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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2024 TO OCTOBER 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 OCTOBER 2024 (2024/25 FINANCIAL YEAR)

1. **Introduction**

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

2. **Background**

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

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

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

3. **Discussion**

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

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

"Annexure A" – Financial Overview

"Annexure A1" – Operating Revenue and Expenditure Performance

"Annexure A2" - Capital Budget Performance

"Annexure A3"- Projected Cash Flow Statement

"Annexure A4" – Municipal Monthly Budget Tables

"Annexure A5"- Analysis of Municipality's Statement of Financial Performance

i. Overview of Outstanding Consumer Debtors
ii. Overview of Creditors position
iii. Grants receipts and Expenditure
iv. Councillors & Employee benefits
v. Key performance Indicators

4. **Financial Implications**

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

5. **Applicable Legislation**

- Section 71 and 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 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. **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……14 November 2024…….

11. **Recommendations**

11.1 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.

11.2 That the Executive Mayor notes the submission of the monthly budget statements report to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

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 October 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 479,605 million, whilst operating expenditure amounted to R 420,475 million, resulting in an operating surplus of R 59,130 million.
- Capital expenditure constituted 5,84% of the 2024/25 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 49,537 million (12,70%) since June 2024.
- An amount of R 45,848 million is owing to creditors, 89.64% which is current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 38,544,271 (26.83%) since June 2024, from R 143,659,131 to R 182,203,402.

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

	Balance as at 30 June 2024	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 October 2024
Standard Bank	26 516 585	-	685 998	-		27 202 583
ABSA	22 795 366	10 907 000	930 650	-	590	34 632 426
Nedbank	22 593 059	10 897 000	796 677	20 000 000		14 286 736
RMB	22 735 812	10 897 000	610 869	28 000 000		6 243 681
INVESTEC	22 771 482	10 897 000	791 449	20 000 000		14 459 931
Total	**117 412 304**	**43 598 000**	**3 815 643**	**68 000 000**	**590**	**96 825 357**
INVESTMENT	**Balance as at 30 June 2024**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 October 2024**
General Account	78 621 419	23 128 000	2 539 634	36 585 076	590	67 703 388
Conditional Grants	18 234 929	20 470 000	796 677	28 917 255	-	10 584 351
Housing Funds	20 555 956	-	479 331	2 497 669	-	18 537 618
Total	**117 412 304**	**43 598 000**	**3 815 643**	**68 000 000**	**590**	**96 825 357**
	Balance as at 30 June 2024	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 October 2024**
Cheque Accounts FNB 52540020791	10 314 768			(9 547 896)		766 872
Cheque Accounts FNB 52540033304	8 553 427			(5 543 455)		3 009 972
Cheque Accounts FNB 62682103591	3 833			(539)		3 294
Cheque Accounts FNB 63022194441	7 374 799	1 739 506				9 114 305
Cheque Accounts ABSA 4114176482	-	5 141 207				5 141 207
Cheque Accounts ABSA 4114114771	-	67 302 150				67 302 150
Cheque Accounts ABSA 4114176474	-	26 344				26 344
Cheque Accounts ABSA 4114176490		13 901				13 901
	26 246 827	**74 223 108**	**-**	**(15 091 890)**	**-**	**85 378 045**
Total	**143 659 131**	**117 821 108**	**3 815 643**	**52 908 110**	**590**	**182 203 402**

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

Cash backed Reserves.

Bank Balances and Cash	R 85,378,045
Short-term Investment Deposits	R 182,203,402
	R 182,203,402

Application of Cash

Unspent Conditional Grants	R 57,532,459
Operational commitments	R 15,013,765
Outstanding Creditors Liability	R 45,848,253
	R 118,394,477
Cash Reserves exceed commitments:	**R 63,808,925**

The cash backed reserves exceed commitments at this stage by an amount of R 63,808,925.

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

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

Ratio	Actuals as at 30 June 2023	Actuals as at 30 June 2024	MFMA Circular 71 Norms	Actuals as at 31 October 2023	Approved Adjusted Budget 2024/25	Actuals as at 31October 2024
Current Ratio	0.78:1	1.24:1	1.5:1 to 2:1	1.39:1	0.96:1	1.21:1
Liquidity Ratio	0.42:1	0.71:1		0.85:1	0.26:1	0.57:1
Cost Coverage (Excluding unspent conditional grants)	0.98 Months	1.09 Months	1 Month to 3 Months	1.15 Months	0.53 Months	1.17 Months
Debtors Collection Rate	86.71%	91.01%	95%	77.83%	95%	85.0%
Capital Expenditure	94.66%	55.48%	95%	19,71%	95%	5,84%

"ANNEXURE A1"

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2024/25					
R thousands	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1 392 621	1 396 119	81 472	479 605	465 373	14 231
Total Expenditure	1 505 474	1 535 251	104 386	420 475	511 560	(91 085)
Surplus/(Deficit)	(112 853)	(139 132)	(22 914)	59 130	(46 187)	105 317

The statement of financial performance reflects an operating surplus of R 59,130 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	
R thousands			%
Revenue	-	-	-
Exchange Revenue	**667 935**	**244 250**	**36,57%**
Service charges - Electricity	381 991	144 525	37,83%
Service charges - Water	82 323	35 637	43,29%
Service charges - Waste Water Management	64 086	22 297	34,79%
Service charges - Waste management	71 123	21 861	30,74%
Sale of Goods and Rendering of Services	9 533	1 916	20,10%
Agency services	4 554	–	0,00%
Interest earned from Receivables	32 335	9 789	30,27%
Interest earned from Current and Non-Current Assets	13 998	4 816	34,40%
Rental from Fixed Assets	3 187	1 083	34,00%
Licence and permits	2 851	761	26,68%
Operational Revenue	1 955	1 567	80,16%
Non-Exchange Revenue	**728 184**	**235 354**	**32,32%**
Property rates	297 076	135 930	45,76%
Fines, penalties and forfeits	143 343	242	0,17%
Licence and permits	11 772	4 008	34,04%
Transfer and subsidies - Operational	205 651	83 597	40,65%
Interest	5 510	2 042	37,05%
Operational Revenue	64 831	9 535	14,71%
Total Revenue (excluding capital transfers and contributions)	**1 396 119**	**479 605**	**34,35%**

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.

- **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.

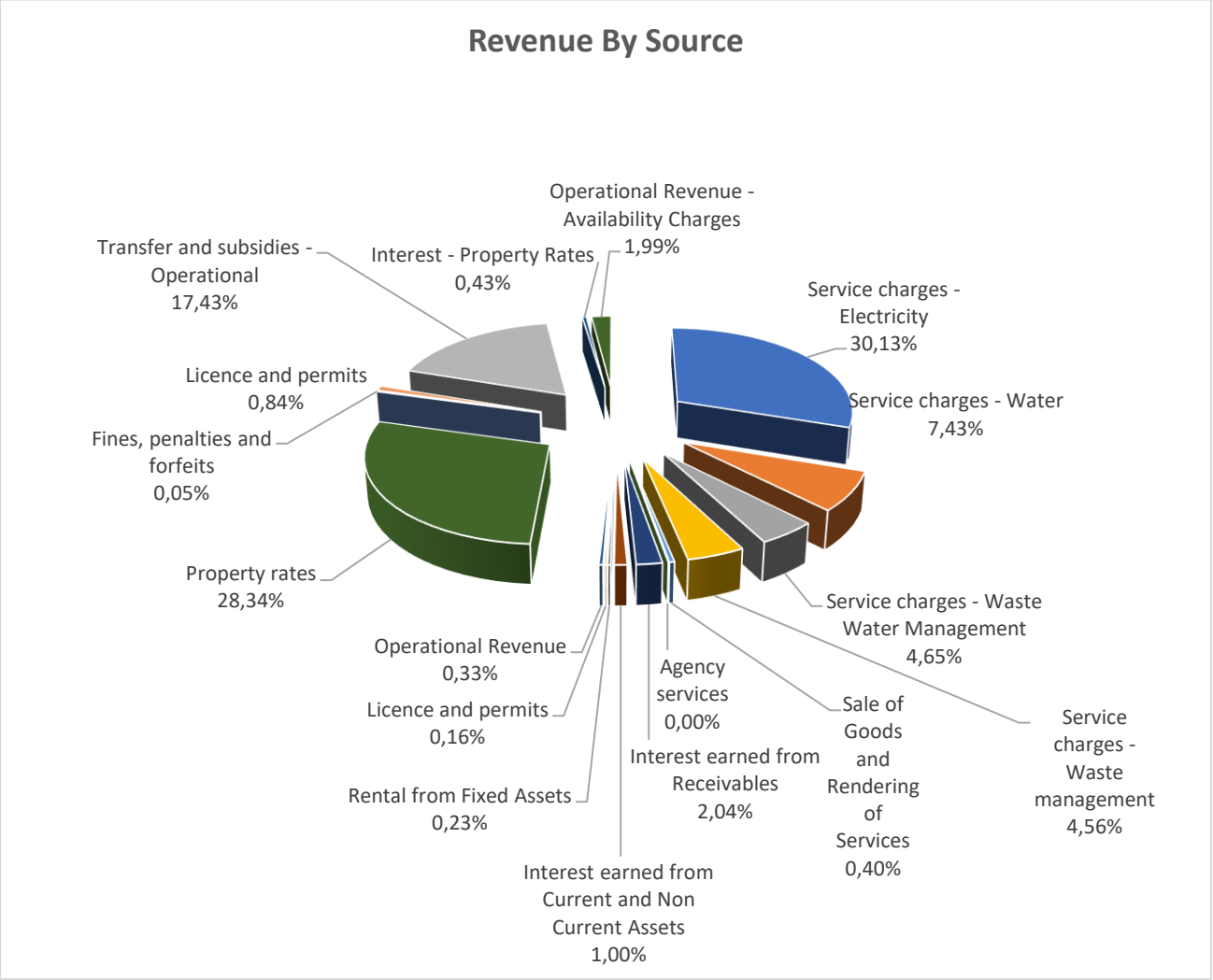
- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences, drivers' licences and other vehicle permits. The commission is then influenced by the revenue collected on behalf 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 31 October 2024, the municipality has recognized 45,76% 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.

- **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	
R thousands			%
Revenue			
Expenditure By Type			
Employee Related Cost	481 056	123 348	25,64%
Remuneration of councillors	15 594	4 831	30,98%
Bulk purchases - electricity	386 299	171 010	44,27%
Inventory consumed	107 862	25 906	24,02%
Debt impairment	158 246	–	0,00%
Depreciation and amortisation	117 798	39 266	33,33%
Interest	36 254	1 620	4,47%
Contracted services	126 799	25 496	20,11%
Transfers and subsidies	400	–	0,00%
Irrecoverable debts written off	9 359	–	0,00%
Operational Cost	95 585	28 999	30,34%
Total Expenditure	**1 535 251**	**420 475**	**27,39%**

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 44,27% expenditure, compared to the approved budget. This is slightly higher than anticipated and compared to the previous year, which was 39% for the same reporting period.

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

Item Description	Adjusted Budget 2024/25	Actuals as at 31 October 2024	%
Inventory Consumed: Consumables	4 403 160	755 385	17,16%
Inventory Consumed: Materials and Supplies	35 256 876	7 903 595	22,42%
Inventory Consumed: Fuel & Oil	26 271 072	6 203 475	23,61%
Inventory Consumed: Bulk Water Purchases	41 930 751	11 043 651	26,34%
Total	**107 861 859**	**25 906 106**	**24,02%**

- **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.

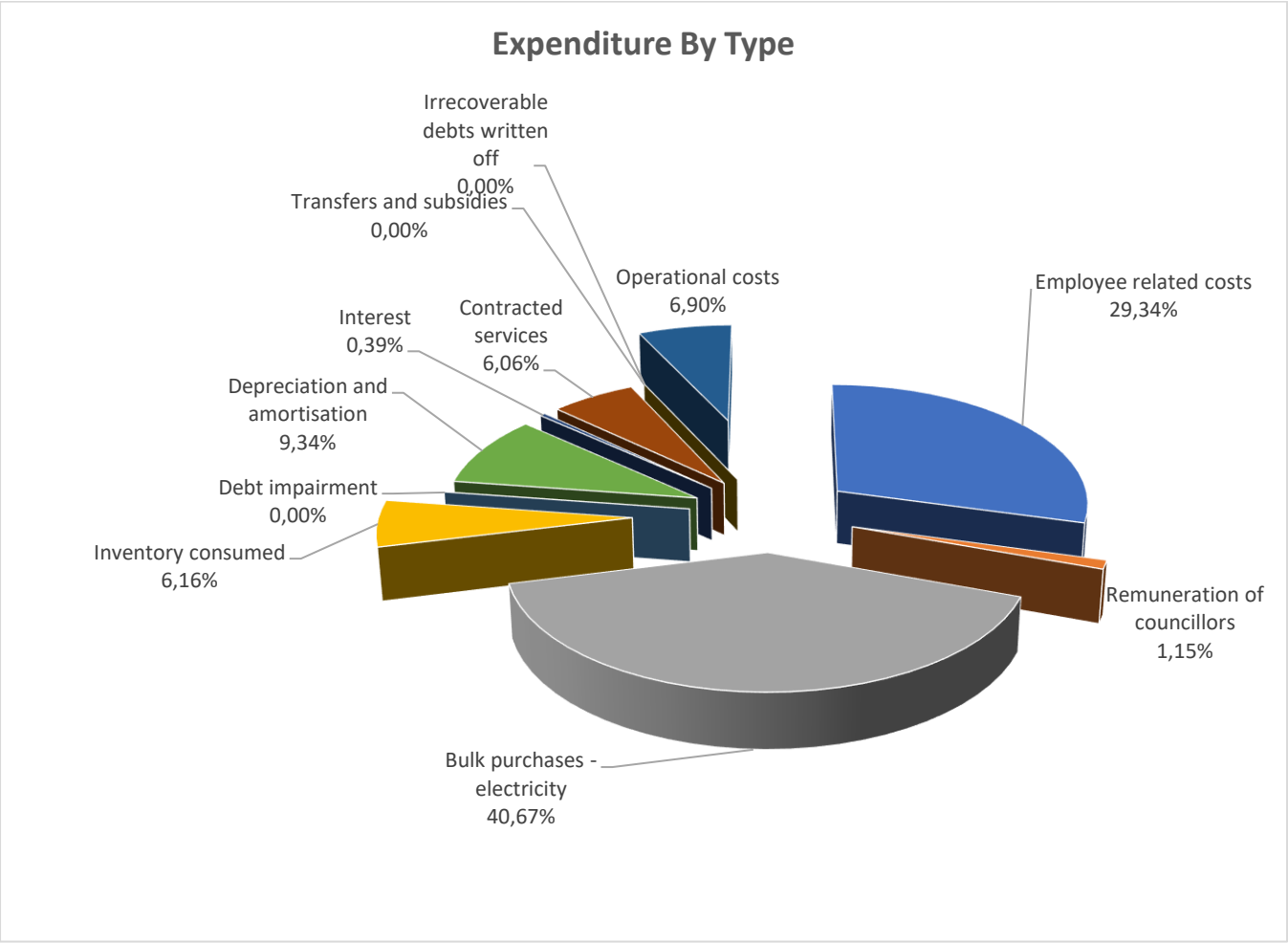
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 October 2024	%
Aloe Cup	80 000	-	0,00%
Air quality Management	400 000	-	0,00%
Amanzi Challenge National Tournament	300 000	300 000	100,00%
Animal Care	508 000	-	0,00%
Audit of Municipal Land & Properties	1 694 000	163 324	9,64%
Burial Services	31 500	12 600	40,00%
Calamari Festival	200 000	200 000	100,00%
Catering Services	1 158 904	184 254	15,90%
Clean up Operation	200 004	23 445	11,72%
Clearing and Grass Cutting Services	1 540 000	178 994	11,62%
Conducting of feasibility studies (EIA)	2 000 000	61 894	3,09%
Connection/Dis-connection:Electricity	580 000	-	0,00%
Consultants and Professional Services	8 502 000	1 057 876	12,44%
Destination Marketing and Promotion	670 000	80 840	12,07%
Drivers Licence Cards	1 000 000	122 134	12,21%
Dune Stabilisation	1 829 000	38 123	2,08%
Electricity Generation Project	470 000	32 592	6,93%
Environmental protection	700 000	-	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	158 309	8,79%
Heritage Restoration	200 000	-	0,00%
Internal Auditors	250 000	29 000	11,60%
KLTO	905 000	129 121	14,27%
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	363 566	36,36%
Legal Cost:Collection	1 100 000	437 167	39,74%
Maintenance of Buildings and Facilities	8 046 636	1 327 125	16,49%
Maintenance of Electrical Infrastructure	1 000 000	15 000	1,50%
Maintenance of Equipment	858 800	120 147	13,99%
Maintenance of Vehicles	39 379 408	5 312 853	13,49%
Mscoa Alignment	283 136	-	0,00%
Media Monitoring	200 004	26 085	13,04%
Occupational Health and Safety	1 100 004	224 324	20,39%
Other Contracted Services	2 897 900	1 573 197	54,29%
Personnel and Labour	16 625 550	4 234 737	25,47%
Precinct Plans Project Hankey and St Francis Bay C	100 000	-	0,00%
Private Plots_Alien Vegetation Control	300 000	24 300	8,10%
Qualification Verification	350 004	1 435	0,41%
Restricted Water Flow	400 000	-	0,00%
Revision of SDF	650 000	-	0,00%
Security Services	3 850 000	3 004 495	78,04%
SA Longboard Championship	300 000	-	0,00%
SDC Golf Championship Sponsorship	275 000	-	0,00%
Special Rating Area	2 159 735	63 800	2,95%
Summer Festival	500 000	400 000	80,00%
Tourism &Travel Trade Show	482 000	344 785	71,53%
Township Events	300 000	37 882	12,63%
Transport Services	225 704	16 413	7,27%
Valuer	13 438 721	4 994 220	37,16%
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%
	126 799 210	**25 495 623**	**20,11%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 October2024	%
Achievements and Awards	2 300 000	564 322	24,54%
Advertising, Publicity and Marketing	4 339 200	651 327	15,01%
Bank Charges	600 000	388 404	64,73%
Bargaining Council	4 619 580	-	0,00%
Cellular Contract (Subscription and Calls)	3 313 020	1 246 405	37,62%
Claims paid to Third Parties	200 000	90 682	45,34%
External Audit Fees	4 500 000	1 580 769	35,13%
External Computer Service:Internet Charge	5 400 000	2 794 872	51,76%
Hire Charges	8 113 067	2 019 837	24,90%
Insurance Claims	1 200 000	311 382	25,95%
Insurance Underwriting:Premiums	3 644 283	2 815 432	77,26%
Leases:Furniture and Office Equipment	4 068 744	889 777	21,87%
Leases:Other Assets	3 963 740	2 127 193	53,67%
Motor Vehicle Licence and Registrations	1 644 488	256 910	15,62%
Other	1 324 176	176 274	13,31%
Postage/Stamps/Franking Machines	2 674 500	514 026	19,22%
Registration Fees:Professional and Regulatory Bodies	551 112	22 011	3,99%
Registration Fees:Seminars, Conferences, Workshops	2 284 482	355 120	15,54%
Remuneration to Ward Committees	2 862 000	667 200	23,31%
Riparian Levies	7 911 471	2 131 409	26,94%
Signage	1 126 212	107 699	9,56%
Skills Development Fund Levy	4 202 076	1 230 714	29,29%
Software Licences	8 825 000	4 540 807	51,45%
Storage of Files (Archiving)	399 996	32 663	8,17%
Supplier Development Programme	100 000	-	0,00%
Third Party Vendors	3 550 000	977 006	27,52%
Travel and Subsistence	4 773 369	765 477	16,04%
Uniform and Protective Clothing	3 980 484	761 090	19,12%
Vehicle Tracking	804 742	268 014	33,30%
Workmen's Compensation Fund	2 288 376	712 058	31,12%
	95 585 118	**28 998 882**	**30,34%**



1.4. Repairs and Maintenance

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

Item Description	Budget Year 2024/25		
	Adjusted Budget 2024/25	Actuals as at 31 October 2024	%
Repairs and Maintenance by Expenditure Items			
Employee related costs	156 271 644	23 458 522	15,01%
Other materials	24 525 864	4 086 277	16,66%
Contracted Services	46 598 844	6 288 286	13,49%
Other expenditure	6 247 655	1 790 142	28,65%
Total	**233 644 007**	**35 623 226**	**15,25%**

It is to be noted that actual repairs and maintenance expenditure constituted 15,25% 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	%
R thousands			
Revenue			
Exchange Revenue	**384 204**	**145 496**	**37,87%**
Service charges - Electricity	381 991	144 525	37,83%
Interest earned from Receivables	2 214	971	43,85%
Non-Exchange Revenue	**21 177**	**9 578**	45,23%
Transfers and subsidies - Operational	5 585	4 654	83,33%
Service charges - Electricity	15 593	4 924	31,58%
Operational Revenue	–	75	
Total Revenue	**405 382**	**155 073**	**38,25%**
Expenditure By Type			
Employee related costs	24 268	5 853	24,12%
Bulk purchases - electricity	386 299	171 010	44,27%
Inventory consumed	8 678	2 255	25,98%
Debt impairment	11 528	–	0,00%
Depreciation and amortisation	8 909	3 415	38,34%
Contracted services	12 492	1 843	14,75%
Irrecoverable debts written off	3 064	–	0,00%
Operational costs	5 197	1 772	34,10%
Total Expenditure	**460 434**	**186 149**	**40,43%**
Surplus/(Deficit)	**(55 053)**	**(31 076)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 37,83% of budget as at 31 October 2024, and this is in line with the projected budget ratio of 33,33% as at 31 October 2024.

1.5.1.2 Expenditure

- the bulk electricity reflects 44,27% of budget expenditure as at 31 October 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 31,076 million as at 31 October 2024 and the deficit amount equates to 20.04%, compared to the revenue. The adjusted budget deficit for the 2024/25 amount to R 55,053 million and equates to 13,58%, compared to total revenue.

1.5.2 Water

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue	**97 860**	**39 840**	**40,71%**
Service charges - water	82 323	35 637	43,29%
Interest earned from Receivables	15 537	4 204	27,06%
Non-Exhange Revenue	**66 111**	**20 852**	**31,54%**
Transfers and subsidies - Operational	21 232	17 694	83,33%
Operational Revenue	44 879	3 158	7,04%
Total Revenue	**163 972**	**60 692**	**37,01%**
Expenditure By Type			
Employee related costs	28 200	9 148	32,44%
Inventory consumed	51 549	13 285	25,77%
Debt impairment	5 652	–	0,00%
Depreciation and amortisation	17 074	5 326	31,19%
Contracted services	3 580	370	10,34%
Irrecoverable debts written off	1 502	–	0,00%
Operational costs	2 261	456	20,15%
Total Expenditure	**109 818**	**28 585**	**26,03%**
Surplus/(Deficit)	**54 154**	**32 108**	

1.5.2.1 Revenue

- The water service charges revenue reflects 43,29% of budget as at 31 October 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 11,044 million (26,34% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 32,108 million as at 31 October 2024 and equates to 52,90% of total revenue.

1.5.3 Wastewater Management

Description	Budget Year 2024/25		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue	**69 759**	**24 003**	**34,41%**
Service charges - Waste Water Management	64 086	22 297	34,79%
Interest earned from Receivables	5 673	1 707	30,08%
Non-Exchange Revenue	**18 573**	**13 297**	**71,60%**
Transfers and subsidies - Operational	14 213	11 844	83,33%
Operational Revenue	4 360	1 453	33,33%
Total Revenue	**88 332**	**37 301**	**42,23%**
Expenditure By Type			
Employee related costs	25 833	8 431	32,64%
Inventory consumed	14 161	2 159	15,25%
Debt impairment	2 928	–	0,00%
Depreciation and amortisation	32 226	10 700	33,20%
Contracted services	5 120	522	10,20%
Irrecoverable debts written off	778	–	0,00%
Operational costs	6 733	2 866	42,56%
Total Expenditure	**87 779**	**24 678**	**28,11%**
Surplus/(Deficit)	**553**	**12 622**	

1.5.3.1 Revenue

- The wastewater service charges revenue reflects 34,79% of budget as at 31 October 2024, and this is in line with the projected budget ratio of 33,33% as at 31 October 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 12,622 million as at 31 October 2024 and equates to 33,84% of total revenue. Council approved a surplus adjusted budget of R 0,553 million for the 2024/25 financial year.

1.5.4. Waste Management

Description	Budget Year 2023/24		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
Revenue			
Exchange Revenue	**79 691**	**24 648**	
Service charges - Waste	71 123	21 861	30,74%
Sale of Goods and Rendering of Services	9	–	0,00%
Interest earned from Receivables	8 560	2 787	32,56%
Non-Exchange Revenue	**25 741**	**21 409**	**83,17%**
Transfers and subsidies - Operational	25 741	21 409	83,17%
Total Revenue	**105 432**	**46 057**	**43,68%**
Expenditure By Type			
Employee related costs	38 597	12 792	33,14%
Inventory consumed	8 719	2 592	29,73%
Debt impairment	3 147	–	0,00%
Depreciation and amortisation	3 195	884	27,66%
Contracted services	15 390	2 623	17,05%
Irrecoverable debts written off	837	–	0,00%
Operational costs	4 086	1 005	24,59%
Total Expenditure	**73 971**	**19 896**	**26,90%**
Surplus/(Deficit)	**31 460**	**26 161**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 30,74% of budget as at 31 October 2024, and this is in line with the budget ratio of 33,33% as at 31 October 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 26,155 million as at 31 October 2024 and equates to 56.79% of total revenue. Council approved a surplus adjusted budget of R 31,460 million for the 2024/25 financial year.

1.6 Cost Containment Measures

The main purpose of the Municipal Cost Containment Regulations, 2019 is to ensure that the resources of the municipality are used effectively, efficiently, and economically by the implementation of cost containment measures. Cost containment measures policy was approved by Council on 30 June 2023.

Description	Budget Year 2024/25			
	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	16 101	4 235	5 367	(1 132)
2. Travel claims	4 727	737	1 576	(838)
4. Overtime	20 000	6 832	6 667	166
5. Catering Costs	1 109	151	370	(218)
6. Events, Advertising and sponsorships	5 034	1 051	1 678	(627)
7. Attendance of Conferences, Seminars & Workshops	2 254	355	751	(396)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	668	83	223	(140)
9. Projects /Programme Launches	–	–	–	–
10. Essential User Scheme	**969**	**969**	**969**	**–**
Total	**50 861**	**14 413**	**17 599**	**(3 186)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 3,186 million as at 31 October 2024.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2024/25			Actuals as at 31 October 2024			
R thousands	**Approved Adjusted Budget-Operating**	**Approved Adjusted Budget-Capital Budget**	**Appproved Adjusted Budget 2024/25**	**Operating Expenditure**	**Capital Actuals**	**Total Expenditure**	**Unauthorised Expenditure**
Expenditure by Vote							
Civil & Water Services	339 329	274 804	614 133	83 249	16 178	99 427	–
Community Services	387 152	1 634	388 786	68 022	209	68 231	–
Electro & Mechanical Services	470 887	73 103	543 990	190 230	598	190 828	–
Finance and Economic Development	142 735	755	143 490	30 276	39	30 315	–
Office of the DMM	131 573	1 413	132 986	32 426	–	32 426	–
Office of the MM	28 093	–	28 093	8 353	–	8 353	–
Planning and Development	35 482	20 386	55 868	7 918	4 718	12 636	–
Total Expenditure by Vote	**1 535 251**	**372 094**	**1 907 345**	**420 475**	**21 742**	**442 217**	-

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 October 2024, constituted 5,84% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 13,82% of approved grant funding budget.
- Internally generated funds are 10,35% at this stage.

Capital budget by municipal vote for 2024/25.

Vote Description	Budget Year 2024/25			
	Original Budget	Adjusted Budget	YearTD Actual	%
R thousands				
Multi-Year expenditure appropriation				
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	0,00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	–	1 413	–	0,00%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	–	755	39	5,12%
Vote 4 - COMMUNITY SERVICES	1 391	1 634	209	12,79%
Vote 5 - CIVIL AND WATER SERVICES	80 868	274 804	16 178	5,89%
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 103	598	0,82%
Vote 7 - PLANNING AND DEVELOPMENT	–	20 386	4 718	23,15%
Total Capital Multi-year expenditure	**150 362**	**372 094**	**21 742**	**5,84%**

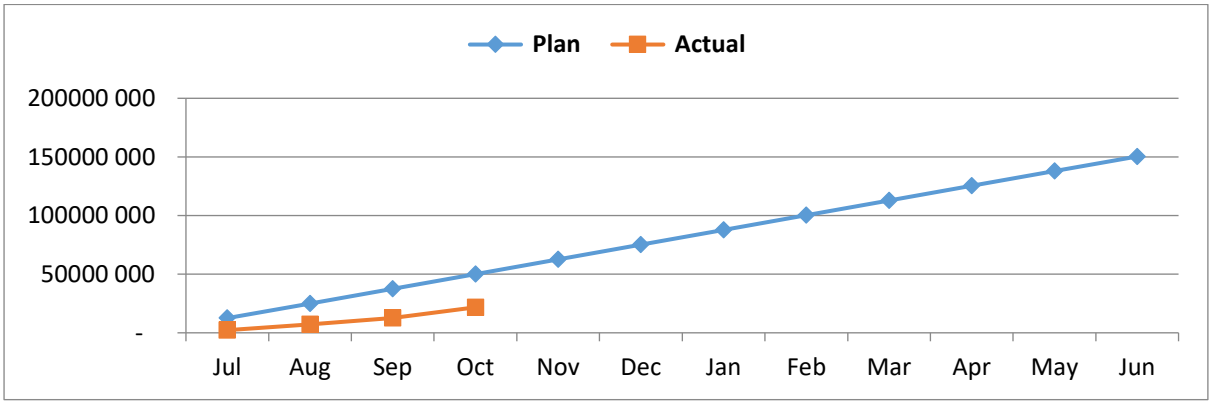
The capital expenditure as at 31 October 2024, constituted 5,84% of approved adjusted capital budget.

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 5,1% of R 0,755 million budget.
- Community Services is 12.79% of R 1,634 million budget.
- Civil & Water Services 5,89% of R 274,804 million budget.
- Electro and Mechanical Services is 0,82% of R 73,103 million budget.
- Planning And Development is 23,15% of R 20,386 million budget.

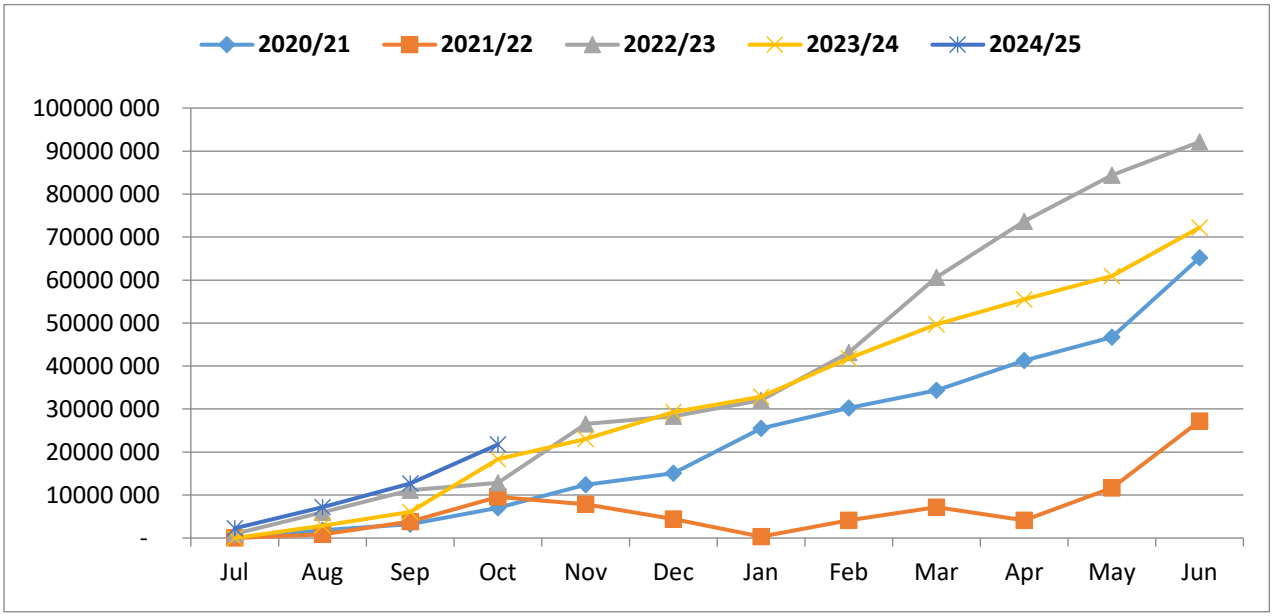
1.2. Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2024/25 current budget.



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

The graph below shows the municipality's capital expenditure trend for 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25.



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

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals Total as at 31 Octoober 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	176 117	-	0,00%
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADE OF PHILLIPSVILLE SPORTS FIELD	500 000	-	0,00%
PROJECT MANAGEMENT UNIT (PMU)	Internal	UPGRADING LOERIE SPORTS FACILITIES	137 788	75 904	55,09%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga	621 050	-	0,00%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	150 000	-	0,00%
ROADS AND STORMWATER	MDRG	St Francis Bay - Nevil Road Reconstruction	508 696	8 615 631	1693,67%
ROADS AND STORMWATER	MDRG	St Francis Bay - Anne Avenue to Ralph Road Reconst	1 608 696	51 675	3,21%
ROADS AND STORMWATER	MDRG	Aston Bay to Paradise Beach - Seekoei Estuary Caus	6 478 261	-	0,00%
ROADS AND STORMWATER	MDRG	Paradise Beach - Botha Street Stormwater Infrastru	424 348	-	0,00%
ROADS AND STORMWATER	Finance Lease	ROADS INFRASTRUCTURE	173 913 043	-	0,00%
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANV	80 500	244 588	303,84%
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	29 169 586	102 894	0,35%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	200 000	-	0,00%
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	508 609	263 183	51,75%
SEWERAGE	Internal	HANKEY WWTW	4 256 462	1 076 060	25,28%
SEWERAGE	Internal	LA MER NEW SEWER RISING MAIN	6 338 777	-	0,00%
SEWERAGE	DOHS	Phase 1 Upgrade of Thornhill Sewer Treatment Works	553 739	5 808	1,05%
SEWERAGE	DOHS	Kruisfontein Bulk Sewer -Link Line	1 997 391	701 258	35,11%
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	1 287 831	740 410	57,49%
SEWERAGE	DOHS	Kwanomzamo Bulk Sanitation -Pump Station & Rising	7 304 348	-	0,00%
SEWERAGE	DOHS	Envirosan Toilets (40 Units)	1 446 261	-	0,00%
SEWERAGE	WSIG	Loerie Sewer Pump Station upgrade and new sewer ri	150 000	2 369 705	1579,80%
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	6 956 517	132 088	1,90%
WATER	Internal	JILL MARCUS WATER SUPPLY	4 347 000	-	0,00%
WATER	Internal	HUMANSDORP GROUNDWATER SUPPLY	637 410	119 248	18,71%
WATER	DOHS	Kwanomzamo Bulk Water : New Pipeline	6 521 739	1 615 598	24,77%
WATER	DOHS	Kruisfontein Bulk Water -Gill Marcus Reservoir & P	6 782 609	-	0,00%
WATER	WSIG	RETICULATION REPLACE PIPELINES	3 478 260	-	0,00%
WATER	WSIG	Replace Ageing Water Infrastructure in St Francis	150 000	-	0,00%
WATER	WSIG	Replace Main Waterline Sout Rivier Bridge Crossing	100 000	-	0,00%
WATER	DOHS	New Reservoir on Pnt 2 of the Farm Thornhill	5 018 940	-	0,00%
WATER	Internal	Construction of Civil Services in Donkerhoek & Humansdorp	3 000 000	64 000	2,13%
			274 803 978	**16 178 049**	**5,89%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 31 October 2024	%
COMMUNITY SERVICES					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1 391 304	-	
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	242 320	208 874	86,20%
			1 633 624	**208 874**	**12,79%**
ELECTRO & MECHANICAL SERVICES					
FLEET AND WORKSHOP	Finance Lease	Vehicle	34 000 000	-	
ELECTRICITY	INEP	OCEAN VIEW 1250 ELECTRIFICATION	3 654 783	-	
ELECTRICITY	Internal	Electrical Oil circuit breakers replacement with vacuum SCADA ready breakers	5 000 000	-	
ELECTRICITY	DOHS	Oceanview Substation Upgrade	10 434 783	-	
ELECTRICITY	DOHS	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder line & substation	19 130 435	598 390	3,13%
ELECTRICITY	MIG	DESIGN: HIGH MAST LIGHTS	100 000	-	
ELECTRICITY	DOHS	Electricity	782 609	-	
			73 102 610	**598 390**	**0,82%**
FINANCE AND ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	577 517	31 444	5,44%
SUPPLY CHAIN MANAGEMENT	Internal	Computer Equipment	55 414	7 210	13,01%
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100 000	-	
REVENUE	Internal	Computer Equipment	22 477	-	
			755 408	**38 654**	**5,12%**
OFFICE OF THE DMM					
INFORMATION TECHNOLOGY	Internal	Computer Equipment	1 412 789	-	
			1 412 789		
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 2	16 346 963	4 718 463	28,86%
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 3	4 038 699	-	
			20 385 663	**4 718 463**	**23,15%**
		Total	**372 094 071**	**21 742 430**	**5,84%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 31 October 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 – M04 October 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		362 726	287 458	287 458	23 286	121 735	95 819	25 916	27%	287 458
Service charges		255 325	761 922	761 922	51 494	203 666	253 974	(50 308)	-20%	761 922
Other revenue		16 788	93 666	100 764	17 046	76 103	33 588	42 515	127%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	1 341	87 215	68 550	18 665	27%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 443	13 502	31 704	41 148	(9 443)	-23%	123 443
Interest		914 663	13 998	13 998	3 452	5 385	4 666	719	15%	13 998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771 377	(1 327 265)	(1 339 133)	(113 151)	(456 376)	(446 378)	9 999	-2%	(1 339 133)
Interest		–	(16 159)	(36 082)	(398)	(1 620)	(12 027)	(10 408)	87%	(36 082)
Transfers and Subsidies		–	(400)	(400)	–	–	(133)	(133)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 506 902**	**138 815**	**117 621**	**(3 427)**	**67 813**	**39 207**	**(28 606)**	**-73%**	**117 621**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(83 038)	(116 362)	(164 181)	(10 417)	(25 004)	(54 727)	(29 723)	54%	(164 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83 038)**	**(116 362)**	**(164 181)**	**(10 417)**	**(25 004)**	**(54 727)**	**(29 723)**	**54%**	**(164 181)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22 478)	(32 196)	(1 090)	(4 265)	(10 732)	(6 467)	60%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22 478)**	**(32 196)**	**(1 090)**	**(4 265)**	**(10 732)**	**(6 467)**	**60%**	**(32 196)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 423 864**	**(25)**	**(78 756)**	**(14 934)**	**38 544**	**(26 252)**			**(78 756)**
Cash/cash equivalents at beginning:		27 851	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 451 714	43 640	64 903		182 203	117 407			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 – M04 October 2024

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	280 203	297 076	297 076	19 841	135 930	99 025	36 905	37%	297 076
Service charges	607 369	599 522	599 522	52 048	224 319	199 841	24 478	12%	599 522
Investment revenue	12 962	13 998	13 998	1 535	4 816	4 666	150	3%	13 998
Transfers and subsidies - Operational	198 630	202 153	205 651	1 729	83 597	68 550	15 047	22%	205 651
Other own revenue	110 770	279 872	279 872	6 319	30 942	93 291	(62 348)	-67%	279 872
Total Revenue (excluding capital transfers and	**1 209 934**	**1 392 621**	**1 396 119**	**81 472**	**479 605**	**465 373**	**14 231**	**3%**	**1 396 119**
Employee costs	398 878	471 743	481 056	30 601	123 348	160 352	(37 004)	-23%	481 056
Remuneration of Councillors	14 976	15 594	15 594	1 217	4 831	5 198	(367)	-7%	15 594
Depreciation and amortisation	102 539	117 798	117 798	9 817	39 266	39 268	(2)	-0%	117 798
Interest	10 038	17 404	36 254	398	1 620	12 085	(10 465)	-87%	36 254
Inventory consumed and bulk purchases	454 301	495 318	494 161	43 302	196 916	164 720	32 196	20%	494 161
Transfers and subsidies	920	400	400	–	–	133	(133)	-100%	400
Other expenditure	327 630	387 217	389 989	19 051	54 495	129 805	(75 310)	-58%	389 989
Total Expenditure	**1 309 281**	**1 505 474**	**1 535 251**	**104 386**	**420 475**	**511 560**	**(91 085)**	**-18%**	**1 535 251**
Surplus/(Deficit)	**(99 347)**	**(112 853)**	**(139 132)**	**(22 914)**	**59 130**	**(46 187)**	**105 317**	**-228%**	**(139 132)**
Transfers and subsidies - capital (monetary allocations)	85 140	133 816	154 202	1 090	15 398	51 401	(36 003)	-70%	154 202
Transfers and subsidies - capital (in-kind)	18 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**	**69 314**	**1330%**	**15 070**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**	**69 314**	**1330%**	**15 070**
Capital expenditure & funds sources									
Capital expenditure	**92 915**	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**
Capital transfers recognised	3 157	116 362	136 747	7 816	18 904	45 582	(26 678)	-59%	136 747
Borrowing	–	34 000	207 913	–	–	69 304	(69 304)	-100%	207 913
Internally generated funds	89 757	–	27 434	1 243	2 839	9 145	(6 306)	-69%	27 434
Total sources of capital funds	**92 915**	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**
Financial position									
Total current assets	266 448	213 837	235 258		383 901				235 258
Total non current assets	2 312 828	2 369 948	2 591 680		2 295 304				2 591 680
Total current liabilities	293 952	225 392	245 217		318 376				245 217
Total non current liabilities	243 291	270 953	424 224		238 397				424 224
Community wealth/Equity	**2 042 032**	**2 087 440**	**2 157 498**		**2 122 432**				**2 157 498**
Cash flows									
Net cash from (used) operating	2 506 902	138 815	117 621	(3 427)	67 813	39 207	(28 606)	-73%	117 621
Net cash from (used) investing	(83 038)	(116 362)	(164 181)	(10 417)	(25 004)	(54 727)	(29 723)	54%	(164 181)
Net cash from (used) financing	–	(22 478)	(32 196)	(1 090)	(4 265)	(10 732)	(6 467)	60%	(32 196)
Cash/cash equivalents at the month/year end	**2 451 714**	**43 640**	**64 903**	**–**	**182 203**	**117 407**	**(64 796)**	**-55%**	**64 903**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	61 504	30 497	15 426	11 223	9 287	9 616	53 167	310 233	500 951
Creditors Age Analysis									
Total Creditors	46 388	5	97	23	20	378	112	(1 175)	45 848

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) – M04 October 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
									%	
Revenue - Functional										
Governance and administration		**489 309**	**590 750**	**590 750**	**27 946**	**191 180**	**196 917**	(5 736)	-3%	**590 750**
Executive and council		46	142	142	–	53	47	5	11%	142
Finance and administration		489 263	590 608	590 608	27 946	191 128	196 869	(5 742)	-3%	590 608
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**51 001**	**87 286**	**111 120**	**602**	**8 559**	**37 040**	(28 481)	-77%	**111 120**
Community and social services		2 415	2 460	2 460	2 998	3 085	820	2 266	276%	2 460
Sport and recreation		7 682	11 504	11 504	721	3 767	3 835	(68)	-2%	11 504
Public safety		1 792	1 857	1 857	(1 502)	9	619	(610)	-99%	1 857
Housing		35 790	68 969	92 803	–	2 498	30 934	(28 437)	-92%	92 803
Health		3 322	2 496	2 496	(1 615)	(800)	832	(1 632)	-196%	2 496
Economic and environmental services		**48 168**	**56 136**	**56 186**	**2 729**	**15 148**	**18 728**	(3 580)	-19%	**56 186**
Planning and development		8 375	10 252	10 252	750	2 531	3 417	(887)	-26%	10 252
Road transport		16 518	19 972	19 972	671	2 975	6 657	(3 683)	-55%	19 972
Environmental protection		23 276	25 912	25 962	1 307	9 643	8 654	989	11%	25 962
Trading services		**724 595**	**792 266**	**792 266**	**51 285**	**280 115**	**264 089**	16 027	6%	**792 266**
Energy sources		398 034	409 585	409 585	35 595	155 011	136 528	18 483	14%	409 585
Water management		156 102	177 913	177 913	6 065	62 344	59 304	3 040	5%	177 913
Waste water management		106 410	123 062	123 062	4 753	25 480	41 021	(15 540)	-38%	123 062
Waste management		64 049	81 707	81 707	4 871	37 279	27 236	10 044	37%	81 707
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**1 313 073**	**1 526 437**	**1 550 321**	**82 563**	**495 002**	**516 774**	**(21 771)**	**-4%**	**1 550 321**
Expenditure - Functional										
Governance and administration		**328 779**	**362 481**	**362 821**	**25 418**	**90 849**	**120 750**	(29 902)	-25%	**362 821**
Executive and council		57 143	61 996	61 237	5 162	16 957	20 412	(3 455)	-17%	61 237
Finance and administration		271 580	299 963	301 062	20 255	73 859	100 164	(26 305)	-26%	301 062
Internal audit		57	523	523	–	33	174	(141)	-81%	523
Community and public safety		**104 281**	**140 104**	**140 984**	**8 847**	**31 786**	**46 995**	(15 209)	-32%	**140 984**
Community and social services		9 188	13 952	13 952	724	2 969	4 651	(1 681)	-36%	13 952
Sport and recreation		52 608	75 205	75 205	4 405	15 008	25 069	(10 061)	-40%	75 205
Public safety		28 701	33 254	33 254	2 447	9 438	11 085	(1 647)	-15%	33 254
Housing		5 817	9 703	10 583	669	2 016	3 528	(1 511)	-43%	10 583
Health		7 968	7 991	7 991	602	2 355	2 664	(308)	-12%	7 991
Economic and environmental services		**126 118**	**288 532**	**310 962**	**10 486**	**40 978**	**103 654**	(62 676)	-60%	**310 962**
Planning and development		27 163	32 149	34 424	1 794	7 657	11 474	(3 817)	-33%	34 424
Road transport		86 718	246 274	266 719	8 100	31 832	88 906	(57 074)	-64%	266 719
Environmental protection		12 237	10 109	9 819	592	1 489	3 273	(1 784)	-55%	9 819
Trading services		**743 328**	**714 357**	**720 483**	**59 635**	**256 859**	**240 161**	16 698	7%	**720 483**
Energy sources		426 149	453 172	457 682	33 815	185 275	152 561	32 714	21%	457 682
Water management		161 924	108 542	109 818	12 939	28 585	36 606	(8 021)	-22%	109 818
Waste water management		103 926	88 779	88 779	6 771	24 574	29 593	(5 019)	-17%	88 779
Waste management		51 329	63 864	64 204	6 110	18 426	21 401	(2 976)	-14%	64 204
Other		**6 775**	**–**	**–**	**–**	**3**	**–**	**3**		**–**
Total Expenditure - Functional	3	**1 309 281**	**1 505 474**	**1 535 251**	**104 386**	**420 475**	**511 560**	**(91 085)**	**-18%**	**1 535 251**
Surplus/ (Deficit) for the year		**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**	**69 314**	**1330%**	**15 070**

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M04 October 2024

Vote Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands							%	
Revenue by Vote								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1 115	1 115	271	1 000	372	628	169,1%	1 115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	446 890	446 890	22 227	168 016	148 963	19 052	12,8%	446 890
Vote 4 - COMMUNITY SERVICES	276 782	276 832	7 062	53 977	92 277	(38 300)	-41,5%	276 832
Vote 5 - CIVIL AND WATER SERVICES	314 671	314 671	16 806	112 526	104 890	7 636	7,3%	314 671
Vote 6 - ELECTRO/MECHANICAL SERVICES	409 586	409 586	35 619	155 148	136 529	18 619	13,6%	409 586
Vote 7 - PLANNING AND DEVELOPMENT	77 392	101 227	576	4 335	33 742	(29 407)	-87,2%	101 227
Total Revenue by Vote	**1 526 437**	**1 550 321**	**82 563**	**495 002**	**516 774**	**(21 771)**	**-4,2%**	**1 550 321**
Expenditure by Vote								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	31 456	30 696	2 789	8 833	10 232	(1 399)	-13,7%	30 696
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	128 955	128 955	9 156	31 936	42 795	(10 859)	-25,4%	128 955
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	141 869	142 158	8 059	30 242	47 386	(17 144)	-36,2%	142 158
Vote 4 - COMMUNITY SERVICES	386 594	387 136	19 747	68 022	129 046	(61 023)	-47,3%	387 136
Vote 5 - CIVIL AND WATER SERVICES	316 288	339 329	27 240	83 249	113 109	(29 860)	-26,4%	339 329
Vote 6 - ELECTRO/MECHANICAL SERVICES	466 160	470 989	35 170	190 230	156 996	33 233	21,2%	470 989
Vote 7 - PLANNING AND DEVELOPMENT	34 152	35 989	2 227	7 963	11 996	(4 034)	-33,6%	35 989
Total Expenditure by Vote	**1 505 474**	**1 535 251**	**104 386**	**420 475**	**511 560**	**(91 085)**	**-17,8%**	**1 535 251**
Surplus/ (Deficit) for the year	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**	**69 314**	**1329,5%**	**15 070**

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure are thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M04 October 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
									%	
Revenue										
Exchange Revenue		670 815	667 935	667 935	57 125	244 250	222 645	21 605	10%	667 935
Service charges - Electricity		380 376	381 991	381 991	34 716	144 525	127 330	17 195	14%	381 991
Service charges - Water		109 873	82 323	82 323	6 647	35 637	27 441	8 196	30%	82 323
Service charges - Waste Water Management		59 633	64 086	64 086	5 513	22 297	21 362	935	4%	64 086
Service charges - Waste management		57 488	71 123	71 123	5 171	21 861	23 708	(1 847)	-8%	71 123
Sale of Goods and Rendering of Services		7 442	9 533	9 533	670	1 916	3 178	(1 262)	-40%	9 533
Agency services		3 615	4 554	4 554	–	–	1 518	(1 518)	-100%	4 554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		21 854	32 335	32 335	2 164	9 789	10 778	(990)	-9%	32 335
Interest earned from Current and Non Current Assets		12 962	13 998	13 998	1 535	4 816	4 666	150	3%	13 998
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		3 550	3 187	3 187	274	1 083	1 062	21	2%	3 187
Licence and permits		2 368	2 851	2 851	212	761	950	(190)	-20%	2 851
Operational Revenue		11 654	1 955	1 955	223	1 567	652	916	140%	1 955
Non-Exchange Revenue		539 119	724 686	728 184	24 347	235 354	242 728	(7 374)	-3%	728 184
Property rates		280 203	297 076	297 076	19 841	135 930	99 025	36 905	37%	297 076
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		40 084	143 343	143 343	77	242	47 781	(47 539)	-99%	143 343
Licence and permits		7 421	11 772	11 772	847	4 008	3 924	84	2%	11 772
Transfer and subsidies - Operational		198 630	202 153	205 651	1 729	83 597	68 550	15 047	22%	205 651
Interest		5 519	5 510	5 510	653	2 042	1 837	205	11%	5 510
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	64 831	64 831	1 201	9 535	21 610	(12 075)	-56%	64 831
Gains on disposal of Assets		(56)	–	–	–	–	–	–		–
Other Gains		7 318	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**1 209 934**	**1 392 621**	**1 396 119**	**81 472**	**479 605**	**465 373**	**14 231**	**3%**	**1 396 119**
Expenditure By Type										
Employee related costs		398 878	471 743	481 056	30 601	123 348	160 352	(37 004)	-23%	481 056
Remuneration of councillors		14 976	15 594	15 594	1 217	4 831	5 198	(367)	-7%	15 594
Bulk purchases - electricity		351 702	386 299	386 299	29 643	171 010	128 766	42 244	33%	386 299
Inventory consumed		102 599	109 019	107 862	13 660	25 906	35 954	(10 048)	-28%	107 862
Debt impairment		87 369	158 246	158 246	–	–	52 749	(52 749)	-100%	158 246
Depreciation and amortisation		102 539	117 798	117 798	9 817	39 266	39 268	(2)	0%	117 798
Interest		10 038	17 404	36 254	398	1 620	12 085	(10 465)	-87%	36 254
Contracted services		93 766	125 372	126 799	7 827	25 496	42 266	(16 770)	-40%	126 799
Transfers and subsidies		920	400	400	–	–	133	(133)	-100%	400
Irrecoverable debts written off		62 860	9 359	9 359	–	–	3 120	(3 120)	-100%	9 359
Operational costs		81 923	94 240	95 585	11 224	28 999	31 670	(2 671)	-8%	95 585
Losses on Disposal of Assets		1 713	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 309 281**	**1 505 474**	**1 535 251**	**104 386**	**420 475**	**511 560**	**(91 085)**	**-18%**	**1 535 251**
Surplus/(Deficit)		**(99 347)**	**(112 853)**	**(139 132)**	**(22 914)**	**59 130**	**(46 187)**	**105 317**	**(0)**	**(139 132)**
Transfers and subsidies - capital (monetary allocations)		85 140	133 816	154 202	1 090	15 398	51 401	(36 003)	**(0)**	154 202
Transfers and subsidies - capital (in-kind)		18 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**			**15 070**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**			**15 070**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**			**15 070**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**3 792**	**20 963**	**15 070**	**(21 823)**	**74 527**	**5 214**			**15 070**

Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance.

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M04 October 2024

Vote Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands							%	
Multi-Year expenditure appropriation								
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	–	1 413	–	–	471	(471)	-100%	1 413
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	–	755	19	39	252	(213)	-85%	755
Vote 4 - COMMUNITY SERVICES	1 391	1 634	–	209	545	(336)	-62%	1 634
Vote 5 - CIVIL AND WATER SERVICES	80 868	274 804	5 894	16 178	91 601	(75 423)	-82%	274 804
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 103	598	598	24 368	(23 769)	-98%	73 103
Vote 7 - PLANNING AND DEVELOPMENT	–	20 386	2 547	4 718	6 795	(2 077)	-31%	20 386
Total Capital Multi-year expenditure	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**
Total Capital Expenditure	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**
Capital Expenditure - Functional Classification								
Governance and administration	**34 000**	**36 311**	**19**	**248**	**12 103**	(11 856)	-98%	**36 311**
Executive and council	–	–	–	–	–	–		–
Finance and administration	34 000	36 311	19	248	12 103	(11 856)	-98%	36 311
Internal audit	–	–	–	–	–	–		–
Community and public safety	**1 391**	**21 777**	**2 547**	**4 718**	**7 259**	(2 541)	-35%	**21 777**
Community and social services	–	–	–	–	–	–		–
Sport and recreation	–	–	–	–	–	–		–
Public safety	1 391	1 391	–	–	464	(464)	-100%	1 391
Housing	–	20 386	2 547	4 718	6 795	(2 077)	-31%	20 386
Health	–	–	–	–	–	–		–
Economic and environmental services	**9 670**	**184 618**	**436**	**1 938**	**61 539**	(59 601)	-97%	**184 618**
Planning and development	500	1 535	245	480	512	(32)	-6%	1 535
Road transport	9 170	183 083	192	1 458	61 028	(59 569)	-98%	183 083
Environmental protection	–	–	–	–	–	–		–
Trading services	**105 300**	**129 389**	**6 057**	**14 838**	**43 129**	(28 291)	-66%	**129 389**
Energy sources	34 103	39 103	598	598	13 034	(12 436)	-95%	39 103
Water management	29 008	36 992	2 021	3 951	12 331	(8 380)	-68%	36 992
Waste water management	42 190	53 294	3 437	10 289	17 764	(7 476)	-42%	53 294
Waste management	–	–	–	–	–	–		–
Other	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**
Funded by:								
National Government	54 997	54 997	3 940	11 217	18 332	(7 115)	-39%	54 997
Provincial Government	59 973	80 359	3 875	7 687	26 786	(19 100)	-71%	80 359
District Municipality	1 391	1 391	–	–	464	(464)	-100%	1 391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–		–
Transfers recognised - capital	**116 362**	**136 747**	**7 816**	**18 904**	**45 582**	**(26 678)**	**-59%**	**136 747**
Borrowing	34 000	207 913	–	–	69 304	(69 304)	-100%	207 913
Internally generated funds	–	27 434	1 243	2 839	9 145	(6 306)	-69%	27 434
Total Capital Funding	**150 362**	**372 094**	**9 058**	**21 742**	**124 031**	**(102 289)**	**-82%**	**372 094**

Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table C6 Monthly Budget Statement – Financial Position – M04 October 2024

Description R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		143 659	43 640	64 904	182 203	64 904
Trade and other receivables from exchange transactions		58 750	77 030	77 030	99 375	77 030
Receivables from non-exchange transactions		26 651	29 014	29 014	31 690	29 014
Current portion of non-current receivables		–	–	–		–
Inventory		22 450	18 598	18 755	21 695	18 755
VAT		12 790	45 445	45 445	46 788	45 445
Other current assets		2 149	109	109	2 149	109
Total current assets		**266 448**	**213 837**	**235 258**	**383 901**	**235 258**
Non current assets						
Investments		–	–	–	–	–
Investment property		250 794	262 608	262 608	250 794	262 608
Property, plant and equipment		2 061 616	2 106 737	2 328 469	2 044 288	2 328 469
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		419	603	603	223	603
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2 312 828**	**2 369 948**	**2 591 680**	**2 295 304**	**2 591 680**
TOTAL ASSETS		**2 579 276**	**2 583 785**	**2 826 938**	**2 679 205**	**2 826 938**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11 144	23 564	34 488	6 880	34 488
Consumer deposits		31 660	29 060	29 060	33 018	29 060
Trade and other payables from exchange transactions		143 222	124 413	124 570	110 196	124 570
Trade and other payables from non-exchange transactions		38 791	–	8 744	57 532	8 744
Provision		54 427	48 355	48 355	54 427	48 355
VAT		14 707	(0)	(0)	56 323	(0)
Other current liabilities		–	–	–		–
Total current liabilities		**293 952**	**225 392**	**245 217**	**318 376**	**245 217**
Non current liabilities						
Financial liabilities		12 231	11 333	164 604	7 337	164 604
Provision		133 995	140 468	140 468	133 995	140 468
Long term portion of trade payables		–	–	–		–
Other non-current liabilities		97 065	119 151	119 151	97 065	119 151
Total non current liabilities		**243 291**	**270 953**	**424 224**	**238 397**	**424 224**
TOTAL LIABILITIES		**537 243**	**496 345**	**669 440**	**556 774**	**669 440**
NET ASSETS	2	**2 042 032**	**2 087 440**	**2 157 498**	**2 122 432**	**2 157 498**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 036 273	2 087 440	2 157 498	2 116 672	2 157 498
Reserves and funds		5 759	–	–	5 759	–
Other		–	–	–		–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 042 032**	**2 087 440**	**2 157 498**	**2 122 432**	**2 157 498**

Explanatory notes to Table C6 – Budgeted Financial Position

i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.
For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.
Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M04 October 2024

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		362 726	287 458	287 458	23 286	121 735	95 819	25 916	27%	287 458
Service charges		255 325	761 922	761 922	51 494	203 666	253 974	(50 308)	-20%	761 922
Other revenue		16 788	93 666	100 764	17 046	76 103	33 588	42 515	127%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	1 341	87 215	68 550	18 665	27%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 443	13 502	31 704	41 148	(9 443)	-23%	123 443
Interest		914 663	13 998	13 998	3 452	5 385	4 666	719	15%	13 998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771 377	(1 327 265)	(1 339 133)	(113 151)	(456 376)	(446 378)	9 999	-2%	(1 339 133)
Interest		–	(16 159)	(36 082)	(398)	(1 620)	(12 027)	(10 408)	87%	(36 082)
Transfers and Subsidies		–	(400)	(400)	–	–	(133)	(133)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 506 902**	**138 815**	**117 621**	**(3 427)**	**67 813**	**39 207**	**(28 606)**	**-73%**	**117 621**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(83 038)	(116 362)	(164 181)	(10 417)	(25 004)	(54 727)	(29 723)	54%	(164 181)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83 038)**	**(116 362)**	**(164 181)**	**(10 417)**	**(25 004)**	**(54 727)**	**(29 723)**	**54%**	**(164 181)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(22 478)	(32 196)	(1 090)	(4 265)	(10 732)	(6 467)	60%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(22 478)**	**(32 196)**	**(1 090)**	**(4 265)**	**(10 732)**	**(6 467)**	**60%**	**(32 196)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 423 864**	**(25)**	**(78 756)**	**(14 934)**	**38 544**	**(26 252)**			**(78 756)**
Cash/cash equivalents at beginning:		27 851	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 451 714	43 640	64 903		182 203	117 407			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 31 October 2024, compared to the position as at 30 June 2024.

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

Description	Budget Year 2024/25								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	19 578	6 174	5 864	3 851	3 018	3 640	21 379	90 100	153 603
Trade and Other Receivables from Exchange Transactions - Electricity	32 992	4 115	2 216	1 572	1 447	1 244	4 877	13 209	61 673
Receivables from Non-exchange Transactions - Property Rates	20 488	15 371	2 289	1 842	1 647	1 613	8 198	30 099	81 547
Receivables from Exchange Transactions - Waste Water Management	9 215	2 401	1 890	1 296	1 181	1 141	6 011	34 624	57 759
Receivables from Exchange Transactions - Waste Management	6 583	1 532	1 438	1 481	1 183	1 132	6 528	48 320	68 198
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	806	426	424	592	462	524	4 331	75 374	82 940
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(28 158)	477	1 304	588	350	321	1 842	18 506	(4 769)
Total By Income Source	**61 504**	**30 497**	**15 426**	**11 223**	**9 287**	**9 616**	**53 167**	**310 233**	**500 951**
Debtors Age Analysis By Customer Group									
Organs of State	1 726	3 614	606	432	453	382	3 307	5 357	15 878
Commercial	9 543	990	508	354	314	371	1 266	7 399	20 745
Households	50 231	25 892	14 310	10 436	8 519	8 861	48 588	297 470	464 309
Other	3	1	1	1	1	1	5	7	20
Total By Customer Group	**61 504**	**30 497**	**15 426**	**11 223**	**9 287**	**9 616**	**53 167**	**310 233**	**500 951**

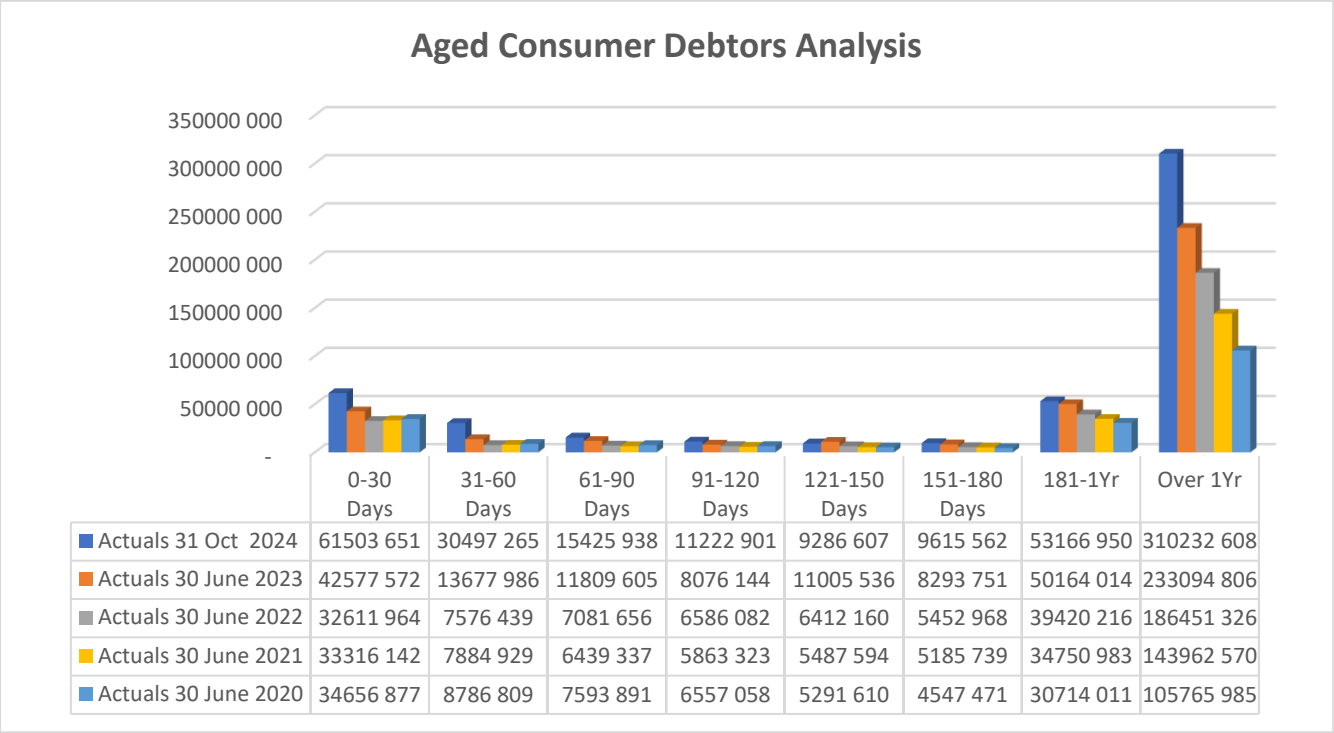
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2024

Description	Budget Year 2023/24								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	16,926	4,991	3,560	2,947	2,757	3,342	23,674	81,485	139,681
Trade and Other Receivables from Exchange Transactions - Electricity	30,100	2,656	1,822	1,523	1,227	1,205	3,967	12,087	54,588
Receivables from Non-exchange Transactions - Property Rates	20,688	2,926	2,041	1,917	1,656	1,607	12,274	25,329	68,439
Receivables from Exchange Transactions - Waste Water Management	8,472	1,630	1,289	1,139	1,069	1,426	5,337	31,828	52,190
Receivables from Exchange Transactions - Waste Management	6,656	1,404	1,250	1,181	1,129	1,384	5,914	45,009	63,925
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1,047	293	312	353	395	688	4,539	65,856	73,483
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(30,180)	448	401	356	365	371	2,128	17,423	(8,688)
Total By Income Source	**53,707**	**14,348**	**10,675**	**9,416**	**8,597**	**10,023**	**57,833**	**279,018**	**443,618**
Debtors Age Analysis By Customer Group									
Organs of State	1,405	559	416	572	440	360	2,688	4,873	11,312
Commercial	7,621	589	366	362	305	260	1,475	6,618	17,596
Households	44,677	13,199	9,892	8,482	7,852	9,403	53,664	267,524	414,692
Other	4	1	1	1	1	1	6	4	18
Total By Customer Group	**53,707**	**14,348**	**10,675**	**9,416**	**8,597**	**10,023**	**57,833**	**279,018**	**443,618**

The analysis indicates that from 30 June 2024 to 31 October 2024, the overdue debts have increased by R 49,537million from R 389,910 million to R 439,448million, as follows:

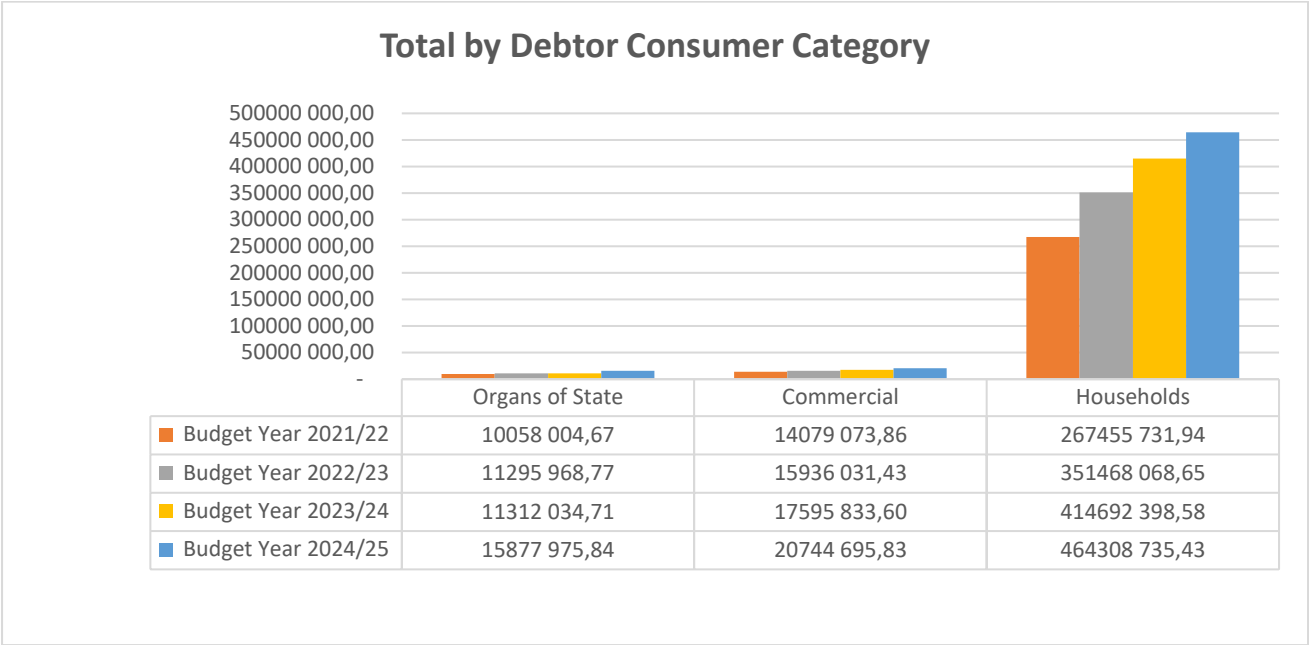
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-24**	**31-Oct-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	122 756	134 025	11 269
Trade and Other Receivables from Exchange Transactions - Electricity	24 488	28 681	4 193
Receivables from Non-exchange Transactions - Property Rates	47 751	61 059	13 308
Receivables from Exchange Transactions - Waste Water Management	43 719	48 544	4 826
Receivables from Exchange Transactions - Waste Management	57 269	61 615	4 346
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	72 437	82 134	9 698
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	21 492	23 389	1 897
Total By Income Source	**389 910**	**439 448**	**49 537**
Debtors Age Analysis By Customer Group			
Organs of State	9 907	14 152	4 245
Commercial	9 975	11 202	1 227
Households	370 015	414 077	44 062
Other	14	17	3
Total By Customer Group	**389 910**	**439 448**	**49 537**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 Oct 2024	61503 651	30497 265	15425 938	11222 901	9286 607	9615 562	53166 950	310232 608
Actuals 30 June 2023	42577 572	13677 986	11809 605	8076 144	11005 536	8293 751	50164 014	233094 806
Actuals 30 June 2022	32611 964	7576 439	7081 656	6586 082	6412 160	5452 968	39420 216	186451 326
Actuals 30 June 2021	33316 142	7884 929	6439 337	5863 323	5487 594	5185 739	34750 983	143962 570
Actuals 30 June 2020	34656 877	8786 809	7593 891	6557 058	5291 610	4547 471	30714 011	105765 985

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



	Organs of State	Commercial	Households
Budget Year 2021/22	10058 004,67	14079 073,86	267455 731,94
Budget Year 2022/23	11295 968,77	15936 031,43	351468 068,65
Budget Year 2023/24	11312 034,71	17595 833,60	414692 398,58
Budget Year 2024/25	15877 975,84	20744 695,83	464308 735,43

1.2 Overview of Creditors position

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

Description R thousands	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
Creditors Age Analysis by Customer Type									
Bulk Electricity	34 066	–	7	6	7	6	37	(192)	**33 936**
Bulk Water	3 101	(43)	22	17	14	14	76	(1 079)	**2 122**
PAYE deductions	5 290								**5 290**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	3 931	48	68	–	0	358	–	96	**4 501**
Auditor General									**–**
Other									**–**
Total By Customer Type	**46 388**	**5**	**97**	**23**	**20**	**378**	**112**	**(1 175)**	**45 848**

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

Eskom	R 33,936 million
NMBM	R 2,122 million
PAYE	R 5,290 million
Other Creditors	R 4,501 million
Total	**R 45,848 million**

It is to be noted that the SARS amount of R 5,290 million, represents the current account for October 2024, which is due on 4 November 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 – M04 October 2024.

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	197 710	197 760	509	83 428	197 710	114 282	197 710
Operational Revenue:General Revenue:Equitable Share	192 664	192 664	-	80 277	192 664	112 387 000,00	192 664
South Africa National Biodiversity Institute(SANBI)–	-	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	509	1 054	1 828	774 250,00	1 828
Provincial Government:	2 050	5 498	-	2 955	2 050	(905)	2 050
Housing Grant	-	3 448	-	-	-	-	
Library grant	2 050	2 050	-	2 955	2 050	(905)	2 050
District Municipality:	2 893	2 893	1 015	1 422	2 893	1 471	2 893
Environmental health subsidy	2 393	2 393	833	833	2 393	1 560	2 393
Skills Development subsidy	500	500	183	590	500	- 89 834,79	500
Total Operating Transfers and Grants	202 653	206 151	1 524	87 805 009	202 652 812	114 848	202 653
Capital Transfers and Grants							
National Government:	52 874	73 260	13 502	34 202	52 874	18 672	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	9 667	20 019	34 730	14 710 750,00	34 730
Water Services Infrastructure Grant	13 941	13 941	3 835	11 685	13 941	2 256 000,00	13 941
Municipal Human Settlement	-	20 386	-	2 498	-	- 2 497 669,37	20 386
District Municipality:	1 391	1 391	-	-	1 391	-	1 391
Fire Services Subsidy	1 391	1 391		-	1 391	-	1 391
Total Capital Transfers and Grants	54 265	74 651	13 502	34 202	54 265	18 672	74 651
TOTAL RECEIPTS OF TRANSFERS & GRANTS	256 918	280 802	15 026	122 007	256 918	133 520	277 304

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M04 October 2024.

Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**197 710**	**197 760**	**399**	**81 475**	**194 363**	**112 888**	**0**	**190 140**
Operational Revenue:General Revenue:Equitable Share	192 664	192 664	-	80 277	192 664	112 387	58%	180 506
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 495	1 495	203	387	498	111	22%	2 321
Local Government Financial Management Grant [Schedule 5B]	1 723	1 723	55	243	574	331	58%	1 570
South Africa National Biodiversity Institute(SANBI)	-	50	-	-	17			
Municipal Infrastructure Grant [Schedule 5B]	1 828	1 828	142	568	609	42	7%	1 743
Energy Efficiency and Demand-side [Schedule 5B]	-	-	-	-	-	-	#DIV/0!	4 000
Provincial Government:	**2 050**	**5 498**	**-**	**-**	**3 199**	**3 199**	**0**	**2 050**
Housing Grant	-	3 448	-	-	1 149			
Library grant	2 050	2 050	-	-	2 050	2 050	100%	2 050
District Municipality:	**2 893**	**2 893**	**183**	**(243)**	**2 893**	**3 136**	**0**	**3 542**
Environmental health subsidy	2 393	2 393	-	(833)	2 393	3 225	135%	2 888
Skills Development subsidy	500	500	183	590	500	(90)		654
Total operating expenditure of Transfers and Grants:	**202 653**	**206 151**	**582**	**81 232**	**200 455**	**119 223**	**380%**	**195 732**
Capital expenditure of Transfers and Grants								
National Government:	**52 874**	**73 260**	**4 233**	**15 398**	**24 420**	**9 022**	**0**	**52 874**
Municipal Disaster Relief Grant	-	-	220	1 677	-	(1 677)		
Local Government Financial Management Grant [Schedule 5B]	-	-	-	-	-			-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 203	4 203	-	-	1 401	1 401	100%	4 203
Municipal Infrastructure Grant [Schedule 5B]	34 730	34 730	4 013	10 249	11 577	1 328	11%	34 730
Water Services Infrastructure Grant	13 941	13 941	-	974	4 647	3 673	79%	13 941
Municipal Human Settlement	-	20 386	-	2 498	6 795			20 386
District Municipality:	**1 391**	**1 391**	**-**	**-**	**-**	**-**	**#DIV/0!**	**1 391**
Fire Services Subsidy	1 391	1 391	-	-	-	-	#DIV/0!	1 391
Total capital expenditure of Transfers and Grants	**54 265**	**74 651**	**4 233**	**15 398**	**24 420**	**9 022**	**37%**	**54 265**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**256 918**	**280 802**	**4 815**	**96 630**	**224 875**	**128 245**	**57%**	**249 997**

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 242,927
Unspent as at 31 October 2024:	R 1,480,073

The spending of the grant amounted to 14.10% as at 31 October 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 387,489
Overspent as at 31 October 2024:	R (13,986)

The spending of the grant amounted to 109,09% as at 31 October 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 21,073,000
Expenditure to date:	R 10,816,225
Unspent as at 31 October 2024:	R 10,256,775

The spending of the grant amounted to 51.33% as at 31 October 2024, compared to the amount of the grant received.

Integrated National Electrification Programme (INEP)
The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

DORA Allocation:	R 4,203,000
Current Year Receipts:	R 0,00
Prior Year Unspent:	R 686,303
Expenditure to date:	R 0,00
Unspent as at 31 October 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 11,685,000
Prior Year Unspent:	R 7,167,886
Amount of Grant Received:	**R 18,852,886**
Expenditure to date:	R 974,016
Unspent as at 31 October 2024:	R 17,878,870

The spending of the grant amounted to 5.17% as at 31 October 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 1,677,265
Unspent as at 31 October 2024:	R 8,703,477

The spending of the grant amounted to 16.16% as at 31 October 2024, compared to the amount of the grant received.

Other Conditional Grants

Conditional Grant	Prior Year Unspent	Interest	Expenditure	%	Unspent as at 31 October 2024
Human Settlement Grant	20,555,956	502,661	2,497,669	12.15%	18,560,947
Total	**20,555,956**	**502,661**	**2,497,669**	**11.86%**	**18,560,947**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M04 October 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
R thousands								
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	10 414	10 414	817	3 228	3 471	(243)	-7%	10 414
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	11	44	–	44		–
Motor Vehicle Allowance	3 503	3 503	272	1 089	1 168	(79)	-7%	3 503
Cellphone Allowance	1 678	1 678	118	470	559	(89)	-16%	1 678
Housing Allowances	–	–	–	–	–	–		–
Sub Total - Councillors	**15 594**	**15 594**	**1 217**	**4 831**	**5 198**	**(367)**	**-7%**	**15 594**
Senior Managers of the Municipality	9 681	9 681	590	2 410	3 227	(817)	-25%	9 681
Basic Salaries and Wages	123	123	1	9	41	(32)	-79%	123
Pension and UIF Contributions	56	56	–	3	19	(16)	-85%	56
Medical Aid Contributions	–	–	–	–	–	–		–
Performance Bonus	1 798	1 798	–	–	599	(599)	-100%	1 798
Motor Vehicle Allowance	2 196	2 196	205	673	732	(59)	-8%	2 196
Cellphone Allowance	11	11	1	4	4	0	12%	11
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	5	5	0	0	2	(1)	-86%	5
	13 870	**13 870**	**798**	**3 099**	**4 623**	**(1 524)**	**-33%**	**13 870**
Other Municipal Staff								
Basic Salaries and Wages								
Pension and UIF Contributions	295 150	302 701	19 981	79 505	100 900	(21 395)	-21%	302 701
Medical Aid Contributions	38 991	39 834	3 055	12 168	13 278	(1 110)	-8%	39 834
Overtime	19 915	20 145	1 699	6 721	6 715	5	0%	20 145
Performance Bonus	29 255	29 335	2 376	10 172	9 778	393	4%	29 335
Motor Vehicle Allowance	26	26	–	–	9	(9)	-100%	26
Cellphone Allowance	12 091	12 162	840	3 430	4 054	(624)	-15%	12 162
Housing Allowances	59	59	–	2	20	(18)	-90%	59
Other benefits and allowances	1 308	1 336	59	228	445	(217)	-49%	1 336
Long service awards	37 715	38 227	1 588	6 303	12 743	(6 440)	-51%	38 227
Sub Total - Other Municipal Staff	–	–	–	230	–	230		–
Total Parent Municipality	23 361	23 361	206	1 490	7 787	(6 296)	-81%	23 361
TOTAL SALARY, ALLOWANCES & BENEFITS	**457 873**	**467 186**	**29 804**	**120 249**	**155 729**	**(35 480)**	**-23%**	**467 186**
TOTAL MANAGERS AND STAFF	**487 337**	**496 650**	**31 819**	**128 178**	**165 550**	**(37 372)**	**-23%**	**496 650**
	487 337	**496 650**	**31 819**	**128 178**	**165 550**	**(37 372)**	**-23%**	**496 650**
	471 743	**481 056**	**30 601**	**123 348**	**160 352**	**(37 004)**	**-23%**	**481 056**

1.5. Key performance indicators

The table below reflects the key performance indicators as per the 2024/25 Budget and the associated performance to date.

Borrowing Management		**Actuals as at 30 June 2021**	**Actuals as at 30 June 2022**	**Actuals as at 30 June 2023**	**Actuals as at 30 June 2024**	**Approved Adjusted Budget 2024/25**	**Actuals as at 31 October 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	1.04%	1.21%	0.72%	4.45%	1.40%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.01	0.01	0.01	0.05	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.07	0,51	0.78	1.24:1	0.96:1	1.21:1
Liquidity Ratio	Monetary assets / current liabilities	0.34	0,15	0.42	0.71:1	0.26:1	0.57:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	91.01%	95%	85,0%

Other indicators		Actuals as at 30 June 2021	Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 June 2024	Approved Adjusted Budget 2024/25	Actuals as at 31 October 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	1.17 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%	5.84%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.99%	4,32%	3.79%	4.24%	15.27%	8.47%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2,26%	2.32%	2.39%	10.07%	1.74%
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%	82.57%

The above table is discussed in detail below.

1.1. Borrowing Management

1.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date.

The ratio is 1.40% as at 31 October 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 31 October 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:

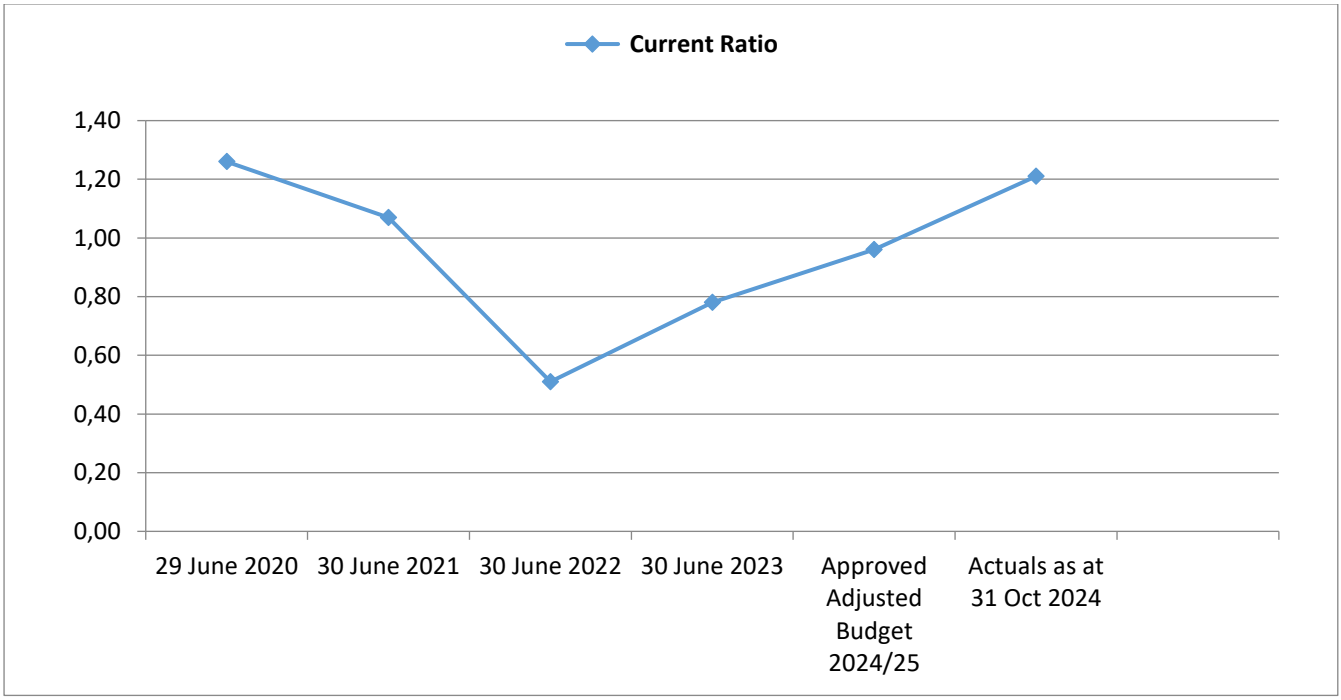
Current assets/Current liabilities

The ratio as at 31 October 2024 was 1.21:1, compared to the approved adjusted budget ratio of 0.96:1

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



1.1.4. Liquidity Ratio

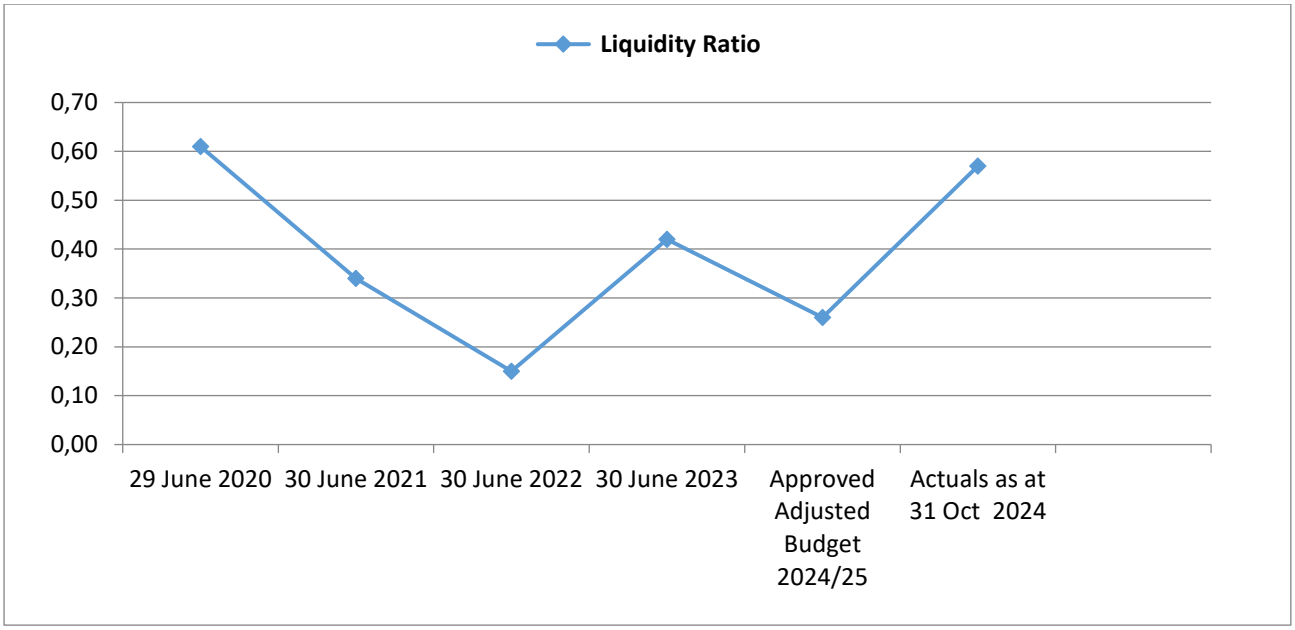
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 October 2024 was 0.57:1 compared to the approved budget ratio of 0.26:1.

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



1.2. Revenue Management

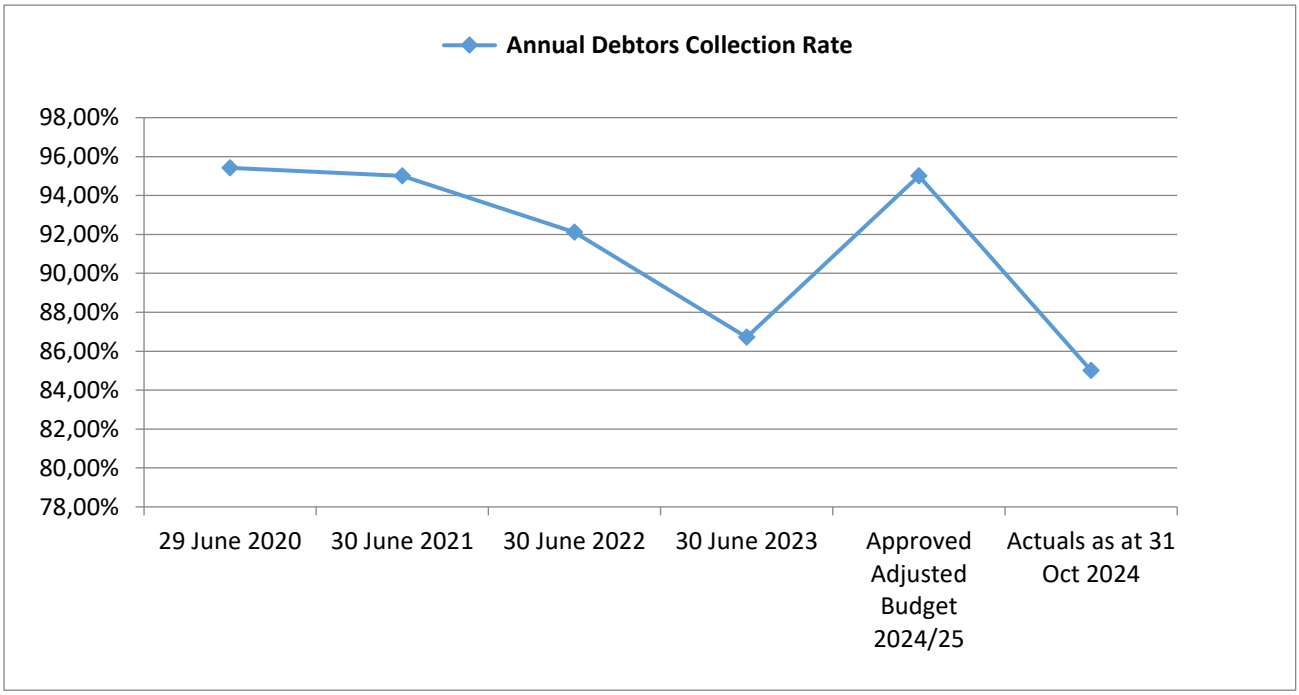
1.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 31 October 2024 was 85.0%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for October is 101,71%.



1.3. Other indicators

1.3.1. Cost coverage

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

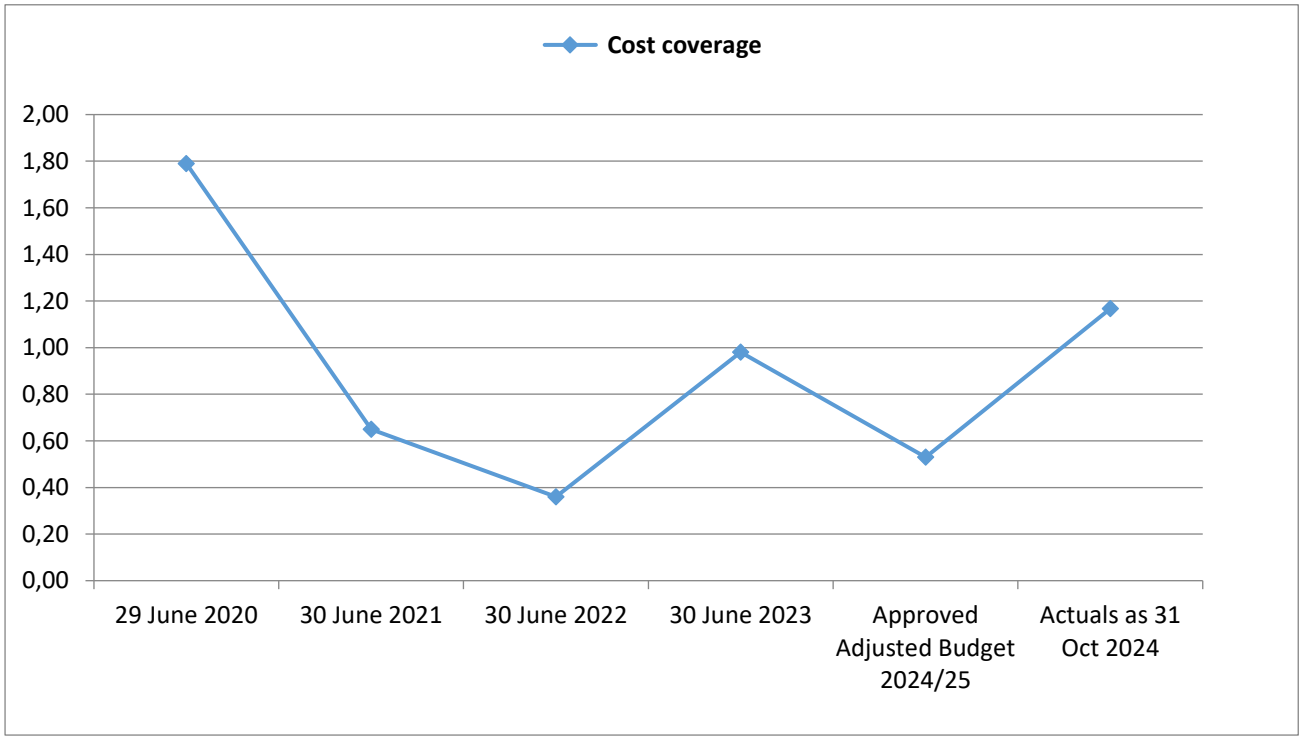
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 October 2024, the Ratio was 1.17 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.



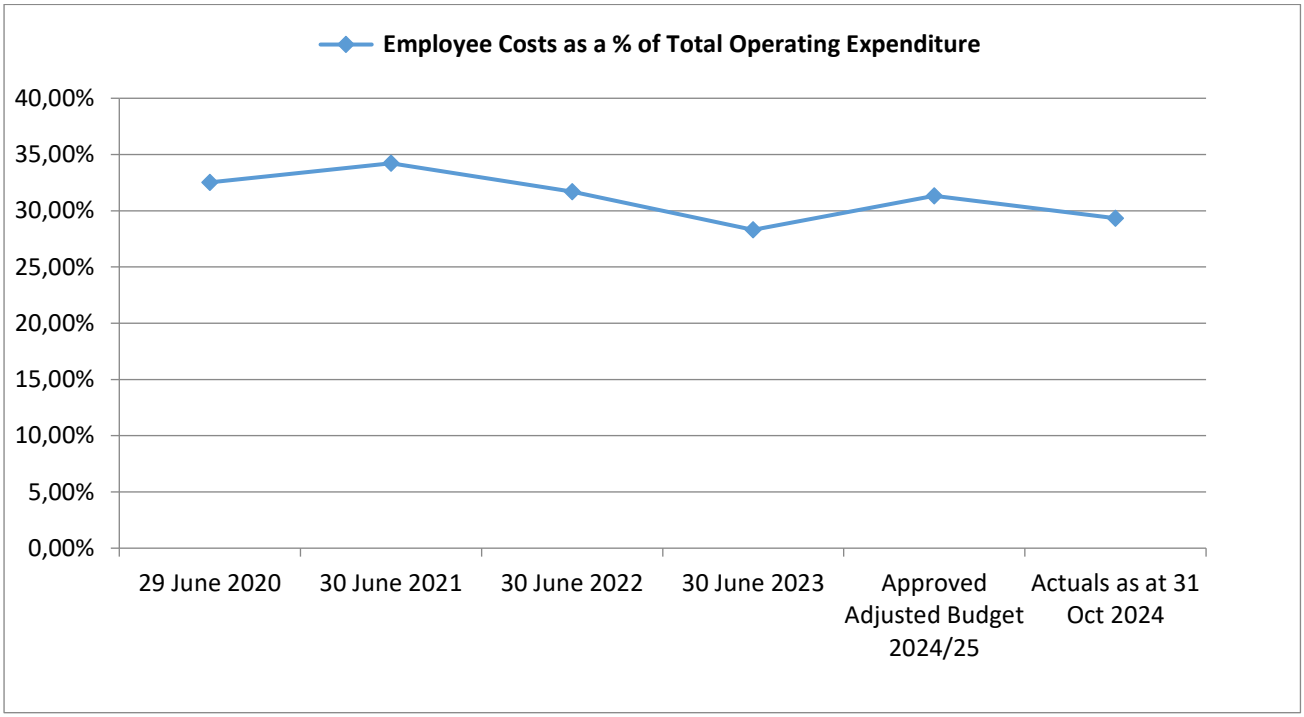
1.3.2. Employee costs as a % of Total Operating Expenditure

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



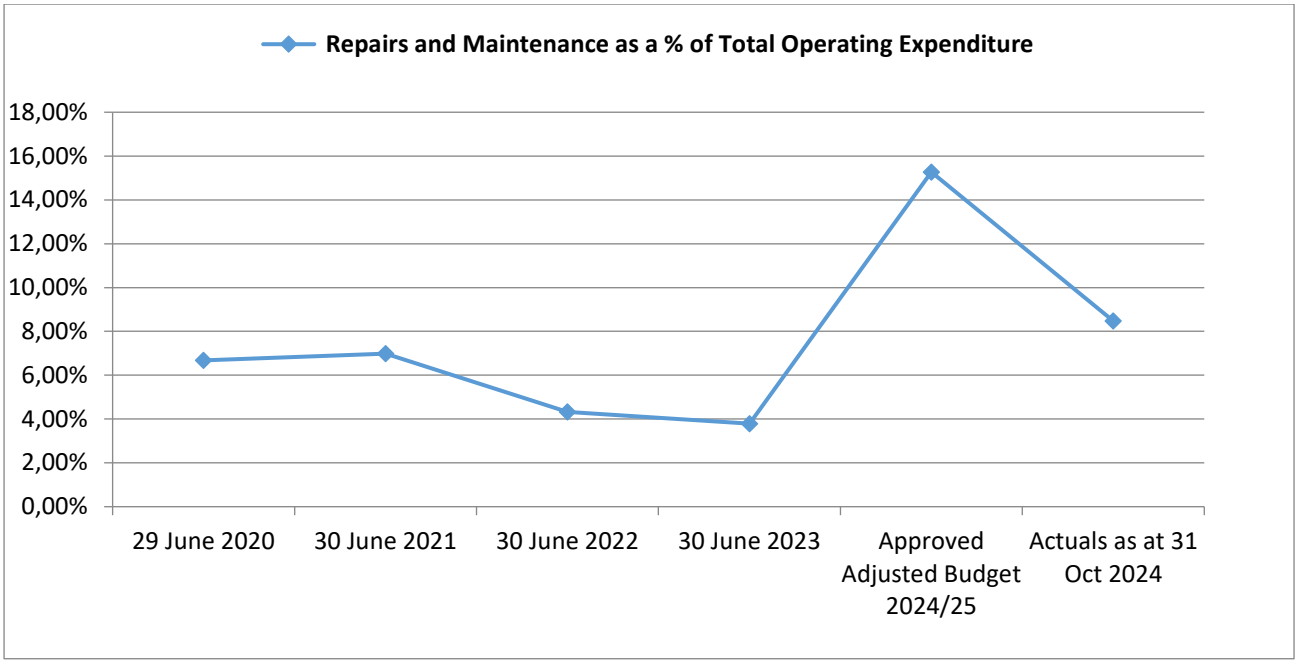
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 31 October 2024, the ratio was 8.47%, compared to the approved adjusted budget ratio of 15.27%.



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

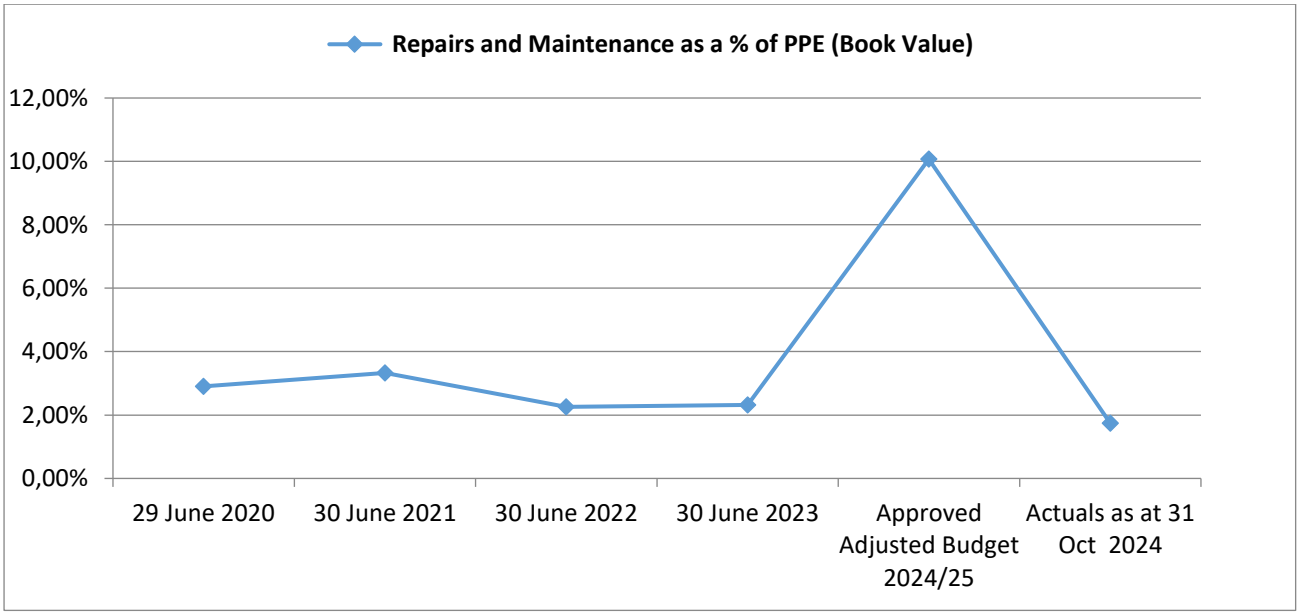
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 October 2024, repairs and maintenance expenditure constituted 1.74% of the book value of PPE, compared to the approved adjusted budget ratio of 10.07%.

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



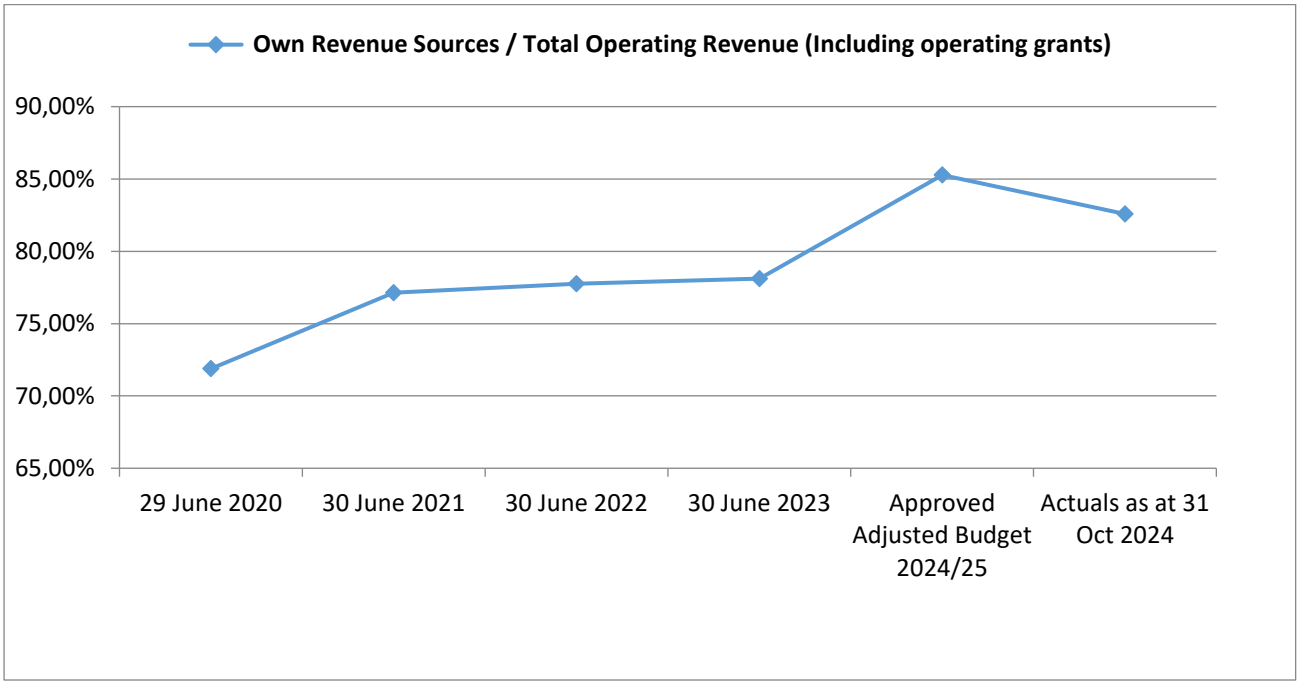
Own Revenue Generation

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

The ratio is determined as follows:

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

As at 31 October 2024, the Municipality's own revenue sources constituted 82.57% of its total Operating Income, compared to the approved adjusted budget ratio of 85.27%.



1.3.5. Capital Budget Spending

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

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at 31 October 2024 amounted to 5.84%, compared to the approved adjusted budget ratio of 95%.

