	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
Service charges - Waste management	71 123	16 690	23,47%
Sale of Goods and Rendering of Services	9	–	
Interest earned from Receivables	8 560	2 061	24,08%
<b>Non-Exchange Revenue</b>			
Transfer and subsidies - Operational	25 741	21 409	83,17%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>105 432</b>	<b>40 160</b>	<b>38,09%</b>
<b>Expenditure By Type</b>			
Employee related costs	38 597	9 545	24,73%
Inventory consumed	8 719	2 217	25,43%
Debt impairment	3 147	–	
Depreciation and amortisation	3 195	663	20,74%
Contracted services	15 460	628	4,06%
Irrecoverable debts written off	837	–	
Operational costs	4 044	618	15,29%
<b>Total Expenditure</b>	<b>73 999</b>	<b>13 672</b>	<b>18,48%</b>
<b>Surplus/(Deficit)</b>	<b>31 432</b>	<b>26 488</b>	<b>84,27%</b>

### 1.5.4.1 Revenue

- The waste service charges revenue reflects 23.47% of budget as at 30 September 2024, and this is in line with the budget ratio of 25% as at 30 September 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 26,488 million as at 30 September 2024 and equates to 65.96% 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
<b>R Thousands</b>				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	13,811	2,071	3,453	(1,381)
2. Travel claims	4,346	466	1,086	(620)
4. Overtime	20,000	5,243	5,000	243
5. Catering Costs	1,109	125	277	(153)
6. Events, Advertising and sponsorships	5,034	446	1,259	(813)
7. Attendance of Conferences, Seminars & Workshops	2,165	300	541	(242)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	668	61	167	(105)
9. Projects /Programme Launches	-	-	-	-
10. Essential User Scheme	739	739	739	-
<b>Total</b>	<b>47,872</b>	<b>9,451</b>	<b>12,522</b>	<b>(3,071)</b>

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 3,071 million as at 30 September 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.

R thousands	Budget Year 2024/25			Actuals as at 30 September 2024			
	Approved Budget - Operating	Adjusted Budget - Capital	Adjusted Budget 2024/25	Expenditure Actuals as at 30	Capital Actuals as at 30 Sept 2024	Expenditure as at 30 Sept 2024	Expenditure as at 30 Sept 2024
<b>Expenditure by Vote</b>							
CIVIL AND WATER SERVICES	339 329	274 804	614 133	57 236	10 284	67 520	-
COMMUNITY SERVICES	387 136	1 634	388 770	49 093	209	49 301	-
ELECTRO/MECHANICAL SERVICES	470 989	73 103	544 092	152 506	-	152 506	-
FINANCE AND ECONOMIC DEVELOPMENT	142 158	755	142 913	22 295	20	22 314	-
OFFICE OF THE DEPUTY MUNICIPAL MANAGER	128 955	1 413	130 368	23 126	-	23 126	-
OFFICE OF THE MUNICIPAL MANAGER	30 696	-	30 696	6 060	-	6 060	-
PLANNING AND DEVELOPMENT	35 989	20 386	56 374	5 773	2 172	7 945	-
<b>TOTAL</b>	<b>1 535 251</b>	<b>372 094</b>	<b>1 907 345</b>	<b>316 089</b>	<b>12 684</b>	<b>328 773</b>	<b>-</b>

## Annexure “A2”

### 1. CAPITAL BUDGET PERFORMANCE

#### 1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 30 September 2024, constituted 3.41% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 8.11% of approved grant funding budget.
- Internally generated funds are 5.82% at this stage.

#### Capital budget by municipal vote for 2024/25.

Vote Description	Budget Year 2024/25			
	Original Budget	Adjusted Budget	YearTD Actual	%
<b>R thousands</b>				
<b>Multi-Year expenditure appropriation</b>				
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	20	2,59%
Vote 4 - COMMUNITY SERVICES	1 391	1 634	209	12,79%
Vote 5 - CIVIL AND WATER SERVICES	80 868	274 804	10 284	3,74%
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 103	-	0,00%
Vote 7 - PLANNING AND DEVELOPMENT	-	20 386	2 172	10,65%
<b>Total Capital Multi-year expenditure</b>	<b>150 362</b>	<b>372 094</b>	<b>12 684</b>	<b>3,41%</b>

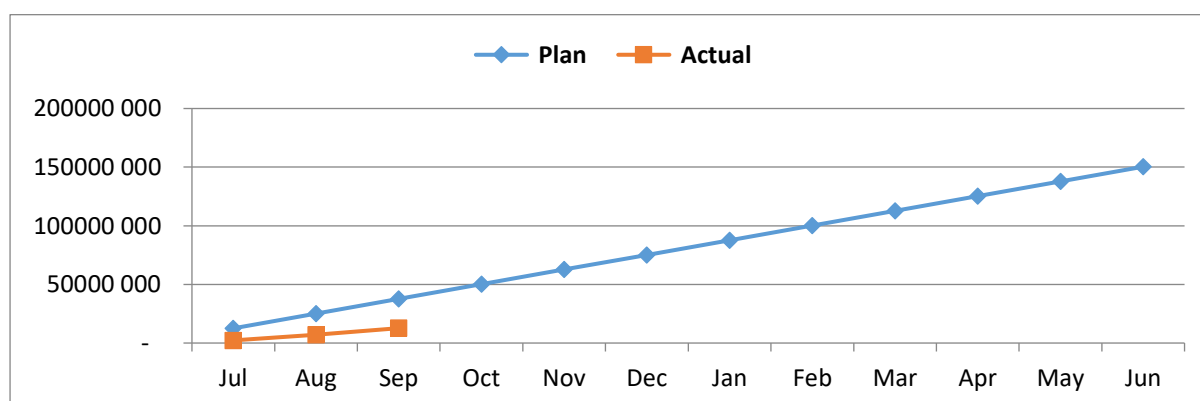
The capital expenditure as at 30 September 2024, constituted 3.41% of approved adjusted capital budget.

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 2.59% of R 0,755 million budget.
- Community Services is 12.79% of R 1,634 million budget.
- Civil & Water Services 3.74% 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.

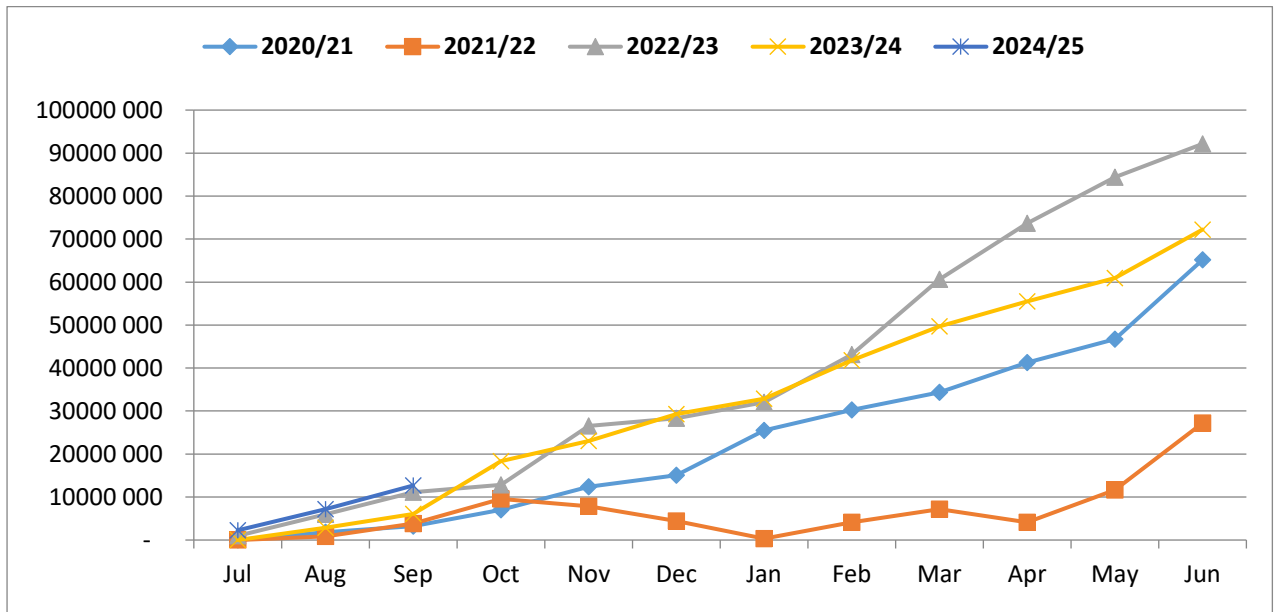
#### 1.2. Monthly capital expenditure

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 30 September 2024.

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 30 September 2024	%
<b>CIVIL &amp; WATER SERVICES</b>					
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	114 363	
ROADS AND STORMWATER	MDRG	St Francis Bay - Anne Avenue to Ralph Road Reconstruction	1 608 696	1 036 031	64,40%
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	116 470	27,45%
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	5 661 978	19,41%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	200 000	51 675	
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	1 132 469	17,87%
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	5 808	
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	6 956 517	290 592	
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	1 639 350	
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	-	
			<b>274 803 977</b>	<b>10 283 718</b>	<b>3,74%</b>

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 30 September 2024	%
<b>COMMUNITY SERVICES</b>					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1 391 304	-	
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	242 320	208 874	86,20%
			<b>1 633 624</b>	<b>208 874</b>	<b>12,79%</b>
<b>ELECTRO &amp; MECHANICAL SERVICES</b>					
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	-	
			<b>73 102 610</b>	<b>-</b>	
<b>FINANCE AND ECONOMIC DEVELOPMENT</b>					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	577 517	19 600	3,39%
SUPPLY CHAIN MANAGEMENT	Internal	Computer Equipment	55 414	-	
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100 000	-	
REVENUE	Internal	Computer Equipment	22 477	-	
			<b>755 408</b>	<b>19 600</b>	<b>2,59%</b>
<b>OFFICE OF THE DMM</b>					
INFORMATION TECHNOLOGY	Internal	Computer Equipment	1 412 789	-	
			<b>1 412 789</b>		
<b>PLANNING AND DEVELOPMENT</b>					
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	-	
			<b>20 385 663</b>	<b>2 171 886</b>	<b>10,65%</b>
		<b>Total</b>	<b>372 094 071</b>	<b>12 684 079</b>	<b>3,41%</b>

## Annexure "A3"

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

#### 1.1. Projected Cash Flow Statement as at 30 September 2024

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), so as to ascertain the adequacy of the cash inflows to cover the cash outflows.

**Table C7 Monthly Budget Statement – Cash Flow – M03 September 2024**

Description	Budget Year 2024/25								
	R thousands	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	287 458	287 458	27 823	98 450	71 864	26 585	37%	287 458	
Service charges	761 922	761 922	49 249	150 329	190 481	(40 151)	-21%	761 922	
Other revenue	93 666	100 764	17 048	59 056	25 191	33 865	134%	100 764	
Transfers and Subsidies - Operational	202 153	205 651	2 955	85 874	51 413	34 461	67%	205 651	
Transfers and Subsidies - Capital	123 443	123 443	-	18 202	30 861	(12 659)	-41%	123 443	
Interest	13 998	13 998	315	3 280	3 499	(219)	-6%	13 998	
Dividends	-	-	-	-	-	-	-	-	
<b>Payments</b>									
Suppliers and employees	(1 327 265)	(1 339 133)	(118 920)	(343 225)	(386 761)	(43 536)	11%	(1 339 133)	
Interest	(16 159)	(36 082)	(396)	(1 222)	(9 020)	(7 799)	86%	(36 082)	
Transfers and Subsidies	(400)	(400)	-	-	(100)	(100)	100%	(400)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>138 815</b>	<b>117 621</b>	<b>(21 926)</b>	<b>70 745</b>	<b>(22 573)</b>	<b>(93 318)</b>	<b>413%</b>	<b>117 621</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	
<b>Payments</b>									
Capital assets	(116 362)	(164 181)	(6 329)	(14 587)	41 045	55 632	136%	(164 181)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(116 362)</b>	<b>(164 181)</b>	<b>(6 329)</b>	<b>(14 587)</b>	<b>41 045</b>	<b>55 632</b>	<b>136%</b>	<b>(164 181)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	
<b>Payments</b>									
Repayment of borrowing	(22 478)	(32 196)	(1 070)	(3 175)	(5 619)	(2 445)	44%	(32 196)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(22 478)</b>	<b>(32 196)</b>	<b>(1 070)</b>	<b>(3 175)</b>	<b>(5 619)</b>	<b>(2 445)</b>	<b>44%</b>	<b>(32 196)</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(25)</b>	<b>(78 756)</b>	<b>(29 324)</b>	<b>52 983</b>	<b>12 853</b>			<b>(78 756)</b>	
Cash/cash equivalents at beginning:	43 665	143 659		143 659	143 659			143 659	
Cash/cash equivalents at month/year end:	43 640	64 903		196 642	156 512			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 September 2024 and are to be noted. Each table is accompanied by explanatory notes.

**Table C1 Monthly Budget Statement Summary – M03 September 2024**

Description	Budget Year 2024/25								
	R thousands	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>Financial Performance</b>								%	
Property rates	297 076	297 076	19 727	116 090	74 269	41 821	56%		297 076
Service charges	599 522	599 522	57 877	172 271	149 881	22 391	15%		599 522
Investment revenue	13 998	13 998	315	3 280	3 499	(219)	-6%		13 998
Transfers and subsidies - Operational	202 153	205 651	266	81 868	51 413	30 456	59%		205 651
Other own revenue	279 872	279 872	5 792	24 623	69 968	(45 345)	-65%		279 872
<b>Total Revenue (excluding capital transfers and</b>	<b>1 392 621</b>	<b>1 396 119</b>	<b>83 976</b>	<b>398 132</b>	<b>349 030</b>	<b>49 102</b>	<b>14%</b>		<b>1 396 119</b>
Employee costs	471 743	481 056	33 117	92 746	120 264	(27 518)	-23%		481 056
Remuneration of Councillors	15 594	15 594	1 204	3 613	3 899	(285)	-7%		15 594
Depreciation and amortisation	117 798	117 798	9 817	29 450	29 451	(2)	-0%		117 798
Interest	17 404	36 426	396	1 222	9 107	(7 885)	-87%		36 426
Inventory consumed and bulk purchases	495 318	495 161	46 754	153 614	123 790	29 824	24%		495 161
Transfers and subsidies	400	400	-	-	100	(100)	-100%		400
Other expenditure	387 217	388 816	16 134	35 444	96 990	(61 546)	-63%		388 816
<b>Total Expenditure</b>	<b>1 505 474</b>	<b>1 535 251</b>	<b>107 423</b>	<b>316 089</b>	<b>383 600</b>	<b>(67 512)</b>	<b>-18%</b>		<b>1 535 251</b>
<b>Surplus/(Deficit)</b>	<b>(112 853)</b>	<b>(139 132)</b>	<b>(23 447)</b>	<b>82 043</b>	<b>(34 570)</b>	<b>116 614</b>	<b>-337%</b>		<b>(139 132)</b>
Transfers and subsidies - capital (monetary allocations)	133 816	154 202	8 493	14 307	38 550	(24 243)	-63%		154 202
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>	<b>92 371</b>	<b>2321%</b>		<b>15 070</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>	<b>92 371</b>	<b>2321%</b>		<b>15 070</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>		<b>372 094</b>
Capital transfers recognised	116 362	136 747	5 170	11 088	34 187	(23 099)	-68%		136 747
Borrowing	34 000	207 913	-	-	51 978	(51 978)	-100%		207 913
Internally generated funds	-	27 434	333	1 596	6 858	(5 262)	-77%		27 434
<b>Total sources of capital funds</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>		<b>372 094</b>
<b>Financial position</b>									
Total current assets	213 837	234 258		397 184					234 258
Total non current assets	2 369 948	2 591 680		2 296 062					2 591 680
Total current liabilities	225 392	244 217		311 628					244 217
Total non current liabilities	270 953	424 224		240 762					424 224
<b>Community wealth/Equity</b>	<b>2 087 440</b>	<b>2 157 498</b>		<b>2 140 856</b>					<b>2 157 498</b>
<b>Cash flows</b>									
Net cash from (used) operating	138 815	117 621	(21 926)	70 745	(22 573)	(93 318)	413%		117 621
Net cash from (used) investing	(116 362)	(164 181)	(6 329)	(14 587)	41 045	55 632	136%		(164 181)
Net cash from (used) financing	(22 478)	(32 196)	(1 070)	(3 175)	(5 619)	(2 445)	44%		(32 196)
<b>Cash/cash equivalents at the month/year end</b>	<b>43 640</b>	<b>64 903</b>	<b>-</b>	<b>196 642</b>	<b>156 512</b>	<b>(40 130)</b>	<b>-26%</b>		<b>64 903</b>
<b>Debtors &amp; creditors analysis</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>		<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	17 511	12 314	10 134	10 202	8 546	56 386	302 834		502 252
<b>Creditors Age Analysis</b>									
Total Creditors	814	125	27	383	24	174	1 538		90 515

## 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) – M03 September 2024**

Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>							%	
<b>Governance and administration</b>	590 750	590 750	26 078	163 234	147 687	15 546	11%	590 750
Executive and council	142	142	23	53	35	17	49%	142
Finance and administration	590 608	590 608	26 055	163 181	147 652	15 529	11%	590 608
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	87 286	111 120	3 363	7 956	27 780	(19 824)	-71%	111 120
Community and social services	2 460	2 460	26	87	615	(528)	-86%	2 460
Sport and recreation	11 504	11 504	830	3 046	2 876	170	6%	11 504
Public safety	1 857	1 857	2	1 511	464	1 047	225%	1 857
Housing	68 969	92 803	2 498	2 498	23 201	(20 703)	-89%	92 803
Health	2 496	2 496	6	815	624	191	31%	2 496
<b>Economic and environmental services</b>	56 136	56 186	2 742	12 419	14 046	(1 627)	-12%	56 186
Planning and development	10 252	10 252	483	1 780	2 563	(783)	-31%	10 252
Road transport	19 972	19 972	1 165	2 303	4 993	(2 690)	-54%	19 972
Environmental protection	25 912	25 962	1 094	8 336	6 490	1 846	28%	25 962
<b>Trading services</b>	792 266	792 266	60 286	228 830	198 066	30 764	16%	792 266
Energy sources	409 585	409 585	38 944	119 416	102 396	17 020	17%	409 585
Water management	177 913	177 913	13 260	56 279	44 478	11 801	27%	177 913
Waste water management	123 062	123 062	3 249	20 727	30 766	(10 038)	-33%	123 062
Waste management	81 707	81 707	4 832	32 408	20 427	11 981	59%	81 707
<b>Other</b>	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>1 526 437</b>	<b>1 550 321</b>	<b>92 469</b>	<b>412 440</b>	<b>387 580</b>	<b>24 859</b>	<b>6%</b>	<b>1 550 321</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	362 481	362 821	24 867	65 431	90 493	(25 062)	-28%	362 821
Executive and council	61 996	61 237	4 614	11 794	15 309	(3 515)	-23%	61 237
Finance and administration	299 963	301 062	20 222	53 604	75 053	(21 449)	-29%	301 062
Internal audit	523	523	31	33	131	(98)	-75%	523
<b>Community and public safety</b>	140 104	141 104	8 081	22 939	35 277	(12 337)	-35%	141 104
Community and social services	13 952	13 952	739	2 246	3 488	(1 243)	-36%	13 952
Sport and recreation	75 205	75 205	3 652	10 603	18 802	(8 199)	-44%	75 205
Public safety	33 254	33 254	2 573	6 991	8 313	(1 323)	-16%	33 254
Housing	9 703	10 703	463	1 347	2 676	(1 328)	-50%	10 703
Health	7 991	7 991	653	1 753	1 998	(245)	-12%	7 991
<b>Economic and environmental services</b>	288 532	311 182	11 928	30 492	77 795	(47 303)	-61%	311 182
Planning and development	32 149	34 304	1 852	5 864	8 576	(2 712)	-32%	34 304
Road transport	246 274	266 719	9 747	23 732	66 680	(42 948)	-64%	266 719
Environmental protection	10 109	10 159	330	896	2 540	(1 643)	-65%	10 159
<b>Trading services</b>	714 357	720 143	62 546	197 224	180 036	17 188	10%	720 143
Energy sources	453 172	457 682	48 009	151 460	114 421	37 039	32%	457 682
Water management	108 542	109 818	4 453	15 645	27 454	(11 809)	-43%	109 818
Waste water management	88 779	88 779	5 901	17 803	22 195	(4 392)	-20%	88 779
Waste management	63 864	63 864	4 183	12 316	15 966	(3 650)	-23%	63 864
<b>Other</b>	-	-	-	3	-	3	-	-
<b>Total Expenditure - Functional</b>	<b>1 505 474</b>	<b>1 535 251</b>	<b>107 423</b>	<b>316 089</b>	<b>383 600</b>	<b>(67 512)</b>	<b>-18%</b>	<b>1 535 251</b>
<b>Surplus/ (Deficit) for the year</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>	<b>92 371</b>	<b>2321%</b>	<b>15 070</b>

## 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 – M03 September 2024)

Vote Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>							%	
<b>Revenue by Vote</b>								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-		-
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1 115	1 115	107	729	279	450	161,4%	1 115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	446 890	446 890	20 511	143 264	111 723	31 541	28,2%	446 890
Vote 4 - COMMUNITY SERVICES	276 782	276 832	7 004	46 916	69 208	(22 292)	-32,2%	276 832
Vote 5 - CIVIL AND WATER SERVICES	314 671	314 671	23 010	95 720	78 668	17 052	21,7%	314 671
Vote 6 - ELECTRO/MECHANICAL SERVICES	409 586	409 586	38 944	119 529	102 397	17 132	16,7%	409 586
Vote 7 - PLANNING AND DEVELOPMENT	77 392	101 227	2 796	3 758	25 307	(21 548)	-85,1%	101 227
<b>Total Revenue by Vote</b>	<b>1 526 437</b>	<b>1 550 321</b>	<b>92 374</b>	<b>409 915</b>	<b>387 580</b>	<b>22 335</b>	<b>5,8%</b>	<b>1 550 321</b>
<b>Expenditure by Vote</b>								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	31 456	30 696	2 582	6 045	7 674	(1 629)	-21,2%	30 696
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	128 955	128 955	7 828	22 780	32 026	(9 246)	-28,9%	128 955
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	141 869	142 158	9 073	22 182	35 539	(13 357)	-37,6%	142 158
Vote 4 - COMMUNITY SERVICES	386 594	387 136	17 149	48 276	96 784	(48 509)	-50,1%	387 136
Vote 5 - CIVIL AND WATER SERVICES	316 288	339 329	19 505	56 009	84 832	(28 823)	-34,0%	339 329
Vote 6 - ELECTRO/MECHANICAL SERVICES	466 160	470 989	49 267	155 060	117 747	37 313	31,7%	470 989
Vote 7 - PLANNING AND DEVELOPMENT	34 152	35 989	2 019	5 736	8 997	(3 261)	-36,2%	35 989
<b>Total Expenditure by Vote</b>	<b>1 505 474</b>	<b>1 535 251</b>	<b>107 423</b>	<b>316 089</b>	<b>383 600</b>	<b>(67 512)</b>	<b>-17,6%</b>	<b>1 535 251</b>
<b>Surplus/ (Deficit) for the year</b>	<b>20 963</b>	<b>15 070</b>	<b>(15 049)</b>	<b>93 826</b>	<b>3 980</b>	<b>89 846</b>	<b>2257,5%</b>	<b>15 070</b>

## 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) – M03 September 2024**

Description	Budget Year 2024/25								
	R thousands	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>Revenue</b>									
<b>Exchange Revenue</b>	667 935	667 935	61 755	187 125	166 984	20 142	12%		667 935
Service charges - Electricity	381 991	381 991	38 145	109 809	95 498	14 311	15%		381 991
Service charges - Water	82 323	82 323	9 073	28 989	20 581	8 408	41%		82 323
Service charges - Waste Water Management	64 086	64 086	5 497	16 783	16 021	762	5%		64 086
Service charges - Waste management	71 123	71 123	5 162	16 690	17 781	(1 091)	-6%		71 123
Sale of Goods and Rendering of Services	9 533	9 533	311	1 246	2 383	(1 137)	-48%		9 533
Agency services	4 554	4 554	-	-	1 139	(1 139)	-100%		4 554
Interest	-	-	-	-	-	-	-		-
Interest earned from Receivables	32 335	32 335	2 576	7 625	8 084	(459)	-6%		32 335
Interest earned from Current and Non Current Assets	13 998	13 998	315	3 280	3 499	(219)	-6%		13 998
Dividends	-	-	-	-	-	-	-		-
Rent on Land	-	-	-	-	-	-	-		-
Rental from Fixed Assets	3 187	3 187	451	810	797	13	2%		3 187
Licence and permits	2 851	2 851	160	548	713	(164)	-23%		2 851
Operational Revenue	1 955	1 955	65	1 345	489	856	175%		1 955
<b>Non-Exchange Revenue</b>	724 686	728 184	22 221	211 007	182 046	28 961	16%		728 184
Property rates	297 076	297 076	19 727	116 090	74 269	41 821	56%		297 076
Surcharges and Taxes	-	-	-	-	-	-	-		-
Fines, penalties and forfeits	143 343	143 343	42	165	35 836	(35 671)	-100%		143 343
Licence and permits	11 772	11 772	547	3 161	2 943	218	7%		11 772
Transfer and subsidies - Operational	202 153	205 651	266	81 868	51 413	30 456	59%		205 651
Interest	5 510	5 510	447	1 388	1 378	11	1%		5 510
Fuel Levy	-	-	-	-	-	-	-		-
Operational Revenue	64 831	64 831	1 193	8 335	16 208	(7 873)	-49%		64 831
Gains on disposal of Assets	-	-	-	-	-	-	-		-
Other Gains	-	-	-	-	-	-	-		-
Discontinued Operations	-	-	-	-	-	-	-		-
<b>Total Revenue (excluding capital transfers and</b>	<b>1 392 621</b>	<b>1 396 119</b>	<b>83 976</b>	<b>398 132</b>	<b>349 030</b>	<b>49 102</b>	<b>14%</b>		<b>1 396 119</b>
<b>Expenditure By Type</b>									
Employee related costs	471 743	481 056	33 117	92 746	120 264	(27 518)	-23%		481 056
Remuneration of councillors	15 594	15 594	1 204	3 613	3 899	(285)	-7%		15 594
Bulk purchases - electricity	386 299	386 299	44 570	141 368	96 575	44 793	46%		386 299
Inventory consumed	109 019	108 862	2 184	12 246	27 215	(14 969)	-55%		108 862
Debt impairment	158 246	158 246	-	-	39 561	(39 561)	-100%		158 246
Depreciation and amortisation	117 798	117 798	9 817	29 450	29 451	(2)	0%		117 798
Interest	17 404	36 426	396	1 222	9 107	(7 885)	-87%		36 426
Contracted services	125 372	126 099	9 333	17 669	31 525	(13 856)	-44%		126 099
Transfers and subsidies	400	400	-	-	100	(100)	-100%		400
Irrecoverable debts written off	9 359	9 359	-	-	2 340	(2 340)	-100%		9 359
Operational costs	94 240	95 112	6 801	17 775	23 564	(5 789)	-25%		95 112
Losses on Disposal of Assets	-	-	-	-	-	-	-		-
Other Losses	-	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>1 505 474</b>	<b>1 535 251</b>	<b>107 423</b>	<b>316 089</b>	<b>383 600</b>	<b>(67 512)</b>	<b>-18%</b>		<b>1 535 251</b>
<b>Surplus/(Deficit)</b>	<b>(112 853)</b>	<b>(139 132)</b>	<b>(23 447)</b>	<b>82 043</b>	<b>(34 570)</b>	<b>116 614</b>	<b>(0)</b>		<b>(139 132)</b>
Transfers and subsidies - capital (monetary allocations)	133 816	154 202	8 493	14 307	38 550	(24 243)	(0)		154 202
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>				<b>15 070</b>
Income Tax	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after income tax</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>				<b>15 070</b>
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>				<b>15 070</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>20 963</b>	<b>15 070</b>	<b>(14 954)</b>	<b>96 351</b>	<b>3 980</b>				<b>15 070</b>

**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) – M03 September 2024**

Vote Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	-	1 413	-	-	353	(353)	-100%	1 413
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	-	755	20	20	189	(169)	-90%	755
Vote 4 - COMMUNITY SERVICES	1 391	1 634	-	209	408	(200)	-49%	1 634
Vote 5 - CIVIL AND WATER SERVICES	80 868	274 804	5 484	10 284	68 701	(58 417)	-85%	274 804
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 103	-	-	18 276	(18 276)	-100%	73 103
Vote 7 - PLANNING AND DEVELOPMENT	-	20 386	-	2 172	5 096	(2 925)	-57%	20 386
<b>Total Capital Multi-year expenditure</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>	<b>372 094</b>
<b>Total Capital Expenditure</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>	<b>372 094</b>
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>34 000</b>	<b>36 311</b>	<b>20</b>	<b>228</b>	<b>9 078</b>	<b>(8 849)</b>	<b>-97%</b>	<b>36 311</b>
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	34 000	36 311	20	228	9 078	(8 849)	-97%	36 311
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>1 391</b>	<b>21 777</b>	<b>-</b>	<b>2 172</b>	<b>5 444</b>	<b>(3 272)</b>	<b>-60%</b>	<b>21 777</b>
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-
Public safety	1 391	1 391	-	-	348	(348)	-100%	1 391
Housing	-	20 386	-	2 172	5 096	(2 925)	-57%	20 386
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>9 670</b>	<b>184 618</b>	<b>784</b>	<b>1 502</b>	<b>46 154</b>	<b>(44 653)</b>	<b>-97%</b>	<b>184 618</b>
Planning and development	500	1 535	-	235	384	(149)	-39%	1 535
Road transport	9 170	183 083	784	1 267	45 771	(44 504)	-97%	183 083
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>105 300</b>	<b>129 389</b>	<b>4 699</b>	<b>8 782</b>	<b>32 347</b>	<b>(23 565)</b>	<b>-73%</b>	<b>129 389</b>
Energy sources	34 103	39 103	-	-	9 776	(9 776)	-100%	39 103
Water management	29 008	36 992	1 930	1 930	9 248	(7 318)	-79%	36 992
Waste water management	42 190	53 294	2 769	6 852	13 323	(6 471)	-49%	53 294
Waste management	-	-	-	-	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>	<b>372 094</b>
<b>Funded by:</b>								
National Government	54 997	54 997	3 531	7 277	13 749	(6 472)	-47%	54 997
Provincial Government	59 973	80 359	1 639	3 811	20 090	(16 278)	-81%	80 359
District Municipality	1 391	1 391	-	-	348	(348)	-100%	1 391
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>116 362</b>	<b>136 747</b>	<b>5 170</b>	<b>11 088</b>	<b>34 187</b>	<b>(23 099)</b>	<b>-68%</b>	<b>136 747</b>
<b>Borrowing</b>	<b>34 000</b>	<b>207 913</b>	<b>-</b>	<b>-</b>	<b>51 978</b>	<b>(51 978)</b>	<b>-100%</b>	<b>207 913</b>
<b>Internally generated funds</b>	<b>-</b>	<b>27 434</b>	<b>333</b>	<b>1 596</b>	<b>6 858</b>	<b>(5 262)</b>	<b>-77%</b>	<b>27 434</b>
<b>Total Capital Funding</b>	<b>150 362</b>	<b>372 094</b>	<b>5 503</b>	<b>12 684</b>	<b>93 023</b>	<b>(80 339)</b>	<b>-86%</b>	<b>372 094</b>

**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 – M03 September 2024**

Description	Budget Year 2024/25			
	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	43 640	64 904	196 642	64 904
Trade and other receivables from exchange transactions	77 030	77 030	99 340	77 030
Receivables from non-exchange transactions	29 014	29 014	39 536	29 014
Current portion of non-current receivables	–	–	–	–
Inventory	18 598	17 755	24 648	17 755
VAT	45 445	45 445	34 869	45 445
Other current assets	109	109	2 149	109
<b>Total current assets</b>	<b>213 837</b>	<b>234 258</b>	<b>397 184</b>	<b>234 258</b>
<b>Non current assets</b>				
Investments	–	–	–	–
Investment property	262 608	262 608	250 794	262 608
Property, plant and equipment	2 106 737	2 328 469	2 044 997	2 328 469
Biological assets	–	–	–	–
Living and non-living resources	–	–	–	–
Heritage assets	–	–	–	–
Intangible assets	603	603	272	603
Trade and other receivables from exchange transactions	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–
Other non-current assets	–	–	–	–
<b>Total non current assets</b>	<b>2 369 948</b>	<b>2 591 680</b>	<b>2 296 062</b>	<b>2 591 680</b>
<b>TOTAL ASSETS</b>	<b>2 583 785</b>	<b>2 825 938</b>	<b>2 693 246</b>	<b>2 825 938</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	–	–	–	–
Financial liabilities	23 564	34 488	7 969	34 488
Consumer deposits	29 060	29 060	32 653	29 060
Trade and other payables from exchange transactions	124 413	123 570	128 871	123 570
Trade and other payables from non-exchange transactions	–	8 744	46 035	8 744
Provision	48 355	48 355	54 427	48 355
VAT	(0)	(0)	41 673	(0)
Other current liabilities	–	–	–	–
<b>Total current liabilities</b>	<b>225 392</b>	<b>244 217</b>	<b>311 628</b>	<b>244 217</b>
<b>Non current liabilities</b>				
Financial liabilities	11 333	164 604	9 702	164 604
Provision	140 468	140 468	133 995	140 468
Long term portion of trade payables	–	–	–	–
Other non-current liabilities	119 151	119 151	97 065	119 151
<b>Total non current liabilities</b>	<b>270 953</b>	<b>424 224</b>	<b>240 762</b>	<b>424 224</b>
<b>TOTAL LIABILITIES</b>	<b>496 345</b>	<b>668 440</b>	<b>552 390</b>	<b>668 440</b>
<b>NET ASSETS</b>	<b>2 087 440</b>	<b>2 157 498</b>	<b>2 140 856</b>	<b>2 157 498</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	2 087 440	2 157 498	2 135 097	2 157 498
Reserves and funds	–	–	5 759	–
Other	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2 087 440</b>	<b>2 157 498</b>	<b>2 140 856</b>	<b>2 157 498</b>

**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 – M03 September 2024**

Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	287 458	287 458	27 823	98 450	71 864	26 585	37%	287 458
Service charges	761 922	761 922	49 249	150 329	190 481	(40 151)	-21%	761 922
Other revenue	93 666	100 764	17 048	59 056	25 191	33 865	134%	100 764
Transfers and Subsidies - Operational	202 153	205 651	2 955	85 874	51 413	34 461	67%	205 651
Transfers and Subsidies - Capital	123 443	123 443	-	18 202	30 861	(12 659)	-41%	123 443
Interest	13 998	13 998	315	3 280	3 499	(219)	-6%	13 998
Dividends	-	-	-	-	-	-		-
<b>Payments</b>								
Suppliers and employees	(1 327 265)	(1 339 133)	(118 920)	(343 225)	(386 761)	(43 536)	11%	(1 339 133)
Interest	(16 159)	(36 082)	(396)	(1 222)	(9 020)	(7 799)	86%	(36 082)
Transfers and Subsidies	(400)	(400)	-	-	(100)	(100)	100%	(400)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>138 815</b>	<b>117 621</b>	<b>(21 926)</b>	<b>70 745</b>	<b>(22 573)</b>	<b>(93 318)</b>	<b>413%</b>	<b>117 621</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-		-
<b>Payments</b>								
Capital assets	(116 362)	(164 181)	(6 329)	(14 587)	41 045	55 632	136%	(164 181)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(116 362)</b>	<b>(164 181)</b>	<b>(6 329)</b>	<b>(14 587)</b>	<b>41 045</b>	<b>55 632</b>	<b>136%</b>	<b>(164 181)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	-	-	-	-	-	-		-
<b>Payments</b>								
Repayment of borrowing	(22 478)	(32 196)	(1 070)	(3 175)	(5 619)	(2 445)	44%	(32 196)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(22 478)</b>	<b>(32 196)</b>	<b>(1 070)</b>	<b>(3 175)</b>	<b>(5 619)</b>	<b>(2 445)</b>	<b>44%</b>	<b>(32 196)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(25)</b>	<b>(78 756)</b>	<b>(29 324)</b>	<b>52 983</b>	<b>12 853</b>			<b>(78 756)</b>
Cash/cash equivalents at beginning:	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:	43 640	64 903		196 642	156 512			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.

## Annexure "A5"

### 1. ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

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

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

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
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	20,158	6,373	4,132	3,304	3,866	2,945	24,446	87,570	152,793
Trade and Other Receivables from Exchange Transactions - Electricity	39,218	2,880	1,889	1,630	1,401	1,172	4,658	13,062	65,909
Receivables from Non-exchange Transactions - Property Rates	37,310	2,849	2,154	1,866	1,769	1,416	8,341	29,680	85,386
Receivables from Exchange Transactions - Waste Water Management	9,693	2,101	1,400	1,311	1,196	1,090	5,871	33,924	56,585
Receivables from Exchange Transactions - Waste Management	6,654	1,560	1,554	1,233	1,161	1,122	6,455	47,444	67,183
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	828	331	535	412	470	464	4,746	72,863	80,650
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	(29,537)	1,417	651	377	338	337	1,869	18,292	(6,255)
<b>Total By Income Source</b>	<b>84,324</b>	<b>17,511</b>	<b>12,314</b>	<b>10,134</b>	<b>10,202</b>	<b>8,546</b>	<b>56,386</b>	<b>302,834</b>	<b>502,252</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	4,714	893	554	632	403	372	3,235	5,412	16,214
Commercial	13,273	637	394	347	386	272	1,298	7,125	23,732
Households	66,331	15,979	11,366	9,155	9,412	7,902	51,847	290,292	462,285
Other	6	1	1	1	1	1	5	6	21
<b>Total By Customer Group</b>	<b>84,324</b>	<b>17,511</b>	<b>12,314</b>	<b>10,134</b>	<b>10,202</b>	<b>8,546</b>	<b>56,386</b>	<b>302,834</b>	<b>502,252</b>

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

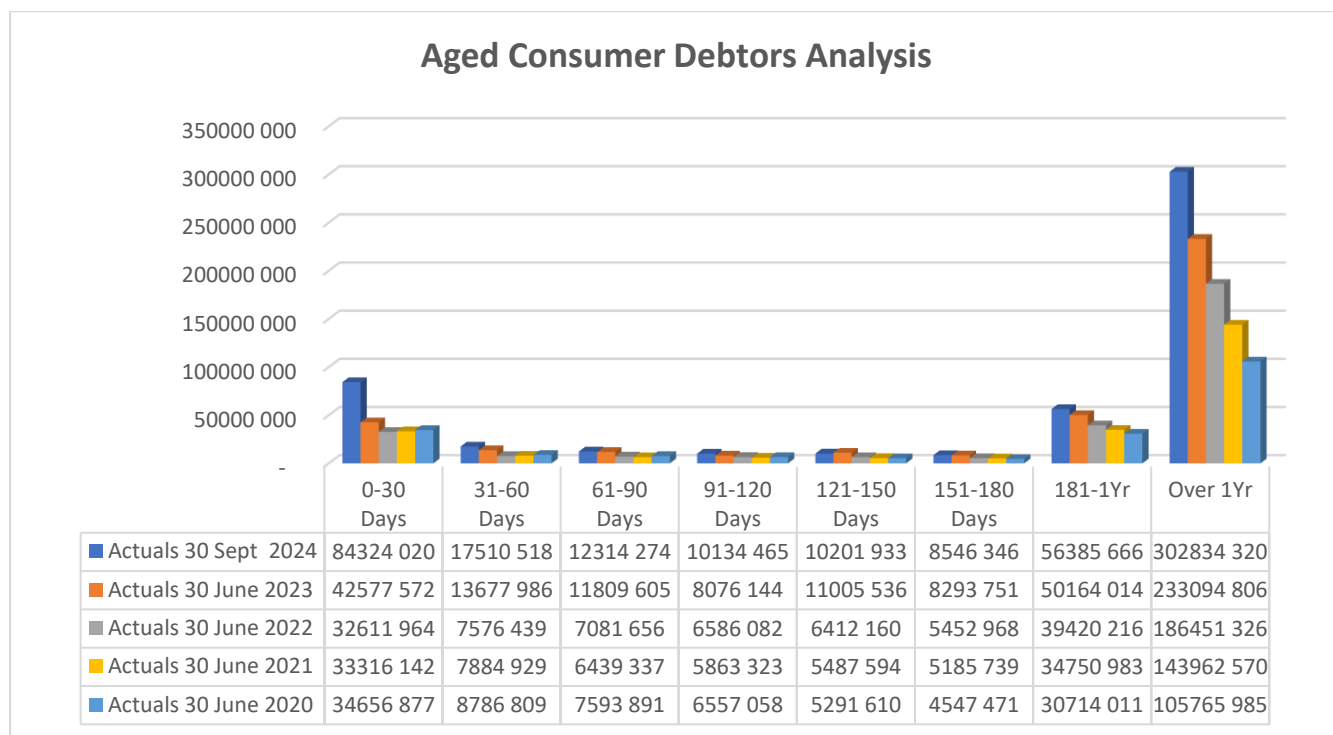
Description	Budget Year 2023/24									
	R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	16,926	4,991	3,560	2,947	2,757	3,342	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)	
<b>Total By Income Source</b>	<b>53,707</b>	<b>14,348</b>	<b>10,675</b>	<b>9,416</b>	<b>8,597</b>	<b>10,023</b>	<b>57,833</b>	<b>279,018</b>	<b>443,618</b>	
<b>Debtors Age Analysis By Customer Group</b>										
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	
<b>Total By Customer Group</b>	<b>53,707</b>	<b>14,348</b>	<b>10,675</b>	<b>9,416</b>	<b>8,597</b>	<b>10,023</b>	<b>57,833</b>	<b>279,018</b>	<b>443,618</b>	



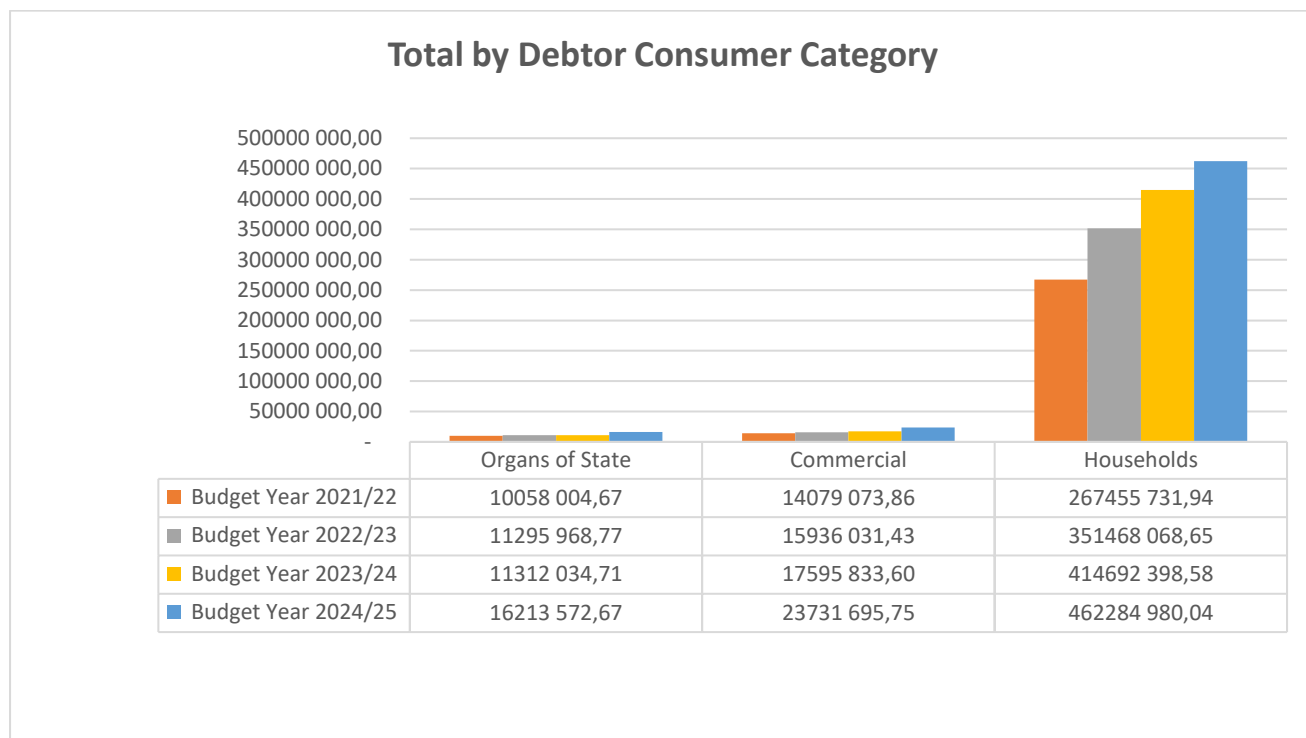
The analysis indicates that from 30 June 2024 to 30 September 2024, the overdue debts have increased by R 28,017 million from R 389,910 million to R 417,928 million, as follows:

<b>R thousands</b>	<b>OVERDUE AMOUNTS AS AT</b>		
<b>Debtors Age Analysis By Income Source</b>	<b>30-Jun-24</b>	<b>30-Sep-24</b>	<b>DIFFERENCE</b>
Trade and Other Receivables from Exchange Transactions - Water	122 756	132 636	9 880
Trade and Other Receivables from Exchange Transactions - Electricity	24 488	26 692	2 204
Receivables from Non-exchange Transactions - Property Rates	47 751	48 075	325
Receivables from Exchange Transactions - Waste Water Management	43 719	46 892	3 174
Receivables from Exchange Transactions - Waste Management	57 269	60 529	3 260
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	72 437	79 822	7 385
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	21 492	23 281	1 789
<b>Total By Income Source</b>	<b>389 910</b>	<b>417 928</b>	<b>28 017</b>
		–	
<b>Debtors Age Analysis By Customer Group</b>	–	–	
Organs of State	9 907	11 500	1 593
Commercial	9 975	10 459	484
Households	370 015	395 953	25 938
Other	14	16	2
<b>Total By Customer Group</b>	<b>389 910</b>	<b>417 928</b>	<b>28 017</b>

### Graphical Analysis of consumer debtors



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



### 1.2 Overview of Creditors position

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

Description	Budget Year 2024/25								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	50,934	7	6	7	6	6	37	(199)	50,804
Bulk Water	319	22	17	14	14	18	73	(1,094)	(618)
PAYE deductions	6,000								6,000
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	4,153	785	102	6	363	-	-	96	5,505
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>61,406</b>	<b>814</b>	<b>125</b>	<b>26</b>	<b>383</b>	<b>24</b>	<b>110</b>	<b>(1,197)</b>	<b>61,690</b>

The above amounts represent invoices still to be paid. The major creditors as at 30 September 2024 are as follows:

Eskom	R 50,804 million
NMBM	R -0,618 million
PAYE	R 6,000 million
Other Creditors	<u>R 5,505 million</u>
<b>Total</b>	<b><u>R 61,690 million</u></b>

It is to be noted that the SARS amount of R 6,000 million, represents the current account for September 2024, which is due on 6 October 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 – M03 September 2024.

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
National Government:	197,710	197,760	(0)	82,969	197,760	114,791	197,760
Operational Revenue: General Revenue: Equitable Share	192,664	192,664	(0)	80,277	192,664	112,387,000.00	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	1,495	1,121,000.00	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	-	1,723	1,723	-	1,723
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	-	545	1,828	1,283,050.00	1,828
Provincial Government:	2,050	5,498	-	-	5,498	5,498	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	92,875.04	500
<b>Total Operating Transfers and Grants</b>	<b>202,653</b>	<b>206,151</b>	<b>(0)</b>	<b>84,168,734</b>	<b>206,151,251</b>	<b>121,983</b>	<b>206,151</b>
<b>Capital Transfers and Grants</b>							
National Government:	52,874	73,260	-	20,700	73,260	52,560	73,260
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	-	-	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,203	4,203	-	-	4,203	4,203,000.00	4,203
Municipal Infrastructure Grant [Schedule 5B]	34,730	34,730	-	10,352	34,730	24,377,950.00	34,730
Water Services Infrastructure Grant	13,941	13,941	-	7,850	13,941	6,091,000.00	13,941
Municipal Human Settlement	-	20,386	-	2,498	20,386	17,887,992.63	20,386
District Municipality:	1,391	1,391	-	-	1,391	-	1,391
Fire Services Subsidy	1,391	1,391	-	-	1,391	-	1,391
<b>Total Capital Transfers and Grants</b>	<b>54,265</b>	<b>74,651</b>	<b>-</b>	<b>20,700</b>	<b>74,651</b>	<b>52,560</b>	<b>74,651</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>256,918</b>	<b>280,802</b>	<b>(0)</b>	<b>104,869</b>	<b>280,802</b>	<b>174,542</b>	<b>280,802</b>

Below is an analysis of the spending associated with the grants as at 30 September 2024:

**Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M03 September 2024.**

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
<b>EXPENDITURE</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	197,710	197,760	290	81,126	193,975	112,850	0	197,760
Operational Revenue/General Revenue/Equitable Share	192,664	192,664	-	80,277	192,664	112,387	58%	192,664
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,495	1,495	74	185	374	189	51%	1,495
Local Government Financial Management Grant [Schedule 5B]	1,723	1,723	62	188	431	243	56%	1,723
South Africa National Biodiversity Institute(SANBI)	-	50	-	50	50	-	0%	50
Municipal Infrastructure Grant [Schedule 5B]	1,828	1,828	154	426	457	31	7%	1,828
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	#DIV/0!	-
<b>Provincial Government:</b>	2,050	5,498	-	-	2,912	2,912	0	5,498
Housing Grant	-	3,448	-	-	862	-	-	3,448
Library grant	2,050	2,050	-	-	2,050	2,050	100%	2,050
<b>District Municipality:</b>	2,893	2,893	-	1,200	2,893	1,693	0	2,893
Environmental health subsidy	2,393	2,393	-	793	2,393	1,600	67%	2,393
Skills Development subsidy	500	500	-	407	500	93	19%	500
<b>Total operating expenditure of Transfers and Grants:</b>	202,653	206,151	290	82,325	199,780	117,455	59%	206,151
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	52,874	73,260	5,860	12,801	18,315	5,514	0	73,260
Municipal Disaster Relief Grant	-	-	902	1,457	-	(1,457)	-	-
Local Government Financial Management Grant [Schedule 5B]	-	-	-	-	-	-	-	-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4,203	4,203	-	-	1,051	1,051	100%	4,203
Municipal Infrastructure Grant [Schedule 5B]	34,730	34,730	2,347	6,236	8,683	2,447	28%	34,730
Water Services Infrastructure Grant	13,941	13,941	2,611	2,611	3,485	874	25%	13,941
Municipal Human Settlement	-	20,386	-	2,498	5,096	-	-	20,386
<b>District Municipality:</b>	1,391	1,391	-	-	-	-	-	1,391
Fire Services Subsidy	1,391	1,391	-	-	-	-	-	1,391
<b>Total capital expenditure of Transfers and Grants</b>	54,265	74,651	5,860	12,801	18,315	5,514	30%	74,651
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	256,918	280,802	6,150	95,127	218,095	122,969	56%	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 188,048
Unspent as at 30 September 2024:	R 1,534,952

The spending of the grant amounted to 10.91% as at 30 September 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 184,969
Unspent as at 30 September 2024:	R 189 031

The spending of the grant amounted to 49.46% as at 30 September 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 6,661,496
Unspent as at 30 September 2024:	R 4,235,504

The spending of the grant amounted to 61.13% as at 30 September 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 30 September 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
Current Year Receipts:	R 7,850,000
Prior Year Unspent:	R 7,167,886
Amount of Grant Received:	<b>R 15,017,886</b>
Expenditure to date:	R 2,610,817
Unspent as at 30 September 2024:	R 12,407,069

The spending of the grant amounted to 17.38% as at 30 September 2024, compared to the amount of the grant received.

## Municipal Disaster Response Grant

The purpose of the grant is to provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act. This grant provides funding for responding to and providing response and relief measures for unforeseeable and unavoidable disasters where municipalities are unable to cope with the effects of the disaster from own resources.

Prior Year Unspent:	R 10,380,741
Expenditure to date:	R 1,456,894
Unspent as at 30 September 2024:	R 8,923,847

The spending of the grant amounted to 14.03% as at 30 September 2024, compared to the amount of the grant received.

## Other Conditional Grants

Conditional Grant	Prior Year Unspent	Expenditure	%	Unspent as at 30 September 2024
Human Settlement Grant	20,555,956	2,497,669	12.15%	18,058,287
<b>Total</b>	<b>20,555,956</b>	<b>2,497,669</b>	<b>12.15%</b>	<b>18,058,287</b>

## 1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

**Table SC8 Monthly Budget Statement – Councillor and staff benefits – M03 September 2024.**

Summary of Employee and Councillor remuneration	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
<b>R thousands</b>								
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	10 414	10 414	804	2 412	2 603	(192)	-7%	10 414
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	11	33	–	33		–
Motor Vehicle Allowance	3 503	3 503	272	817	876	(59)	-7%	3 503
Cellphone Allowance	1 678	1 678	118	353	419	(67)	-16%	1 678
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
<b>Sub Total - Councillors</b>	<b>15 594</b>	<b>15 594</b>	<b>1 204</b>	<b>3 613</b>	<b>3 899</b>	<b>(285)</b>	<b>-7%</b>	<b>15 594</b>
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	9 681	9 681	587	1 819	2 420	(601)	-25%	9 681
Pension and UIF Contributions	123	123	1	8	31	(23)	-75%	123
Medical Aid Contributions	56	56	–	3	14	(11)	-80%	56
Performance Bonus	1 798	1 798	–	–	449	(449)	-100%	1 798
Motor Vehicle Allowance	2 196	2 196	205	468	549	(81)	-15%	2 196
Cellphone Allowance	11	11	1	3	3	0	12%	11
Other benefits and allowances	5	5	0	0	1	(1)	-86%	5
<b>Sub Total - Senior Managers of Municipality</b>	<b>13 870</b>	<b>13 870</b>	<b>794</b>	<b>2 301</b>	<b>3 467</b>	<b>(1 166)</b>	<b>-34%</b>	<b>13 870</b>
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	295 150	302 821	21 618	59 524	75 705	(16 181)	-21%	302 821
Pension and UIF Contributions	38 991	39 834	3 292	9 113	9 958	(845)	-8%	39 834
Medical Aid Contributions	19 915	20 145	1 702	5 022	5 036	(14)	0%	20 145
Overtime	29 255	29 335	2 712	7 796	7 334	462	6%	29 335
Performance Bonus	26	26	–	–	7	(7)	-100%	26
Motor Vehicle Allowance	12 091	12 042	887	2 590	3 010	(420)	-14%	12 042
Cellphone Allowance	59	59	1	2	15	(13)	-86%	59
Housing Allowances	1 308	1 336	65	169	334	(165)	-49%	1 336
Other benefits and allowances	37 715	38 227	1 599	4 715	9 557	(4 842)	-51%	38 227
Long service awards	–	–	1	230	–	230		–
Post-retirement benefit obligations	23 361	23 361	447	1 285	5 840	(4 556)	-78%	23 361
<b>Sub Total - Other Municipal Staff</b>	<b>457 873</b>	<b>467 186</b>	<b>32 323</b>	<b>90 445</b>	<b>116 797</b>	<b>(26 352)</b>	<b>-23%</b>	<b>467 186</b>
<b>Total Parent Municipality</b>	<b>487 337</b>	<b>496 650</b>	<b>34 322</b>	<b>96 360</b>	<b>124 163</b>	<b>(27 803)</b>	<b>-22%</b>	<b>496 650</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>487 337</b>	<b>496 650</b>	<b>34 322</b>	<b>96 360</b>	<b>124 163</b>	<b>(27 803)</b>	<b>-22%</b>	<b>496 650</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>471 743</b>	<b>481 056</b>	<b>33 117</b>	<b>92 746</b>	<b>120 264</b>	<b>(27 518)</b>	<b>-23%</b>	<b>481 056</b>

### 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.

		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 30 September 2024
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	1.04%	1.21%	0.72%	4.45%	1.39%
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
<b>Liquidity</b>							
Current Ratio	Current assets / current liabilities	1.07	0,51	0.78	1.24:1	0.96:1	1.27:1
Liquidity Ratio	Monetary assets / current liabilities	0.34	0,15	0.42	0.71:1	0.26:1	0.63:1
<b>Revenue Management</b>							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	91.01%	95%	80.85%



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 30 September 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	1.41 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.22%	31,69%	28.30%	32.85%	31.33%	29.34%
Capital Expenditure	Capital Expenditure / Capital Budget	71.67%	123,92%	94.66%	55.48%	95%	3.41%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.99%	4,32%	3.79%	4.24%	15.27%	7.91%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2,26%	2.32%	2.39%	10.07%	1.22%
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%	79.44%

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 1.39% as at 30 September 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 30 September 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:

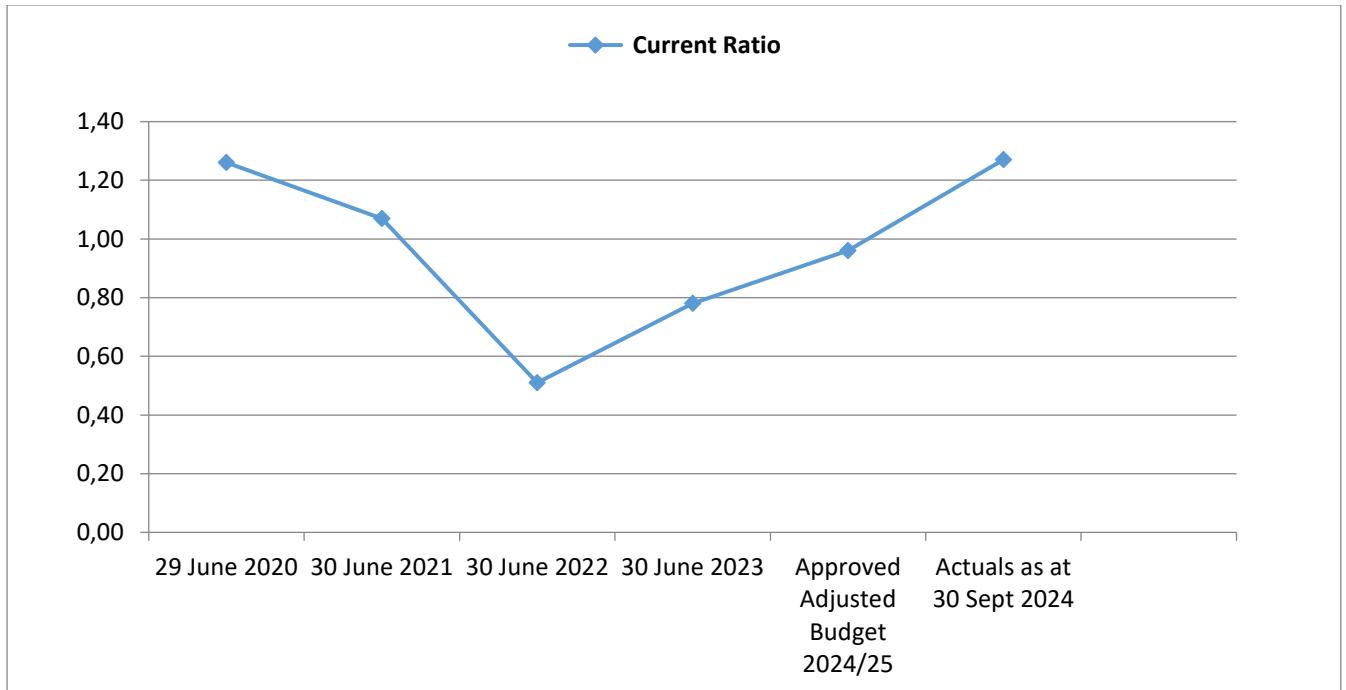
#### **Current assets/Current liabilities**

The ratio as at 30 September 2024 was 1.27:1, 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

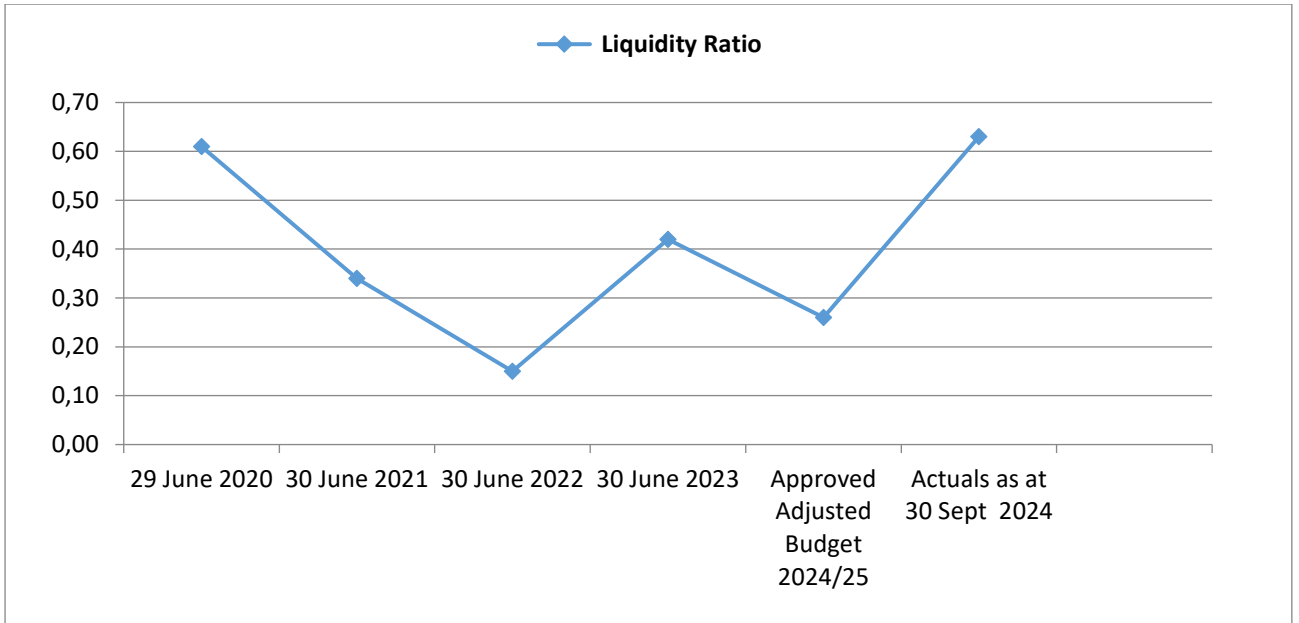
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

$$\text{Monetary assets/Current liabilities}$$

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 September 2024 was 0.63:1 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**

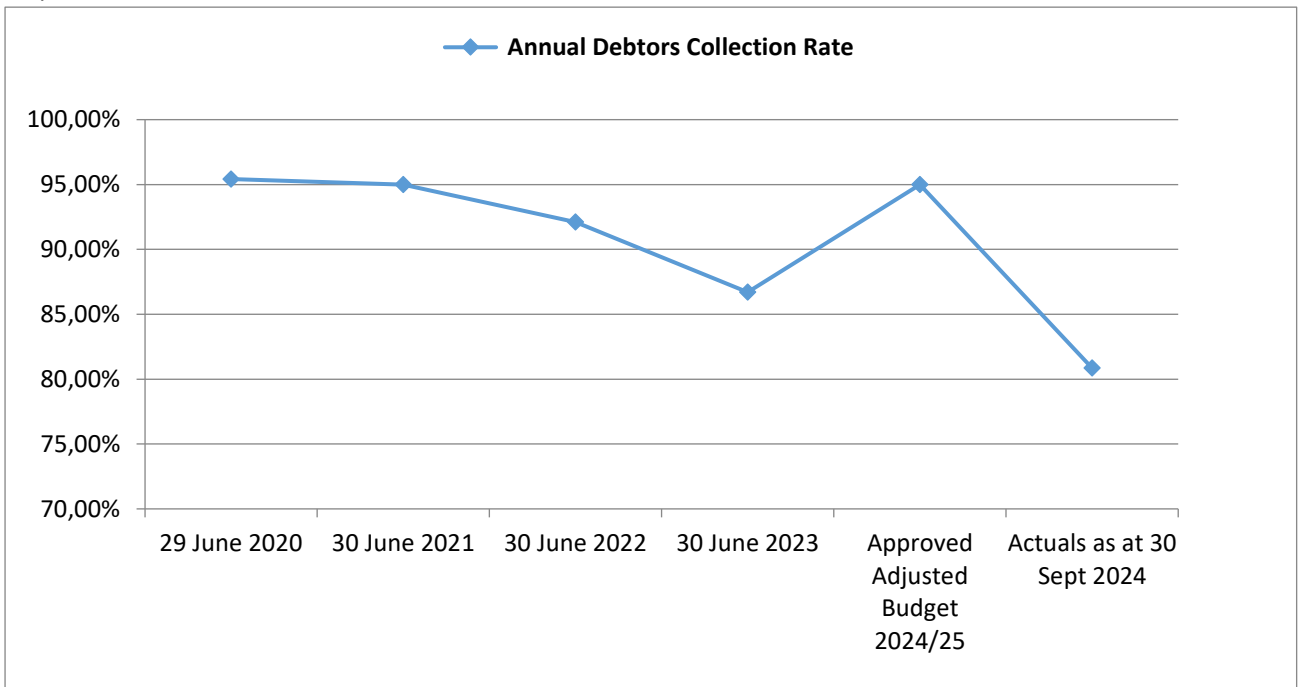
**1.2.1. Annual Debtors Collection Rate**

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:

$$\frac{\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$$

The average collection rate as at 30 September 2024 was 80.85%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for September is 112.27%.



### 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.

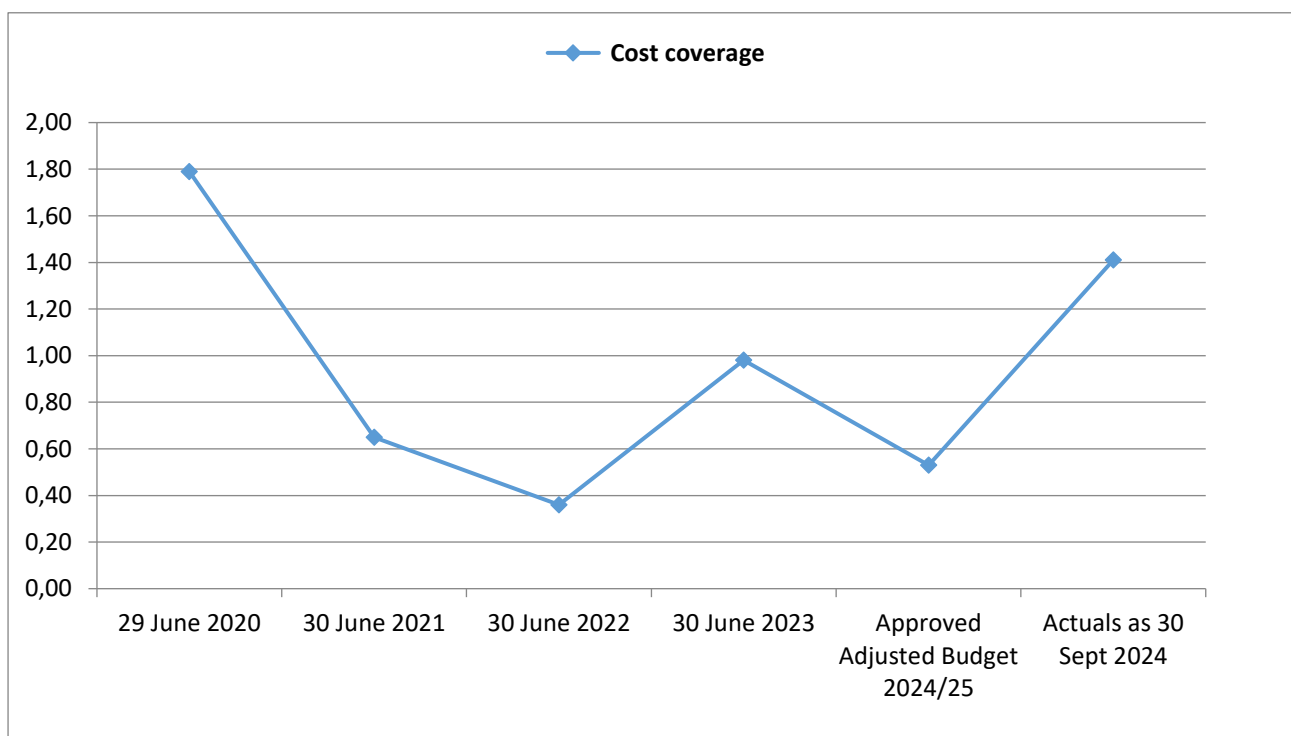
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 September 2024, the Ratio was 1.41 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.



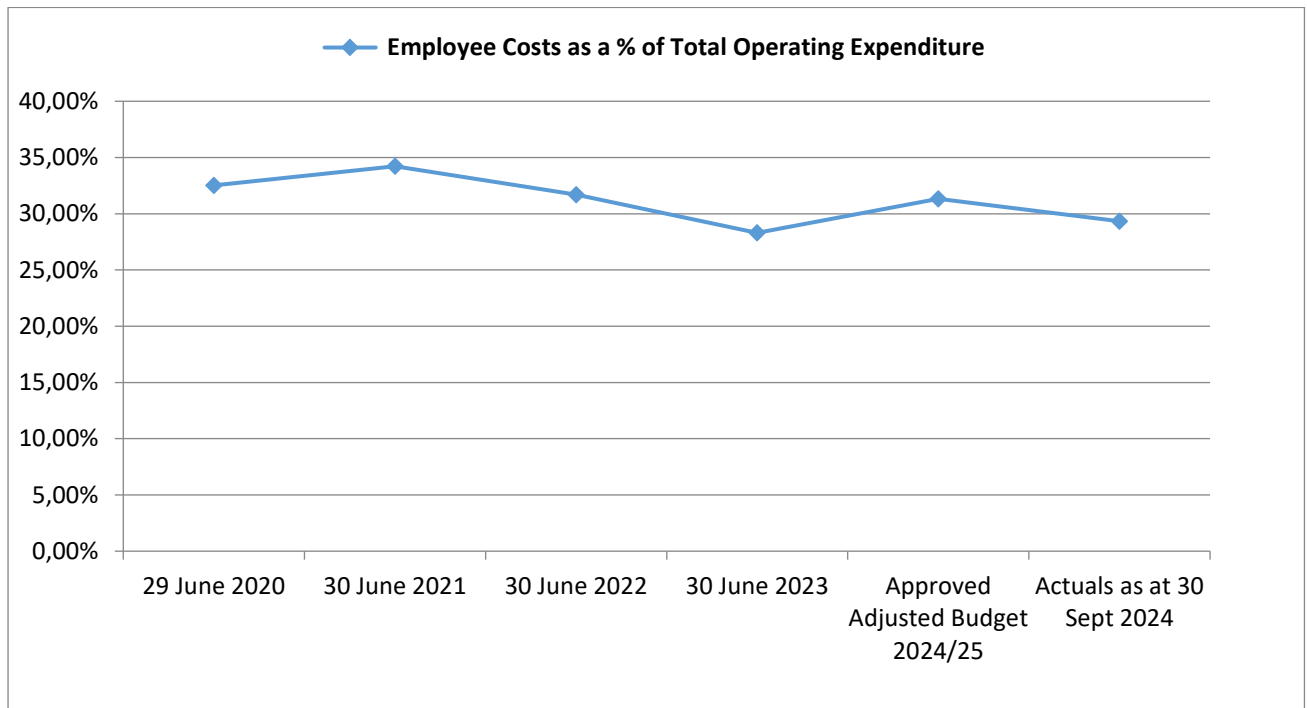
### 1.3.2. Employee costs as a % of Total Operating Expenditure

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 30 September 2024, Employee Related Costs constituted 29.34% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 31.33%.



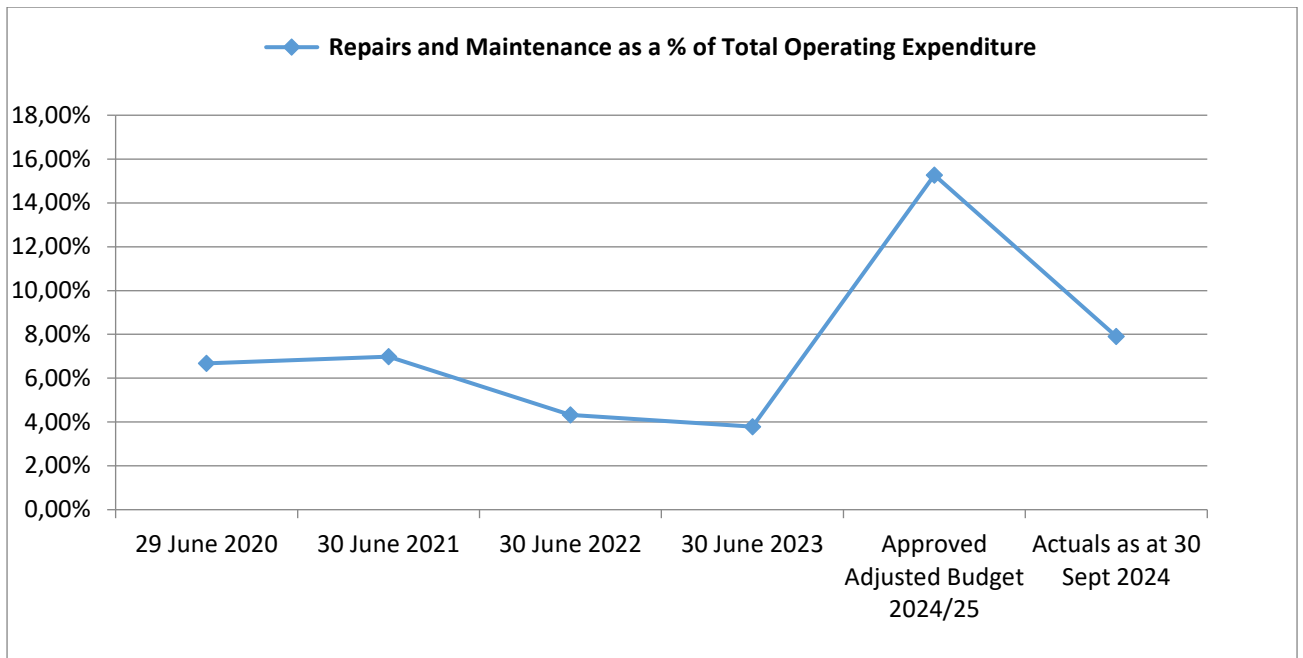
### 1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 September 2024, the ratio was 7.91%, 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)

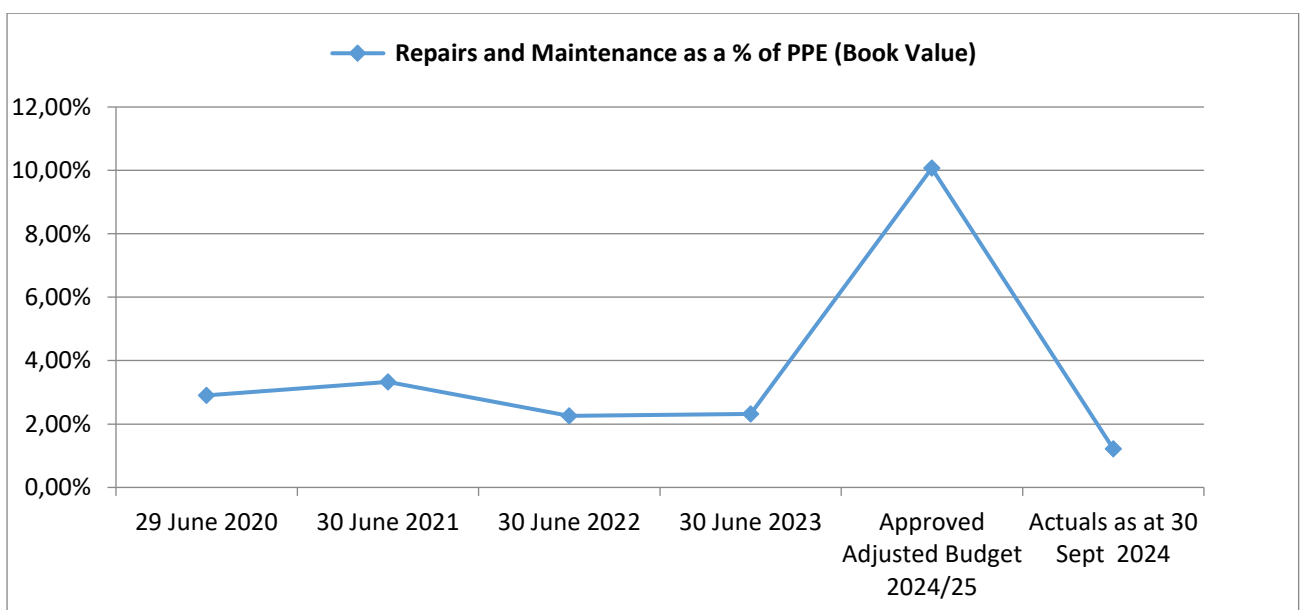
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

$$\text{Repairs and maintenance expenditure to date} / \text{Book value of PPE to date}$$

As at 30 September 2024, repairs and maintenance expenditure constituted 1.22% 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%.



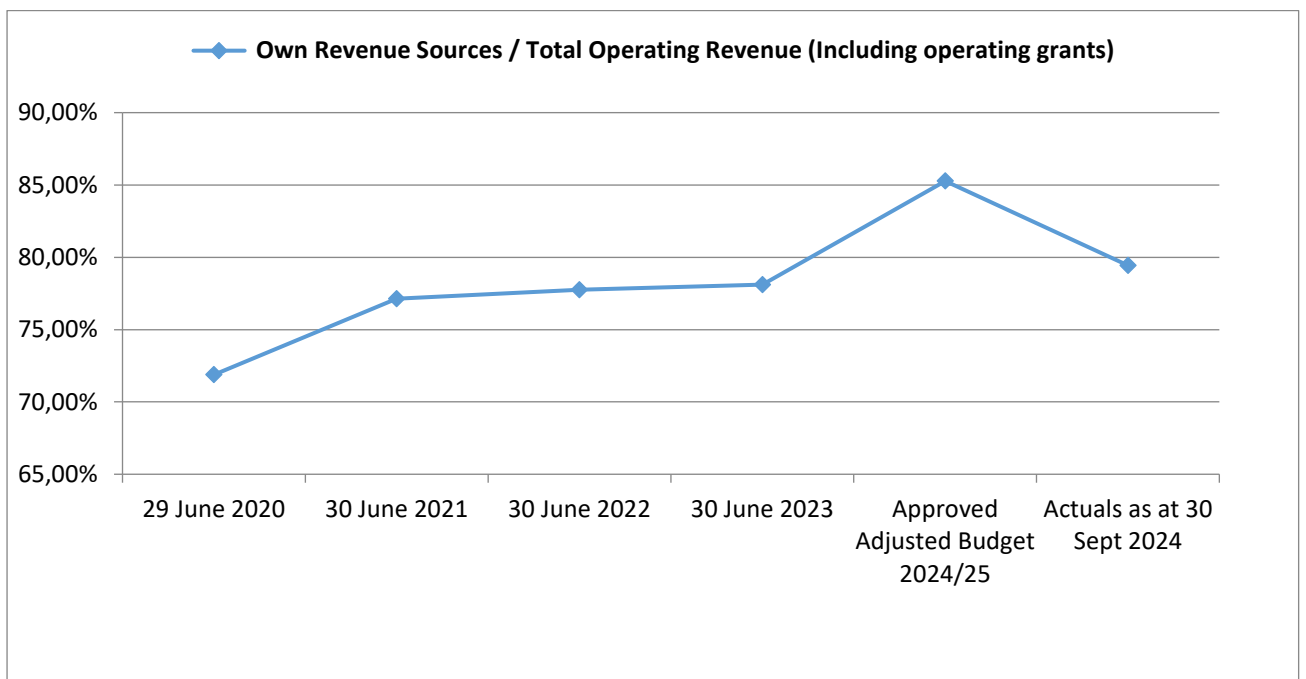
### Own Revenue Generation

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 30 September 2024, the Municipality's own revenue sources constituted 79.44% 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 30 September 2024 amounted to 3.41%, compared to the approved adjusted budget ratio of 95%.

