KOUGA local municipality
Good Governance through Service Excellence

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 DECEMBER 2024 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 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 December 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. <u>**Comments by Directorates:**</u>

8.1 **Chief Financial Officer:**

[insert comment]

8.2 **Director: Planning & Development**

[insert comment]

8.3 **Director: Civil & Water Services**

[insert comment]

8.4 **Director: Electro and Mechanical Services**

[insert comment]

8.5 **Director: Community Services**

[insert comment]

8.6 **Deputy Municipal Manager**

[insert comment]

8.7 **Municipal Manager**

[insert comment]

9. **Delegated Authority**

To be noted by Council.

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

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

Signature………………… du Plessis ………

Date………… 14 January 2025……………………

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

Item approved by the: Chief Financial Officer

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

<u>"ANNEXURE A"</u>

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 December 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 706,618 million, whilst operating expenditure amounted to R 641,692 million, resulting in an operating surplus of R 64,925 million.
- Capital expenditure constituted 25.06% of the 2024/25 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 46,839 million (12.01%) since June 2024.
- An amount of R 45,051 million is owing to creditors, 96.52% 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 60,659,618 (42.22%) since June 2024, from R 143,659,131 to R 204,318,749.

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

	OPENING BANK BALANCE AS AT 01 JULY 2024	INVESTED	INTEREST	WITHDRAWN	CHARGES	CLOSING BANK BALANCE AS AT 31 DECEMBER 2024
Standard Bank	26 516 585	-	1 006 626	3 378 539		24 144 672
ABSA	22 795 366	18 966 265	1 361 174	11 438 447	590	31 683 768
Nedbank	22 593 059	20 509 206	1 032 820	20 000 000		24 135 085
RMB	22 735 812	32 194 174	786 159	31 589 488		24 126 657
INVESTEC	22 771 482	20 336 093	1 026 694	20 000 000		24 134 269
Total	**117 412 304**	**92 005 739**	**5 213 473**	**86 406 475**	**- 590**	**128 224 451**

PURPOSE OF INVESTMENT	OPENING BANK BALANCE AS AT 01 JULY 2024	INVESTED	INTEREST	WITHDRAWN	CHARGES	CLOSING BANK BALANCE AS AT 31 DECEMBER 2024
General Account	78 621 419	47 058 739	4 404 567	52 503 816	590	77 580 318
Conditional Grants	18 234 929	44 947 000	-	26 889 241	-	36 292 688
Housing Funds	20 555 956		808 906	7 013 417	-	14 351 445
Total	**117 412 304**	**92 005 739**	**5 213 473**	**86 406 475**	**- 590**	**128 224 451**
		-				

	OPENING BANK BALANCE AS AT 01 JULY 2024	INVESTED	INTEREST	WITHDRAWN	CHARGES	CLOSING BANK BALANCE AS AT 31 DECEMBER 2024
Cheque Accounts FNB 52540020791	10 314 768			- 7 712 200		2 602 568
Cheque Accounts FNB 52540033304	8 553 427	5 539 530				14 092 956
Cheque Accounts FNB 62682103591	3 833			- 3 833		-
Cheque Accounts FNB 63022194441	7 374 799	2 373 300				9 748 099
Cheque Accounts ABSA 4114176482	-	41 132 756				41 132 756
Cheque Accounts ABSA 4114114771	-	8 429 003				8 429 003
Cheque Accounts ABSA 4114176474	-	26 867				26 867
Cheque Accounts ABSA 4114176490		62 049				62 049
Total	**26 246 827**	**57 563 504**	**-**	**- 7 716 033**	**-**	**76 094 298**
TOTAL	**143 659 131**	**149 569 243**	**5 213 473**	**78 690 442**	**- 590**	**204 318 749**

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

Cash backed Reserves.

Bank Balances and Cash	R 76,094,298
Short-term Investment Deposits	R 128,224,451
	R 204,318,749

Application of Cash

Unspent Conditional Grants	R 42,413,797
Operational commitments	R 14,880,265
Outstanding Creditors Liability	R 45,050,632
	R 102,344,694
Cash Reserves exceed commitments:	**R 101,974,055**

The cash backed reserves exceed commitments at this stage by an amount of R 101,974,055.

It should be noted that the excess of reserves over commitments as at 31 December 2024, is mainly due to an amount of R 64,213 million in respect of the Equitable Share allocation received on 4 December 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 December 2023	Approved Adjusted Budget 2024/25	Actuals as at 31 December 2024
Current Ratio	0.91:1	91:1	1.5:1 to 2:1	0.97:1	0.96:1	1.32:1
Liquidity Ratio	0.40:1	0.49:1		0.69:1	0.26:1	0.64:1
Cost Coverage (Excluding unspent conditional grants)	0.98 Months	1.19 Months	1 Month to 3 Months	1.21 Months	0.53 Months	1.69 Months
Debtors Collection Rate	86.71%	91.01%	95%	80.32%	95%	87.81%
Capital Expenditure	94.66%	71.38%	95%	31.41%	95%	25.06%

“ANNEXURE A1”

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2024/25					
R thousands	Original Budget	Adjusted Budget	Monthly Actual	Year TD Actual	Year TD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1 392 621	1 396 119	146 606	706 618	698 060	8 558
Total Expenditure	1 505 474	1 535 251	108 155	641 692	767 408	(125 715)
Surplus/(Deficit)	(112 853)	(139 132)	38 451	64 925	(69 348)	134 274

The statement of financial performance reflects an operating surplus of R 64,925 million at this stage. It must be noted that the surplus is largely influenced by the debt impairment, not yet recognized.

1.2. Revenue

Main revenue sources for 2024/25

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	Year TD Actual	%
Revenue			
Exchange Revenue			
Service charges - Electricity	381 991	210 296	55,05%
Service charges - Water	82 323	54 054	65,66%
Service charges - Waste Water Management	64 086	33 448	52,19%
Service charges - Waste management	71 123	32 200	45,27%
Sale of Goods and Rendering of Services	9 533	3 025	31,73%
Agency services	4 554	–	0,00%
Interest earned from Receivables	32 335	15 108	46,72%
Interest earned from Current and Non-Current Assets	13 998	7 000	50,01%
Rental from Fixed Assets	3 187	2 413	75,72%
Licence and permits	2 851	1 135	39,80%
Operational Revenue	1 955	1 778	90,95%
Non-Exchange Revenue			
Property rates	297 076	176 230	59,32%
Fines, penalties and forfeits	143 343	340	0,24%
Licence and permits	11 772	6 072	51,58%
Transfer and subsidies - Operational	205 651	148 326	72,12%
Interest	5 510	3 214	58,33%
Operational Revenue	64 831	11 979	18,48%
Total Revenue (excluding capital transfers and contributions)	**1 396 119**	**706 618**	**50,61%**

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

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

- **Service charges – Water**
  As at 31 December 2024, the municipality has recognized 65.66% of water revenue, compared to the budget. This is higher than anticipated and is mainly influenced by higher water consumption levels. The water revenue budget has been increased by R 17,207 million during the mid-year adjustments budget process. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.

- **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.

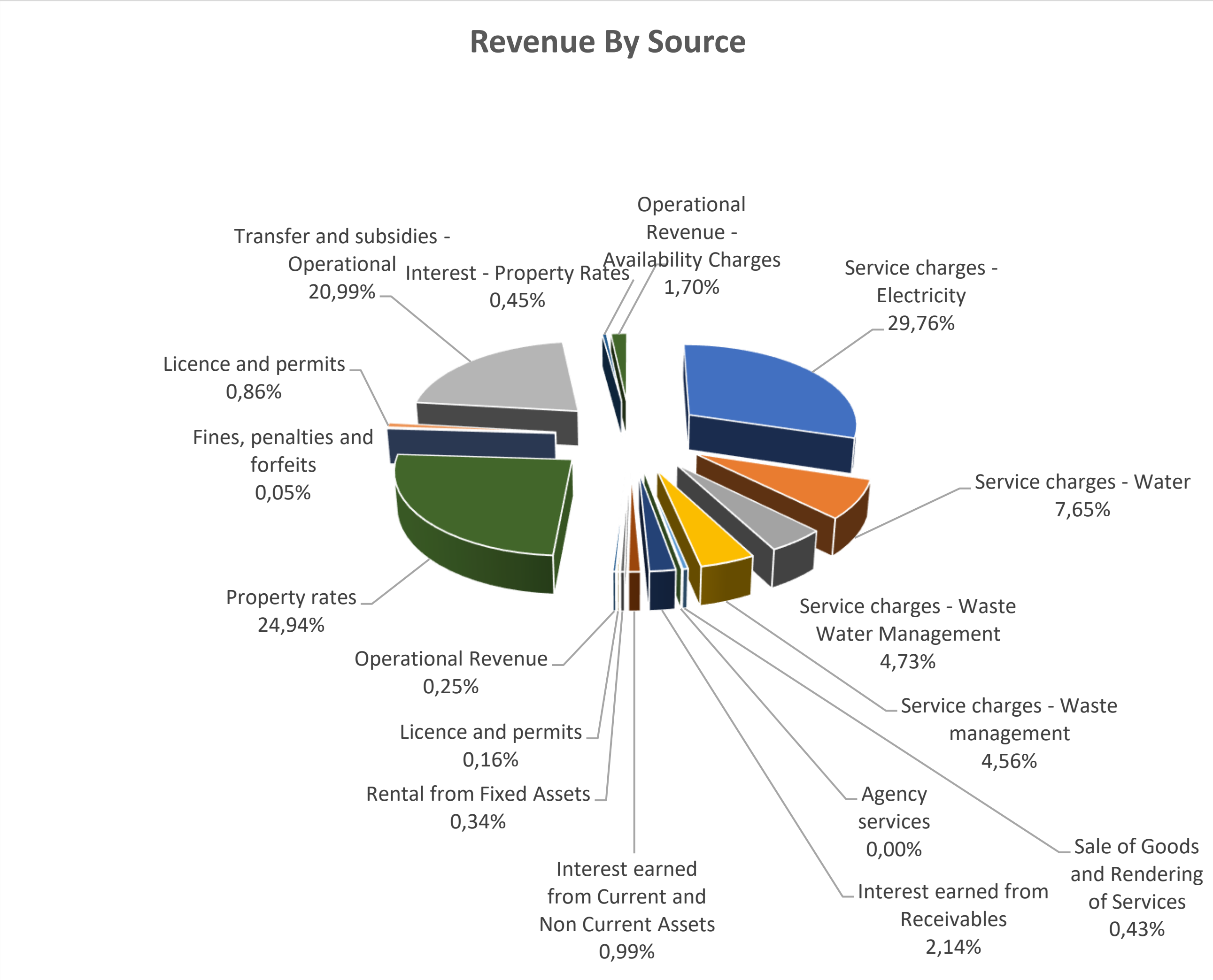
- **Rental from Fixed Assets**
  This relates to the rental of municipal buildings, community halls, caravan parks and camping sites, and other municipal facilities. The revenue is influenced by the extent of rental agreements and seasonal demands.

- **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 0,884 million, recognized during this reporting period, against no budget provision.

- **Fines, Penalties and Forfeits**
  The fines, penalties and forfeits budget mostly relate to speeding camera fines and the high budget is mainly due to the accounting for traffic fines issued in line with the Generally Recognised Accounting Practice (GRAP) requirements. The actual traffic fines issued revenue recognition is done on yearly basis at this stage.
  It must be noted that the traffic fines have been decreased by R 99,484 million during the mid-year adjustments budget process, in line with the 2023/24 audited annual financial statements. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.

- **Transfer and subsidies - Operational**
  As at 31 December 2024, the municipality has recognized 72.12% of operational transfer and subsidies revenue, compared to the budget. This is due to the second instalment of Equitable Share allocation amounting to R 64,213 million received on 4 December 2024.

- **Operational revenue (Non-Exchange Revenue)**
  Operational revenue: non-exchange revenue relates to the availability charges for electricity, water and wastewater management. The operational revenue budget has been increased by R 45,173 million during the mid-year adjustments budget process. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.



1.3. Expenditure

Main expenditure types for 2024/25

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	Year TD Actual	%
Expenditure By Type			
Employee related costs	481 056	202 714	42,14%
Remuneration of councillors	15 594	8 021	51,43%
Bulk purchases - electricity	386 299	231 276	59,87%
Inventory consumed	107 712	43 410	40,30%
Debt impairment	158 246	–	0,00%
Depreciation and amortisation	117 798	58 899	50,00%
Interest	36 254	2 824	7,79%
Contracted services	127 188	42 080	33,08%
Transfers and subsidies	400	–	0,00%
Irrecoverable debts written off	9 359	6 746	72,08%
Operational costs	95 346	45 722	47,95%
Total Expenditure	**1 535 251**	**641 692**	**41,80%**

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 59.87% expenditure, compared to the approved budget. This is slightly higher than anticipated and compared to the previous year, which was 51.98% for the same reporting period.

  It must be noted that the bulk electricity budget has been increased by R 27,050 million during the mid-year adjustments budget process, in line with the current Eskom accounts. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.

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

Item Description	Adjusted Budget 2024/25	Actuals as at 31 December 2024	%
Inventory Consumed: Consumables	4 403 160	1 198 291	27,21%
Inventory Consumed: Materials and Supplies	35 106 876	15 351 906	43,73%
Inventory Consumed: Fuel & Oil	26 271 072	9 476 306	36,07%
Inventory Consumed: Bulk Water Purchases	41 930 751	17 383 143	41,46%
Total	**107 711 859**	**43 409 646**	**40,30%**

It must be noted that the fuel & oil and bulk water purchases budgets were decreased by R 6,500 million and R 3,000 million respectively, during the 2024/25 mid-year adjustments budget process. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.

- **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 for finance costs amounting to R 19,922 million, which relate to the DBSA loan of R 200 million for the resealing of roads in Kouga.

  It must be noted that the finance costs budget has been reduced by R 23,252 million during the 2024/25 mid-year adjustments budget process. 2024/25 Adjustments Budget will be tabled in Council on 29 January 2025.

- **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.

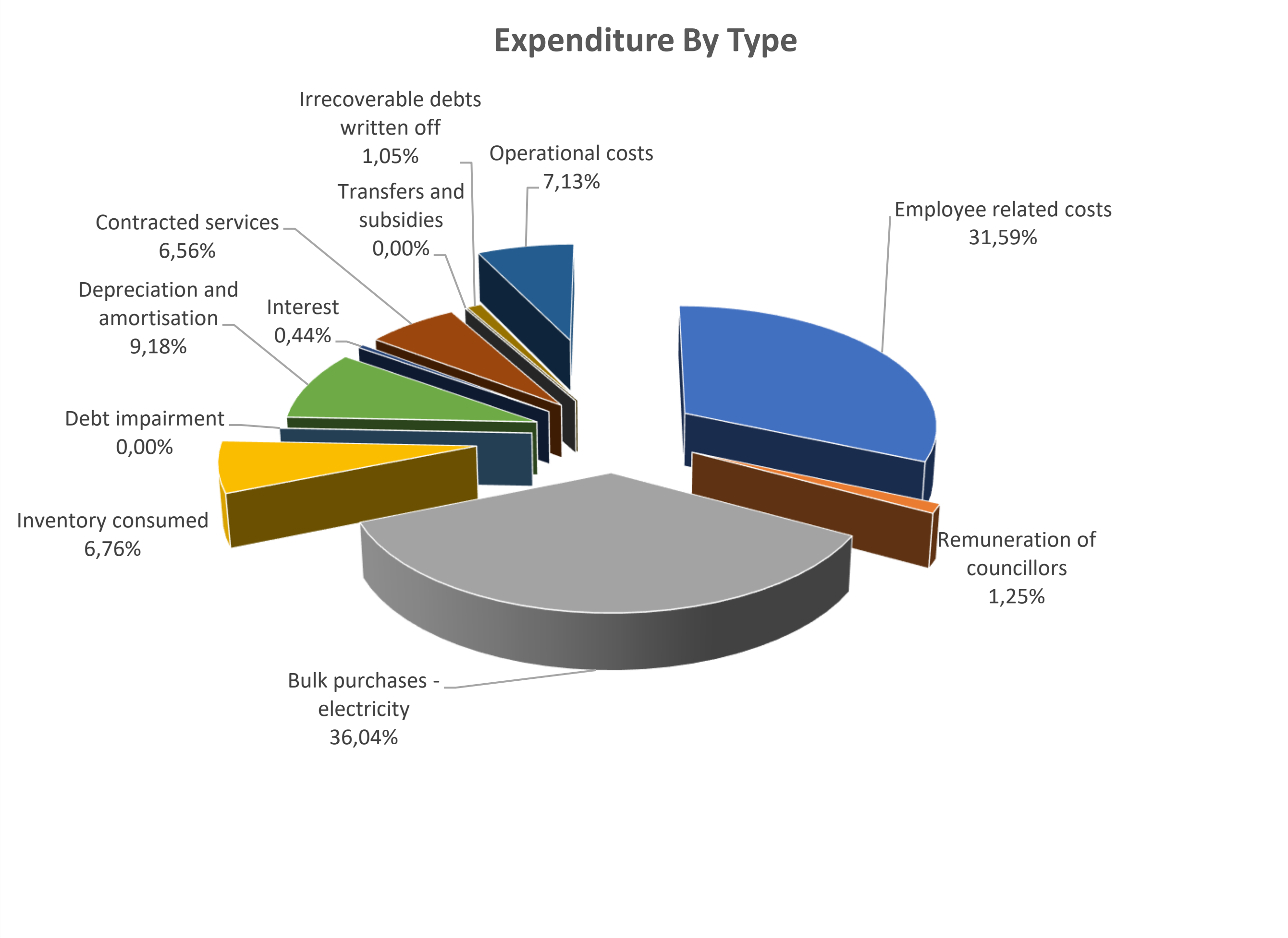
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 December 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	212 081	12,52%
Burial Services	31 500	24 100	76,51%
Calamari Festival	200 000	200 000	100,00%
Catering Services	1 167 904	261 047	22,35%
Clean up Operation	200 004	105 935	52,97%
Clearing and Grass Cutting Services	1 540 000	463 739	30,11%
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	1 747 800	20,56%
Destination Marketing and Promotion	670 000	80 840	12,07%
Drivers Licence Cards	1 000 000	196 236	19,62%
Dune Stabilisation	1 829 000	218 978	11,97%
Electricity Generation Project	470 000	72 567	15,44%
Environmental protection	700 000	-	0,00%
Employee Wellness	249 204	22 650	9,09%
ED STRATEGY - roll-out	100 000	-	0,00%
Event Promoters	99 996	-	0,00%
Family Challenge	1 800 000	516 522	28,70%
Heritage Restoration	200 000	-	0,00%
Internal Auditors	250 000	29 000	11,60%
KLTO	905 000	228 422	25,24%
Jbay Precint Plan Implementation	500 000	-	0,00%
Laboratory Services:Water	2 359 000	297 235	12,60%
Legal Advice and Litigation	1 000 000	719 637	71,96%
Legal Cost:Collection	1 100 000	675 461	61,41%
Maintenance of Buildings and Facilities	7 996 636	2 613 872	32,69%
Maintenance of Electrical Infrastructure	1 000 000	122 182	12,22%
Maintenance of Equipment	858 800	164 420	19,15%
Maintenance of Vehicles	39 379 408	10 890 193	27,65%
Mscoa Alignment	283 136	-	0,00%
Media Monitoring	200 004	51 025	25,51%
Occupational Health and Safety	1 100 004	370 853	33,71%
Other Contracted Services	2 977 900	2 205 742	74,07%
Personnel and Labour	16 975 550	6 476 399	38,15%
Precinct Plans Project Hankey and St Francis Bay C	100 000	-	0,00%
Private Plots_Alien Vegetation Control	300 000	153 678	51,23%
Qualification Verification	350 004	3 595	1,03%
Restricted Water Flow	400 000	-	0,00%
Revision of SDF	650 000	-	0,00%
Security Services	3 850 000	3 366 637	87,45%
SA Longboard Championship	300 000	-	0,00%
SDC Golf Championship Sponsorship	275 000	275 000	100,00%
Special Rating Area	2 159 735	729 102	33,76%
Summer Festival	500 000	400 000	80,00%
Tourism &Travel Trade Show	482 000	369 411	76,64%
Township Events	300 000	58 153	19,38%
Transport Services	225 704	16 413	7,27%
Valuer	13 438 721	7 347 219	54,67%
WSL Music Festival	200 000	-	0,00%
WTM Africa, Indaba, Meetings Africa, Educationals,	550 000	31 846	5,79%
Winterfest	1 700 000	-	0,00%
Yellow Wood Annual Jazz Festival	200 000	-	0,00%
	127 188 210	**42 079 884**	**33,08%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2024/25	Actuals as at 31 December 2024	%
Achievements and Awards	2 300 000	989 407	43,02%
Advertising, Publicity and Marketing	4 469 200	1 392 510	31,16%
Bank Charges	600 000	599 890	99,98%
Bargaining Council	4 619 580	-	0,00%
Cellular Contract (Subscription and Calls)	3 313 020	1 781 723	53,78%
Claims paid to Third Parties	200 000	134 296	67,15%
External Audit Fees	4 500 000	3 927 498	87,28%
External Computer Service:Internet Charge	5 400 000	4 654 638	86,20%
Hire Charges	7 763 067	3 039 691	39,16%
Insurance Claims	1 200 000	335 839	27,99%
Insurance Underwriting:Premiums	3 644 283	3 069 552	84,23%
Leases:Furniture and Office Equipment	4 068 744	1 337 109	32,86%
Leases:Other Assets	3 963 740	2 892 853	72,98%
Motor Vehicle Licence and Registrations	1 644 488	518 903	31,55%
Other	1 324 176	196 474	14,84%
Postage/Stamps/Franking Machines	2 674 500	789 066	29,50%
Registration Fees:Professional and Regulatory Bodies	551 112	39 724	7,21%
Registration Fees:Seminars, Conferences, Workshops	2 284 482	461 695	20,21%
Remuneration to Ward Committees	2 862 000	1 005 600	35,14%
Riparian Levies	7 911 471	3 796 860	47,99%
Signage	1 126 212	154 195	13,69%
Skills Development Fund Levy	4 202 076	2 029 689	48,30%
Software Licences	8 475 000	6 689 093	78,93%
Storage of Files (Archiving)	399 996	45 243	11,31%
Supplier Development Programme	100 000	-	0,00%
Third Party Vendors	3 550 000	1 461 915	41,18%
Travel and Subsistence	5 111 369	1 407 239	27,53%
Uniform and Protective Clothing	3 973 484	1 411 465	35,52%
Vehicle Tracking	804 742	415 726	51,66%
Workmen's Compensation Fund	2 288 376	1 144 255	50,00%
	95 346 118	**45 722 148**	**47,95%**



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 December 2024	%
Repairs and Maintenance by Expenditure Items			
Employee related costs	156 271 644	43 408 719	27,78%
Other materials	24 525 864	8 621 277	35,15%
Contracted Services	46 598 844	12 697 212	27,25%
Other expenditure	6 197 655	3 018 082	48,70%
Total	**233 594 007**	**67 745 290**	**29,00%**

It is to be noted that actual repairs and maintenance expenditure constituted 29% of the 2024/25 Approved Adjusted Budget.

1.5. Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	Year TD Actual	%
Revenue			
Exchange Revenue			
Service charges - Electricity	381 991	210 296	55,05%
Interest earned from Receivables	2 214	1 511	68,23%
Operational Revenue	–	206	0,00%
Non-Exchange Revenue			
Transfer and subsidies - Operational	5 585	4 654	83,33%
Operational Revenue	15 593	6 172	39,58%
Total Revenue (excluding capital transfers and contributions)	**405 382**	**222 838**	**54,97%**
Expenditure By Type			
Employee related costs	22 716	8 529	37,54%
Bulk purchases - electricity	386 299	231 276	59,87%
Inventory consumed	8 678	3 764	43,37%
Debt impairment	11 528	–	
Depreciation and amortisation	8 909	5 123	57,51%
Contracted services	12 492	3 167	25,35%
Irrecoverable debts written off	3 064	94	
Operational costs	3 997	1 924	48,13%
Total Expenditure	**457 682**	**253 876**	**55,47%**
Surplus/(Deficit)	**(52 301)**	**(31 038)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 55.05% of budget as at 31 December 2024, and this is in line with the projected budget ratio of 50% as at 31 December 2024.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the electricity availability charges.

1.5.1.2 Expenditure

- the bulk electricity reflects 59.87% of budget expenditure as at 31 December 2024.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 31,038 million as at 31 December 2024 and the deficit amount equates to 13.93%, compared to the revenue. The adjusted budget deficit for the 2024/25 amount to R 52,301 million and equates to 12.9%, compared to total revenue.

1.5.2 <u>Water</u>

Description	Budget Year 2024/25		
R thousands	**Adjusted Budget**	**YearTD Actual**	**%**
<u>Revenue</u>			
Exchange Revenue			
Service charges - Water	82 323	54 054	65,66%
Interest earned from Receivables	15 537	6 591	42,42%
Operational Revenue	–	678	0,00%
Non-Exchange Revenue			
Transfer and subsidies - Operational	21 232	17 694	83,33%
Operational Revenue	44 879	3 929	8,75%
Total Revenue (excluding capital transfers and contributions)	**163 972**	**82 945**	**50,59%**
<u>Expenditure By Type</u>			
Employee related costs	28 200	14 800	52,48%
Inventory consumed	51 549	21 627	41,96%
Debt impairment	5 652	–	
Depreciation and amortisation	17 074	7 989	46,79%
Contracted services	3 580	674	18,84%
Irrecoverable debts written off	1 502	3 244	
Operational costs	2 261	730	32,28%
Total Expenditure	**109 818**	**49 065**	**44,68%**
Surplus/(Deficit)	**54 154**	**33 881**	

1.5.2.1 <u>Revenue</u>

- The water service charges revenue reflects 65.66% of budget as at 31 December 2024, which is higher than anticipated.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the water availability charges.

1.5.2.2 <u>Expenditure</u>

- Inventory consumed includes a budget amount of R 41,931 million for the bulk water purchases and the expenditure amount of R 17,383 million (41.46% of budget).

1.5.2.3 <u>Net surplus/deficit of water ratio</u>

- The water reflects a surplus of R 33,881 million as at 31 December 2024 and equates to 40.85% of total revenue.

1.5.3 Waste Water Management

Description	Budget Year 2024/25		
R thousands	**Adjusted Budget**	**Year TD Actual**	**%**
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	64 086	33 448	52,19%
Interest earned from Receivables	5 673	2 598	45,80%
Non-Exchange Revenue			
Transfer and subsidies - Operational	14 213	11 844	83,33%
Operational Revenue	4 360	1 879	43,09%
Total Revenue (excluding capital transfers and contributions)	**88 332**	**49 769**	**56,34%**
Expenditure By Type			
Employee related costs	25 833	13 495	52,24%
Inventory consumed	15 161	3 538	23,34%
Debt impairment	2 928	–	
Depreciation and amortisation	32 226	16 050	49,81%
Contracted services	5 120	913	17,83%
Irrecoverable debts written off	778	1 384	
Operational costs	6 733	3 782	56,17%
Total Expenditure	**88 779**	**39 161**	**44,11%**
Surplus/(Deficit)	**(447)**	**10 607**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 52.19% of budget as at 31 December 2024, and this is in line with the projected budget ratio of 50% as at 31 December 2024.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the waste water availability charges.

1.5.3.2 Expenditure

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

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a surplus of R 10,607 million as at 31 December 2024 and equates to 21.31% of total revenue. Council approved a surplus adjusted budget of R 0,447 million for the 2024/25 financial year.

1.5.4. Waste Management

Description	Budget Year 2024/25		
R thousands	Adjusted Budget	YearTD Actual	%
Revenue			
Exchange Revenue			
Service charges - Waste management	71 123	32 200	45,27%
Sale of Goods and Rendering of Services	9	–	
Interest earned from Receivables	8 560	4 229	49,40%
Non-Exchange Revenue			
Transfer and subsidies - Operational	25 741	21 409	83,17%
Total Revenue (excluding capital transfers and contributions)	**105 432**	**57 838**	**54,86%**
Expenditure By Type			
Employee related costs	38 597	20 975	54,34%
Inventory consumed	8 719	4 329	49,65%
Debt impairment	3 147	–	
Depreciation and amortisation	3 195	1 326	41,49%
Interest			
Contracted services	15 740	4 540	28,84%
Transfers and subsidies			
Irrecoverable debts written off	837	1 936	
Operational costs	4 114	1 537	37,37%
Losses on Disposal of Assets			
Other Losses			
Total Expenditure	**74 349**	**34 642**	**46,59%**
Surplus/(Deficit)	**31 082**	**23 196**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 45.27% of budget as at 31 December 2024, which is lower than anticipated.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- 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 23,196 million as at 31 December 2024 and equates to 40.10% of total revenue. Council approved a surplus adjusted budget of R 31,082 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	Year TD Actual	Year TD Budget	YTD Variance
R Thousands				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	16,451	6,476	8,225	(1,749)
2. Travel claims	5,065	1,379	2,532	(1,153)
4. Overtime	20,000	9,985	10,000	(15)
5. Catering Costs	1,118	225	559	(334)
6. Events, Advertising and sponsorships	5,164	1,793	2,582	(790)
7. Attendance of Conferences, Seminars & Workshops	2,254	440	1,127	(687)
8. Municipal Workshops, Retreats, Strategic Sessions and Internal training	668	86	334	(247)
9. Projects /Programme Launches	–	–	–	–
10. Essential User Scheme	1,459	1,459	1,459	–
Total	**52,178**	**21,844**	**26,818**	**(4,975)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 4,975 million as at 31 December 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.

	Budget Year 2024/25			Actuals as at 31 Dec 2024			
R thousands	Approved Adjusted Budget - Operating	Approved Adjusted Budget - Capital	Approved Adjusted Budget 2024/25	Operating Expenditure Actuals as at 31 Dec 2024	Capital Actuals as at 31 Dec 2024	Total Actual Expenditure as at 31 Dec 2024	Unauthorised Expenditure as at 31 Dec 2024
Expenditure by Vote							
CIVIL AND WATER SERVICES	339 329	280 940	620 268	136 312	32 335	168 647	–
COMMUNITY SERVICES	387 136	1 634	388 770	113 092	209	113 301	–
ELECTRO/MECHANICAL SERVICES	470 989	73 699	544 688	261 906	54 848	316 754	–
FINANCE AND ECONOMIC DEVELOPMENT	142 158	755	142 913	48 935	323	49 258	–
OFFICE OF THE DEPUTY MUNICIPAL MANAGER	128 955	1 413	130 368	52 259	1 137	53 396	–
OFFICE OF THE MUNICIPAL MANAGER	30 696	–	30 696	16 273	–	16 273	–
PLANNING AND DEVELOPMENT	35 989	20 386	56 374	12 914	6 099	19 013	–
TOTAL	**1 535 251**	**378 826**	**1 914 078**	**641 692**	**94 950**	**736 643**	**–**

No unauthorised expenditure reported for the period ended 31 December 2024.

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 December 2024, constituted 25.06% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 38.37% of approved grant funding budget.
- Borrowing funding is 53.72% of approved borrowing funding budget.
- Internally generated funds are 7.91% at this stage.

Capital budget by municipal vote for 2024/25.

Vote Description	Budget Year 2024/25			
	Original Budget	Adjusted Budget	Year TD 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	1 137	80.47%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	–	755	323	42.76%
Vote 4 - COMMUNITY SERVICES	1 391	1 634	209	12.79%
Vote 5 - CIVIL AND WATER SERVICES	80 868	280 940	32 335	11.51%
Vote 6 - ELECTRO/MECHANICAL SERVICES	68 103	73 699	54 848	74.42%
Vote 7 - PLANNING AND DEVELOPMENT	–	20 386	6 099	29.92%
Total Capital Multi-year expenditure	**150 362**	**378 826**	**94 950**	**25.06%**

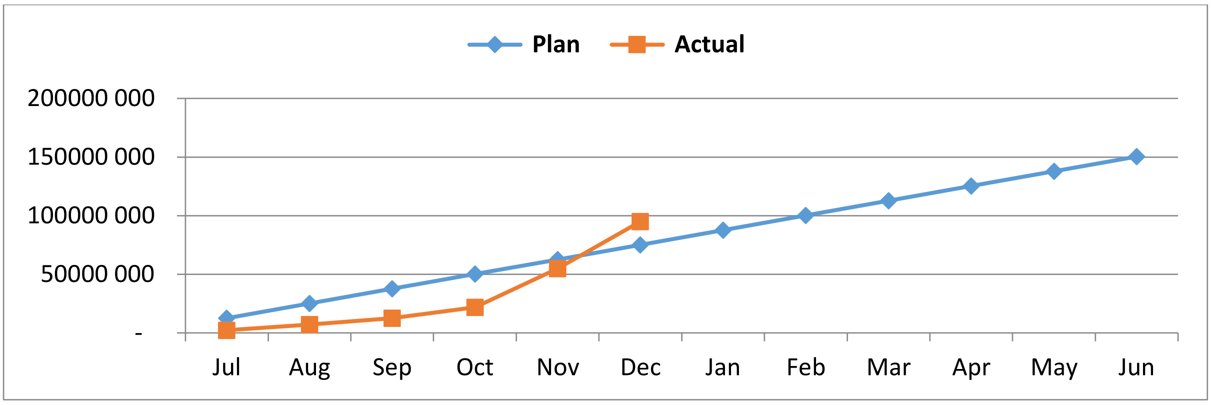
The capital expenditure as at 31 December 2024, constituted 25.06% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Deputy Municipal Manager is 80.47% of R 1,413 million budget.
- Finance And Economic Development is 42.76% of R 0,755 million budget.
- Community Services is 12.79% of R 1,634 million budget.
- Civil & Water Services 11.51% of R 280,940 million budget.
- Electro and Mechanical Services is 74.42% of R 73,699 million budget.
- Planning And Development is 29.92% of R 20,386 million budget.

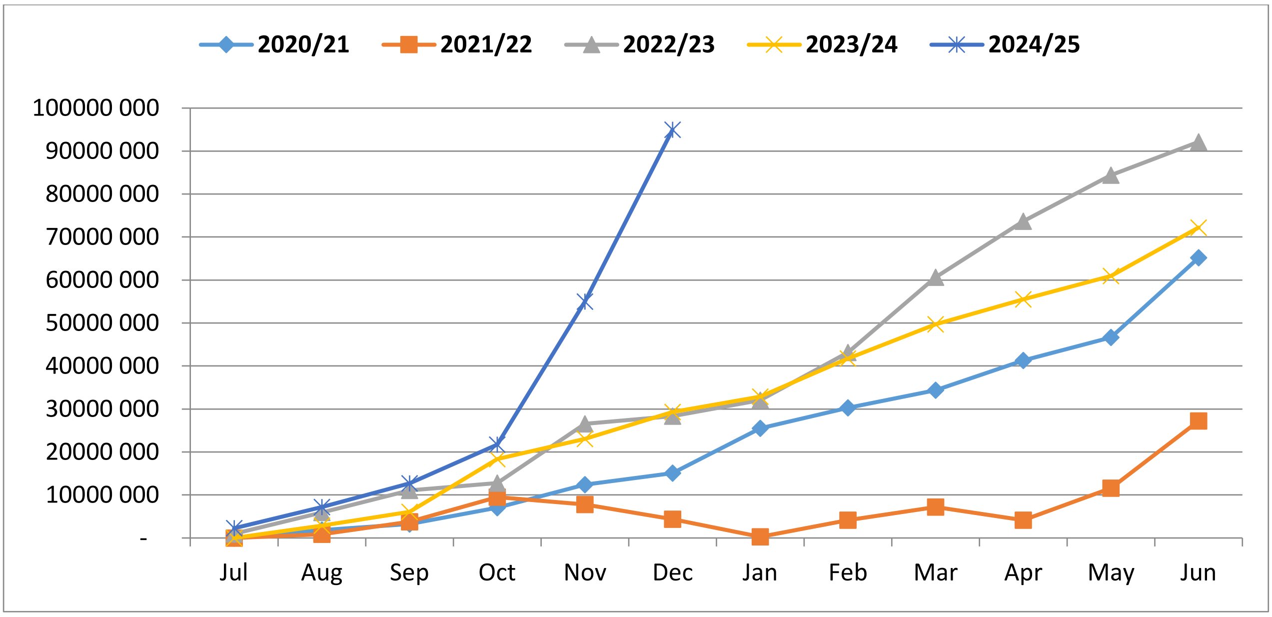
1.2. Monthly capital expenditure

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 December 2024.

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 31 December 2024	%
CIVIL & WATER SERVICES					
PROJECT MANAGEMENT UNIT (PMU)	Internal	PAVING OF MAIN BEACH	176 117	132 088	75,00%
PROJECT MANAGEMENT UNIT (PMU)	Internal	UPGRADING LOERIE SPORTS FACILITIES	137 788	102 894	74,68%
PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within Kouga	621 050	-	0,00%
PROJECT MANAGEMENT UNIT (PMU)	MIG	UPGRADE OF PHILLIPSVILLE SPORTS FIELD	500 000	244 588	48,92%
ROADS AND STORMWATER	MDRG	St Francis Bay - Nevil Road Reconstruction	508 696	496 841	97,67%
ROADS AND STORMWATER	MDRG	St Francis Bay - Anne Avenue to Ralph Road Reconstruction	1 608 696	1 570 161	97,60%
ROADS AND STORMWATER	MDRG	Aston Bay to Paradise Beach - Seekoei Estuary Causeway reconstruction	6 478 261	101 225	1,56%
ROADS AND STORMWATER	MDRG	Paradise Beach - Botha Street Stormwater Infrastructure	424 348	119 248	28,10%
ROADS AND STORMWATER	MIG	UPGRADING KOUGA GRAVEL ROADS	52 608	-	0,00%
ROADS AND STORMWATER	Borrowing	ROADS INFRASTRUCTURE IN KOUGA	173 913 043	-	0,00%
SEWERAGE	MIG	DESIGN: UGRADING JEFFREYS BAY SEWER PIPE IN OCEANVIEW	80 500	51 300	63,73%
SEWERAGE	MIG	UPGRADING KWANOMZAMO WWTW	29 169 586	15 123 527	51,85%
SEWERAGE	MIG	DESIGN: LA MER NEW SEWER RISING MAIN	200 000	147 670	73,84%
SEWERAGE	Internal	KWANOMZAMO SEWERAGE PUMP STATION	508 609	-	0,00%
SEWERAGE	Internal	HANKEY WWTW	4 256 462	883 270	20,75%
SEWERAGE	Internal	LA MER NEW SEWER RISING MAIN	6 338 777	1 615 598	25,49%
SEWERAGE	DOHS	Phase 1 Upgrade of Thornhill Sewer Treatment Works	553 739	488 571	88,23%
SEWERAGE	DOHS	Kruisfontein Bulk Sewer -Link Line	1 997 391	-	0,00%
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	1 287 831	-	0,00%
SEWERAGE	DOHS	Kwanomzamo Bulk Sanitation -Pump Station & Rising Main	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 rising main	150 000	5 808	3,87%
WATER	WSIG	ST FRANCIS BAY: BOREHOLES	7 592 557	2 040 802	26,88%
WATER	Internal	JILL MARCUS WATER SUPPLY	4 347 000	3 110 115	71,55%
WATER	Internal	Construction of Civil Services in Donkerhoek & Humansdorp	3 000 000	-	0,00%
WATER	Internal	HUMANSDORP GROUNDWATER SUPPLY	637 410	-	0,00%
WATER	DOHS	Kwanomzamo Bulk Water : New Pipeline	6 521 739	-	0,00%
WATER	DOHS	Kruisfontein Bulk Water -Gill Marcus Reservoir and pipeline upgrade	6 782 609	3 163 295	46,64%
WATER	WSIG	RETICULATION REPLACE PIPELINES	3 478 260	-	0,00%
WATER	WSIG	Replace Ageing Water Infrastructure in St Francis Bay	150 000	75 904	50,60%
WATER	WSIG	Replace Main Waterline Sout Rivier Bridge Crossing	100 000	64 000	64,00%
WATER	WSIG	PARADISE BEACH WATER TOWER	2 021 548	1 737 069	85,93%
WATER	WSIG	MIMOSA STREET PIPELINE REPLACEMENT	3 575 354	1 060 955	29,67%
WATER	DOHS	New Reservoir on Pnt 2 of the Farm Thornhill	5 018 940	-	0,00%
			280 939 528	**32 334 928**	**11,51%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2024/25	Actuals as at 31 December 2024	%
COMMUNITY SERVICES					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1 391 304	-	0,00%
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	51 005 878	150,02%
ELECTRICITY	INEP	OCEAN VIEW 1250 ELECTRIFICATION	4 251 567	43 266	1,02%
ELECTRICITY	Internal	Electrical Oil circuit breakers replacement with vacuum SCADA ready breakers	5 000 000	-	0,00%
ELECTRICITY	DOHS	Oceanview Substation Upgrade	10 434 783	1 381 368	13,24%
ELECTRICITY	DOHS	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder line & substation	19 130 435	2 417 675	12,64%
ELECTRICITY	MIG	DESIGN: HIGH MAST LIGHTS	100 000	-	0,00%
ELECTRICITY	DOHS	Electricity	782 609	-	0,00%
			73 699 394	**54 848 187**	**74,42%**
FINANCE AND ECONOMIC DEVELOPMENT					
ASSET MANAGEMENT	Internal	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	577 517	315 837	54,69%
SUPPLY CHAIN MANAGEMENT	Internal	Computer Equipment	55 414	7 210	13,01%
LOCAL ECONOMIC DEVELOPMENT	Internal	Township Economy Support (Agriculture)	100 000	-	0,00%
REVENUE	Internal	Computer Equipment	22 477	-	0,00%
			755 408	**323 047**	**42,76%**
OFFICE OF THE DMM					
INFORMATION TECHNOLOGY	Internal	Computer Equipment	1 412 789	1 136 836	80,47%
			1 412 789	**1 136 836**	**80,47%**
PLANNING AND DEVELOPMENT					
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 2	16 346 963	6 098 623	37,31%
HUMAN SETTLEMENT	DOH	HANKEY 990-PHASE 3	4 038 699	-	0,00%
			20 385 662	**6 098 623**	**29,92%**
		Total	**378 826 405**	**94 950 495**	**25,06%**

Annexure “A3”

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

1.1. Projected Cash Flow Statement as at 31 December 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 – M06 December 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	23 664	167 253	143 729	23 524	16%	287 458
Service charges		255 325	761 922	761 922	48 112	290 772	380 961	(90 189)	-24%	761 922
Other revenue		16 788	93 666	100 764	24 450	140 173	50 382	89 791	178%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	64 736	150 959	102 826	48 134	47%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 331	9 943	42 150	61 665	(19 516)	-32%	123 331
Interest		914 663	13 998	13 998	1 278	7 000	6 999	1	0%	13 998
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		771 377	(1 327 265)	(1 339 132)	(100 358)	(618 268)	(773 972)	(155 705)	20%	(1 339 132)
Interest		–	(16 159)	(36 082)	(810)	(2 824)	(17 591)	(14 766)	84%	(36 082)
Transfers and Subsidies		–	(400)	(400)	–	–	(200)	(200)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 506 902**	**138 815**	**117 510**	**71 016**	**177 215**	**(45 201)**	**(222 416)**	**492%**	**117 510**
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)	(170 913)	(45 922)	(109 329)	85 457	194 785	228%	(170 913)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(83 038)**	**(116 362)**	**(170 913)**	**(45 922)**	**(109 329)**	**85 457**	**194 785**	**228%**	**(170 913)**
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)	(1 867)	(7 226)	–	7 226	0%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**-**	**(22 478)**	**(32 196)**	**(1 867)**	**(7 226)**	**-**	**7 226**	**0%**	**(32 196)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 423 864**	**(24)**	**(85 599)**	**23 226**	**60 660**	**40 255**			**(85 599)**
Cash/cash equivalents at beginning:		175 550	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 599 414	43 641	58 060		204 319	183 914			58 060

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

Table C1 Monthly Budget Statement Summary – M06 December 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	20 195	176 230	148 538	27 692	19%	297 076
Service charges	607 369	599 522	599 522	52 960	329 998	299 761	30 237	10%	599 522
Investment revenue	12 962	13 998	13 998	1 278	7 000	6 999	1	0%	13 998
Transfers and subsidies - Operational	198 630	202 153	205 651	64 532	148 326	102 826	45 500	44%	205 651
Other own revenue	110 770	279 872	279 872	7 642	45 063	139 936	(94 872)	-68%	279 872
Total Revenue (excluding capital transfers and	**1 209 934**	**1 392 621**	**1 396 119**	**146 606**	**706 618**	**698 060**	**8 558**	**1%**	**1 396 119**
Employee costs	398 878	471 743	481 056	32 215	202 714	240 528	(37 813)	-16%	481 056
Remuneration of Councillors	14 976	15 594	15 594	1 418	8 021	7 797	223	3%	15 594
Depreciation and amortisation	102 539	117 798	117 798	9 817	58 899	58 900	(1)	-0%	117 798
Interest	10 038	17 404	36 254	810	2 824	18 127	(15 302)	-84%	36 254
Inventory consumed and bulk purchases	454 301	495 318	494 011	37 553	274 686	247 005	27 681	11%	494 011
Transfers and subsidies	920	400	400	–	–	200	(200)	-100%	400
Other expenditure	327 630	387 217	390 139	26 343	94 548	194 851	(100 303)	-51%	390 139
Total Expenditure	**1 309 281**	**1 505 474**	**1 535 251**	**108 155**	**641 692**	**767 408**	**(125 715)**	**-16%**	**1 535 251**
Surplus/(Deficit)	**(99 347)**	**(112 853)**	**(139 132)**	**38 451**	**64 925**	**(69 348)**	**134 274**	**-194%**	**(139 132)**
Transfers and subsidies - capital (monetary allocations)	85 140	133 816	161 944	14 342	41 140	80 972	(39 832)	-49%	161 944
Transfers and subsidies - capital (in-kind)	18 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**	**94 442**	**813%**	**22 812**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**	**94 442**	**813%**	**22 812**
Capital expenditure & funds sources									
Capital expenditure	**92 915**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**
Capital transfers recognised	3 157	116 362	143 480	11 993	36 432	71 740	(35 308)	-49%	143 480
Borrowing	–	34 000	207 913	26 783	51 006	103 957	(52 951)	-51%	207 913
Internally generated funds	89 757	–	27 434	1 156	7 513	13 717	(6 204)	-45%	27 434
Total sources of capital funds	**92 915**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**
Financial position									
Total current assets	266 448	213 837	229 407		421 063				229 407
Total non current assets	2 312 828	2 369 948	2 598 413		2 348 879				2 598 413
Total current liabilities	293 952	225 392	237 467		317 841				237 467
Total non current liabilities	243 291	270 953	424 224		290 012				424 224
Community wealth/Equity	**2 042 032**	**2 087 440**	**2 166 129**		**2 162 089**				**2 166 129**
Cash flows									
Net cash from (used) operating	2 506 902	138 815	117 510	71 016	177 215	(45 201)	(222 416)	492%	117 510
Net cash from (used) investing	(83 038)	(116 362)	(170 913)	(45 922)	(109 329)	85 457	194 785	228%	(170 913)
Net cash from (used) financing	–	(22 478)	(32 196)	(1 867)	(7 226)	–	7 226		(32 196)
Cash/cash equivalents at the month/year end	**2 599 414**	**43 641**	**58 060**	**–**	**204 319**	**183 914**	**(20 405)**	**-11%**	**58 060**
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	64 087	15 585	13 375	21 309	12 273	9 160	43 356	321 692	500 836
Creditors Age Analysis									
Total Creditors	43 482	2 180	16	(43)	29	35	481	(1 130)	45 051

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) – M06 December 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**	**91 826**	**310 330**	**295 375**	14 955	5%	**590 750**
Executive and council		46	142	142	–	53	71	(18)	-26%	142
Finance and administration		489 263	590 608	590 608	91 826	310 277	295 304	14 973	5%	590 608
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**51 001**	**87 286**	**111 120**	**11 333**	**24 239**	**55 560**	(31 321)	-56%	**111 120**
Community and social services		2 415	2 460	2 460	29	3 141	1 230	1 911	155%	2 460
Sport and recreation		7 682	11 504	11 504	1 746	6 333	5 752	581	10%	11 504
Public safety		1 792	1 857	1 857	1	12	929	(917)	-99%	1 857
Housing		35 790	68 969	92 803	9 492	15 457	46 401	(30 945)	-67%	92 803
Health		3 322	2 496	2 496	64	(704)	1 248	(1 952)	-156%	2 496
Economic and environmental services		**48 168**	**56 136**	**56 186**	**2 584**	**20 708**	**28 093**	(7 384)	-26%	**56 186**
Planning and development		8 375	10 252	10 252	627	3 958	5 126	(1 167)	-23%	10 252
Road transport		16 518	19 972	19 972	456	4 387	9 986	(5 599)	-56%	19 972
Environmental protection		23 276	25 912	25 962	1 502	12 363	12 981	(618)	-5%	25 962
Trading services		**724 595**	**792 266**	**800 008**	**55 205**	**392 481**	**400 004**	(7 523)	-2%	**800 008**
Energy sources		398 034	409 585	410 271	34 353	222 705	205 135	17 570	9%	410 271
Water management		156 102	177 913	185 080	11 263	88 046	92 540	(4 494)	-5%	185 080
Waste water management		106 410	123 062	122 950	4 745	34 735	61 475	(26 740)	-43%	122 950
Waste management		64 049	81 707	81 707	4 843	46 995	40 853	6 142	15%	81 707
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1 313 073**	**1 526 437**	**1 558 063**	**160 949**	**747 758**	**779 031**	**(31 274)**	**-4%**	**1 558 063**
Expenditure - Functional										
Governance and administration		**328 779**	**362 481**	**362 471**	**28 657**	**147 405**	**181 018**	(33 614)	-19%	**362 471**
Executive and council		57 143	61 996	61 237	5 804	29 839	30 618	(779)	-3%	61 237
Finance and administration		271 580	299 963	300 712	22 829	117 500	150 139	(32 639)	-22%	300 712
Internal audit		57	523	523	24	66	261	(196)	-75%	523
Community and public safety		**104 281**	**140 104**	**140 984**	**9 547**	**54 182**	**70 492**	(16 310)	-23%	**140 984**
Community and social services		9 188	13 952	13 952	818	4 972	6 976	(2 004)	-29%	13 952
Sport and recreation		52 608	75 205	75 205	5 159	26 899	37 603	(10 703)	-28%	75 205
Public safety		28 701	33 254	33 254	2 274	15 106	16 627	(1 521)	-9%	33 254
Housing		5 817	9 703	10 583	686	3 340	5 291	(1 951)	-37%	10 583
Health		7 968	7 991	7 991	610	3 865	3 995	(130)	-3%	7 991
Economic and environmental services		**126 118**	**288 532**	**310 962**	**11 948**	**65 996**	**155 481**	(89 485)	-58%	**310 962**
Planning and development		27 163	32 149	34 424	1 854	12 027	17 212	(5 185)	-30%	34 424
Road transport		86 718	246 274	266 719	9 578	51 314	133 360	(82 045)	-62%	266 719
Environmental protection		12 237	10 109	9 819	516	2 655	4 910	(2 255)	-46%	9 819
Trading services		**743 328**	**714 357**	**720 833**	**58 004**	**374 107**	**360 416**	13 691	4%	**720 833**
Energy sources		426 149	453 172	457 682	33 710	253 876	228 841	25 035	11%	457 682
Water management		161 924	108 542	109 818	8 136	49 065	54 909	(5 844)	-11%	109 818
Waste water management		103 926	88 779	88 779	8 177	39 161	44 389	(5 228)	-12%	88 779
Waste management		51 329	63 864	64 554	7 981	32 005	32 277	(273)	-1%	64 554
Other		**6 775**	–	–	–	**3**	–	3		–
Total Expenditure - Functional	3	**1 309 281**	**1 505 474**	**1 535 251**	**108 155**	**641 692**	**767 408**	**(125 715)**	**-16%**	**1 535 251**
Surplus/ (Deficit) for the year		**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**	**94 442**	**813%**	**22 812**

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 – M06 December 2024

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1 687	1 115	1 115	63	1 145	557	587	105,4%	1 115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		449 050	446 890	446 890	86 358	276 113	223 445	52 668	23,6%	446 890
Vote 4 - COMMUNITY SERVICES		148 611	276 782	276 832	8 419	69 517	138 416	(68 899)	-49,8%	276 832
Vote 5 - CIVIL AND WATER SERVICES		274 288	314 671	321 726	21 760	159 708	160 863	(1 155)	-0,7%	321 726
Vote 6 - ELECTRO/MECHANICAL SERVICES		398 035	409 586	410 273	34 392	222 889	205 136	17 753	8,7%	410 273
Vote 7 - PLANNING AND DEVELOPMENT		41 392	77 392	101 227	9 956	18 386	50 613	(32 227)	-63,7%	101 227
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1 313 063**	**1 526 437**	**1 558 063**	**160 949**	**747 758**	**779 031**	**(31 274)**	**-4,0%**	**1 558 063**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		27 222	31 456	30 696	3 350	16 273	15 348	925	6,0%	30 696
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		114 919	128 955	128 955	10 355	52 259	64 261	(12 002)	-18,7%	128 955
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		133 949	141 869	142 158	10 198	48 935	71 079	(22 143)	-31,2%	142 158
Vote 4 - COMMUNITY SERVICES		218 052	386 594	387 136	21 519	113 092	193 568	(80 476)	-41,6%	387 136
Vote 5 - CIVIL AND WATER SERVICES		348 309	316 288	339 329	25 375	136 312	169 664	(33 352)	-19,7%	339 329
Vote 6 - ELECTRO/MECHANICAL SERVICES		442 656	466 160	470 989	35 179	261 906	235 494	26 411	11,2%	470 989
Vote 7 - PLANNING AND DEVELOPMENT		23 509	34 152	35 989	2 178	12 914	17 994	(5 080)	-28,2%	35 989
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 308 616**	**1 505 474**	**1 535 251**	**108 155**	**641 692**	**767 408**	**(125 715)**	**-16,4%**	**1 535 251**
Surplus/ (Deficit) for the year	2	**4 447**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**	**94 442**	**812,5%**	**22 812**

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) – M06 December 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	58 768	360 457	333 967	26 489	8%	667 935
Service charges - Electricity		380 376	381 991	381 991	33 321	210 296	190 995	19 301	10%	381 991
Service charges - Water		109 873	82 323	82 323	9 030	54 054	41 162	12 892	31%	82 323
Service charges - Waste Water Management		59 633	64 086	64 086	5 452	33 448	32 043	1 405	4%	64 086
Service charges - Waste management		57 488	71 123	71 123	5 157	32 200	35 561	(3 361)	-9%	71 123
Sale of Goods and Rendering of Services		7 442	9 533	9 533	485	3 025	4 766	(1 741)	-37%	9 533
Agency services		3 615	4 554	4 554	–	–	2 277	(2 277)	-100%	4 554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		21 854	32 335	32 335	2 625	15 108	16 167	(1 060)	-7%	32 335
Interest earned from Current and Non Current Assets		12 962	13 998	13 998	1 278	7 000	6 999	1	0%	13 998
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		3 550	3 187	3 187	1 027	2 413	1 593	819	51%	3 187
Licence and permits		2 368	2 851	2 851	223	1 135	1 426	(291)	-20%	2 851
Operational Revenue		11 654	1 955	1 955	171	1 778	978	801	82%	1 955
Non-Exchange Revenue		539 119	724 686	728 184	87 838	346 161	364 092	(17 931)	-5%	728 184
Property rates		280 203	297 076	297 076	20 195	176 230	148 538	27 692	19%	297 076
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		40 084	143 343	143 343	59	340	71 672	(71 331)	-100%	143 343
Licence and permits		7 421	11 772	11 772	1 276	6 072	5 886	186	3%	11 772
Transfer and subsidies - Operational		198 630	202 153	205 651	64 532	148 326	102 826	45 500	44%	205 651
Interest		5 519	5 510	5 510	555	3 214	2 755	459	17%	5 510
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	64 831	64 831	1 221	11 979	32 416	(20 437)	-63%	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**	**146 606**	**706 618**	**698 060**	**8 558**	**1%**	**1 396 119**
Expenditure By Type										
Employee related costs		398 878	471 743	481 056	32 215	202 714	240 528	(37 813)	-16%	481 056
Remuneration of councillors		14 976	15 594	15 594	1 418	8 021	7 797	223	3%	15 594
Bulk purchases - electricity		351 702	386 299	386 299	29 563	231 276	193 149	38 127	20%	386 299
Inventory consumed		102 599	109 019	107 712	7 990	43 410	53 856	(10 446)	-19%	107 712
Debt impairment		87 369	158 246	158 246	–	–	79 123	(79 123)	-100%	158 246
Depreciation and amortisation		102 539	117 798	117 798	9 817	58 899	58 900	(1)	0%	117 798
Interest		10 038	17 404	36 254	810	2 824	18 127	(15 302)	-84%	36 254
Contracted services		93 766	125 372	127 188	10 255	42 080	63 594	(21 514)	-34%	127 188
Transfers and subsidies		920	400	400	–	–	200	(200)	-100%	400
Irrecoverable debts written off		62 860	9 359	9 359	6 746	6 746	4 679	2 066	44%	9 359
Operational costs		81 923	94 240	95 346	9 343	45 722	47 455	(1 733)	-4%	95 346
Losses on Disposal of Assets		1 713	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**1 309 281**	**1 505 474**	**1 535 251**	**108 155**	**641 692**	**767 408**	**(125 715)**	**-16%**	**1 535 251**
Surplus/(Deficit)		**(99 347)**	**(112 853)**	**(139 132)**	**38 451**	**64 925**	**(69 348)**	**134 274**	**(0)**	**(139 132)**
Transfers and subsidies - capital (monetary allocations)		85 140	133 816	161 944	14 342	41 140	80 972	(39 832)	**(0)**	161 944
Transfers and subsidies - capital (in-kind)		18 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**			**22 812**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**			**22 812**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**			**22 812**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**3 792**	**20 963**	**22 812**	**52 793**	**106 065**	**11 624**			**22 812**

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) – M06 December 2024

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		71	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1 129	–	1 413	8	1 137	706	430	61%	1 413
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		810	–	755	265	323	378	(55)	-14%	755
Vote 4 - COMMUNITY SERVICES		3 914	1 391	1 634	–	209	817	(608)	-74%	1 634
Vote 5 - CIVIL AND WATER SERVICES		50 070	80 868	280 940	8 720	32 335	140 470	(108 135)	-77%	280 940
Vote 6 - ELECTRO/MECHANICAL SERVICES		167	68 103	73 699	30 027	54 848	36 850	17 999	49%	73 699
Vote 7 - PLANNING AND DEVELOPMENT		(23)	–	20 386	912	6 099	10 193	(4 094)	-40%	20 386
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**56 138**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		39	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		11	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		1 557	–	–	–	–	–	–		–
Vote 5 - CIVIL AND WATER SERVICES		35 111	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		58	–	–	–	–	–	–		–
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	36 777	–	–	–	–	–	–		–
Total Capital Expenditure	3	**92 915**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**
Capital Expenditure - Functional Classification										
Governance and administration		**2 644**	**34 000**	**36 311**	**27 056**	**52 675**	**18 155**	34 519	190%	**36 311**
Executive and council		336	–	–	–	–	–	–		–
Finance and administration		2 270	34 000	36 311	27 056	52 675	18 155	34 519	190%	36 311
Internal audit		39	–	–	–	–	–	–		–
Community and public safety		**9 879**	**1 391**	**21 777**	**912**	**6 099**	**10 888**	(4 790)	-44%	**21 777**
Community and social services		6 562	–	–	–	–	–	–		–
Sport and recreation		506	–	–	–	–	–	–		–
Public safety		2 810	1 391	1 391	–	–	696	(696)	-100%	1 391
Housing		–	–	20 386	912	6 099	10 193	(4 094)	-40%	20 386
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**29 125**	**9 670**	**184 521**	**101**	**2 767**	**92 260**	(89 493)	-97%	**184 521**
Planning and development		14	500	1 535	–	480	767	(288)	-38%	1 535
Road transport		28 869	9 170	182 986	101	2 287	91 493	(89 205)	-97%	182 986
Environmental protection		242	–	–	–	–	–	–		–
Trading services		**51 267**	**105 300**	**136 218**	**11 863**	**33 410**	**68 109**	(34 699)	-51%	**136 218**
Energy sources		5 703	34 103	39 699	3 244	3 842	19 850	(16 007)	-81%	39 699
Water management		21 197	29 008	43 225	4 266	11 252	21 613	(10 361)	-48%	43 225
Waste water management		22 809	42 190	53 294	4 353	18 316	26 647	(8 331)	-31%	53 294
Waste management		1 557	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**92 915**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**
Funded by:										
National Government		347	54 997	61 730	4 717	22 882	30 865	(7 983)	-26%	61 730
Provincial Government		–	59 973	80 359	7 276	13 550	40 179	(26 630)	-66%	80 359
District Municipality		2 810	1 391	1 391	–	–	696	(696)	-100%	1 391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**3 157**	**116 362**	**143 480**	**11 993**	**36 432**	**71 740**	**(35 308)**	**-49%**	**143 480**
Borrowing	6	–	34 000	207 913	26 783	51 006	103 957	(52 951)	-51%	207 913
Internally generated funds		89 757	–	27 434	1 156	7 513	13 717	(6 204)	-45%	27 434
Total Capital Funding	7	**92 915**	**150 362**	**378 826**	**39 932**	**94 950**	**189 413**	**(94 463)**	**-50%**	**378 826**

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 – M06 December 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	58 060	204 319	58 060
Trade and other receivables from exchange transactions		58 750	77 030	77 030	105 534	77 030
Receivables from non-exchange transactions		26 651	29 014	29 014	22 783	29 014
Current portion of non-current receivables		–	–	–	–	–
Inventory		22 450	18 598	19 748	24 316	19 748
VAT		12 790	45 445	45 445	61 970	45 445
Other current assets		2 149	109	109	2 141	109
Total current assets		**266 448**	**213 837**	**229 407**	**421 063**	**229 407**
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	2 335 202	2 097 960	2 335 202
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		419	603	603	125	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**	**2 598 413**	**2 348 879**	**2 598 413**
TOTAL ASSETS		**2 579 276**	**2 583 785**	**2 827 820**	**2 769 942**	**2 827 820**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		11 144	23 564	34 488	3 918	34 488
Consumer deposits		31 660	29 060	29 060	33 554	29 060
Trade and other payables from exchange transactions		143 222	124 413	125 563	111 102	125 563
Trade and other payables from non-exchange transactions		38 791	–	–	42 414	–
Provision		54 427	48 355	48 355	54 427	48 355
VAT		14 707	(0)	(0)	72 427	(0)
Other current liabilities		–	–	–	–	–
Total current liabilities		**293 952**	**225 392**	**237 467**	**317 841**	**237 467**
Non current liabilities						
Financial liabilities		12 231	11 333	164 604	58 952	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**	**290 012**	**424 224**
TOTAL LIABILITIES		**537 243**	**496 345**	**661 690**	**607 854**	**661 690**
NET ASSETS	2	**2 042 032**	**2 087 440**	**2 166 129**	**2 162 089**	**2 166 129**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 036 273	2 087 440	2 166 129	2 156 330	2 166 129
Reserves and funds		5 759	–	–	5 759	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 042 032**	**2 087 440**	**2 166 129**	**2 162 089**	**2 166 129**

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 – M06 December 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	23 664	167 253	143 729	23 524	16%	287 458
Service charges		255 325	761 922	761 922	48 112	290 772	380 961	(90 189)	-24%	761 922
Other revenue		16 788	93 666	100 764	24 450	140 173	50 382	89 791	178%	100 764
Transfers and Subsidies - Operational		184 436	202 153	205 651	64 736	150 959	102 826	48 134	47%	205 651
Transfers and Subsidies - Capital		1 586	123 443	123 331	9 943	42 150	61 665	(19 516)	-32%	123 331
Interest		914 663	13 998	13 998	1 278	7 000	6 999	1	0%	13 998
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		771 377	(1 327 265)	(1 339 132)	(100 358)	(618 268)	(773 972)	(155 705)	20%	(1 339 132)
Interest		-	(16 159)	(36 082)	(810)	(2 824)	(17 591)	(14 766)	84%	(36 082)
Transfers and Subsidies		-	(400)	(400)	-	-	(200)	(200)	100%	(400)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 506 902	138 815	117 510	71 016	177 215	(45 201)	(222 416)	492%	117 510
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)	(170 913)	(45 922)	(109 329)	85 457	194 785	228%	(170 913)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(83 038)	(116 362)	(170 913)	(45 922)	(109 329)	85 457	194 785	228%	(170 913)
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)	(1 867)	(7 226)	-	7 226	0%	(32 196)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(22 478)	(32 196)	(1 867)	(7 226)	-	7 226	0%	(32 196)
NET INCREASE/ (DECREASE) IN CASH HELD		2 423 864	(24)	(85 599)	23 226	60 660	40 255			(85 599)
Cash/cash equivalents at beginning:		175 550	43 665	143 659		143 659	143 659			143 659
Cash/cash equivalents at month/year end:		2 599 414	43 641	58 060		204 319	183 914			58 060

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

<u>**Annexure "A5"**</u>

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

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

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

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

Debtors' Age Analysis (Inclusive of VAT) as at 31 December 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	21 191	6 170	5 283	5 162	5 105	3 428	15 988	96 369	158 695
Trade and Other Receivables from Exchange Transactions - Electricity	32 377	2 703	2 206	2 430	1 169	834	3 619	13 311	58 648
Receivables from Non-exchange Transactions - Property Rates	21 417	2 554	2 070	9 580	1 519	1 308	6 260	30 979	75 687
Receivables from Exchange Transactions - Waste Water Management	9 694	1 988	1 771	1 851	1 553	1 072	5 801	34 875	58 605
Receivables from Exchange Transactions - Waste Management	6 946	1 474	1 333	1 263	1 240	1 331	6 253	48 780	68 620
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1 418	301	370	666	534	664	3 707	78 826	86 488
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(28 956)	394	342	356	1 153	523	1 729	18 552	(5 906)
Total By Income Source	**64 087**	**15 585**	**13 375**	**21 309**	**12 273**	**9 160**	**43 356**	**321 692**	**500 836**
									–
Debtors Age Analysis By Customer Group									
Organs of State	1 285	611	718	1 339	378	246	1 063	6 740	12 379
Commercial	10 568	604	510	675	300	230	1 099	7 506	21 491
Households	52 231	14 369	12 146	19 294	11 595	8 683	41 189	307 437	466 944
Other	4	1	1	1	1	1	5	9	22
Total By Customer Group	**64 087**	**15 585**	**13 375**	**21 309**	**12 273**	**9 160**	**43 356**	**321 692**	**500 836**

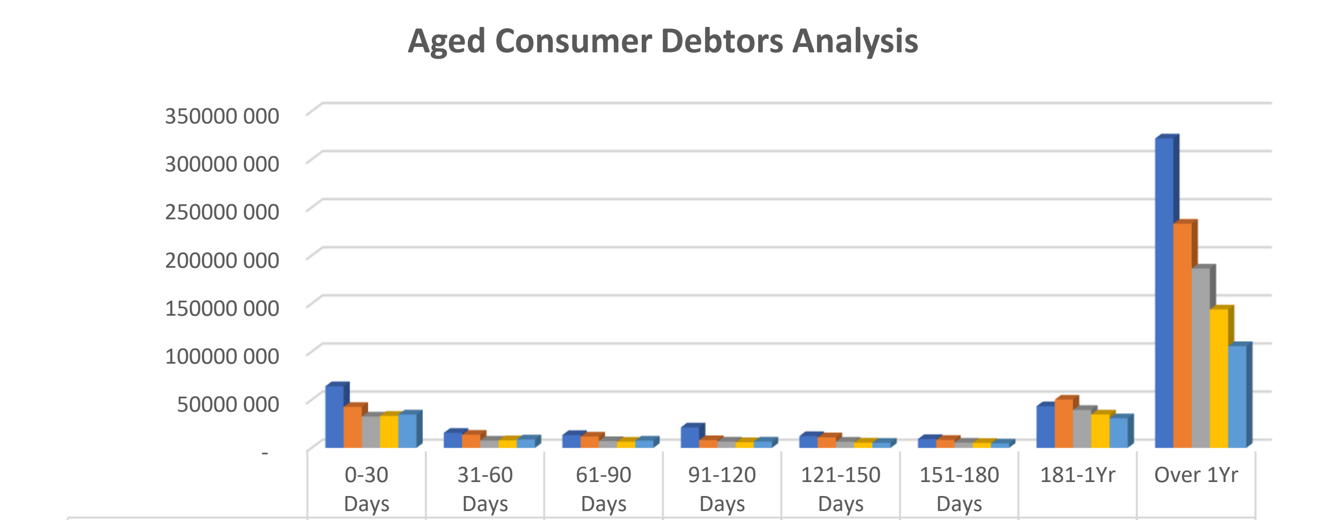
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2024

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 December 2024, the overdue debts have increased by R 46,839 million from R 389,910 million to R 436,749 million, as follows:

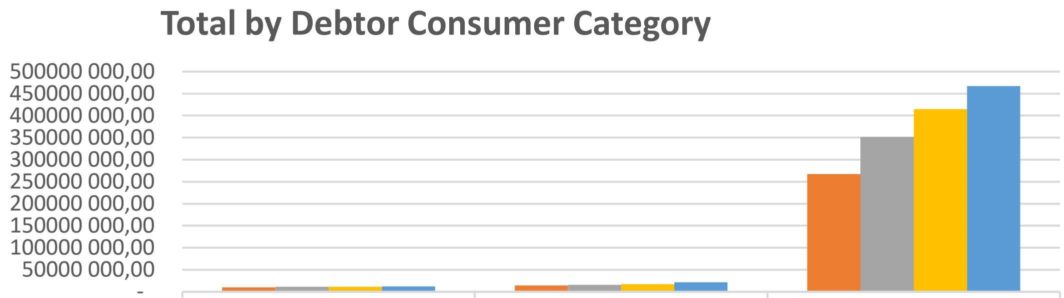
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-24**	**31-Dec-24**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	122 756	137 504	14 749
Trade and Other Receivables from Exchange Transactions - Electricity	24 488	26 271	1 784
Receivables from Non-exchange Transactions - Property Rates	47 751	54 270	6 519
Receivables from Exchange Transactions - Waste Water Management	43 719	48 911	5 193
Receivables from Exchange Transactions - Waste Management	57 269	61 673	4 404
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	72 437	85 069	12 632
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	21 492	23 050	1 558
Total By Income Source	**389 910**	**436 749**	**46 839**
		–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	9 907	11 094	1 188
Commercial	9 975	10 923	949
Households	370 015	414 713	44 698
Other	14	19	5
Total By Customer Group	**389 910**	**436 749**	**46 839**

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 Dec 2024	64087 006	15584 835	13374 900	21308 731	12273 463	9159 518	43355 646	321692 385
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	12379 075,09	21491 161,14	466944 007,65

1.2 Overview of Creditors position

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

Description	Budget Year 2024/25								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	33 976	(5)	–	–	7	6	37	(180)	33 841
Bulk Water	559	18	16	(43)	22	17	70	(1 046)	(386)
PAYE deductions	5 649								5 649
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	3 298	2 167	–	–	–	12	373	96	5 946
Auditor General									–
Other									–
Total By Customer Type	43 482	2 180	16	(43)	29	35	481	(1 130)	45 051

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

Eskom	R 33,841 million
NMBM	R -0,386 million
PAYE	R 5,649 million
Other Creditors	R 5,946 million
Total	**R 45,051 million**

It must be noted that the Eskom amount of R 33,841 million, represents the current account for December 2024, which is due on 23 January 2025.

It is to be noted that the SARS amount of R 5,649 million, represents the current account for December 2024, which is due on 7 January 2025.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M06 December 2024.

Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	**197 710**	**197 710**	**64 736**	**148 837**	**148 837**	**-**		**197 710**
Operational Revenue:General Revenue:Equitable Share	192 664	192 664	64 213	144 490	144 490	–		192 664
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 495	1 495	–	1 047	1 047	–		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	523	1 577	1 577	–		1 828
Provincial Government:	**2 050**	**5 498**	**-**	**2 955**	**2 050**	**905**	**44,1%**	**5 498**
Library Grant	2 050	2 050	–	2 955	2 050	905	44,1%	2 050
Human Settlement Grant	–	3 448	–	–	–	–		3 448
District Municipality:	**2 393**	**2 393**	**-**	**(833)**	**833**	(1 665)	-200,0%	**2 393**
Environmental Health Subsidy	2 393	2 393	–	(833)	833	(1 665)	-200,0%	2 393
Other grant providers:	**-**	**50**	**-**	**-**	**-**	–		**50**
Departmental Agencies and Accounts	–	50	–	–	–	–		50
Total Operating Transfers and Grants	**202 153**	**205 651**	**64 736**	**150 959**	**151 719**	**(760)**	**-0,5%**	**205 651**
Capital Transfers and Grants								
National Government:	**52 874**	**52 762**	**9 943**	**41 647**	**41 647**	**-**		**52 762**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 203	4 203	–	–	–	–		4 203
Municipal Infrastructure Grant [Schedule 5B]	34 730	34 618	9 943	29 962	29 962	–		34 618
Water Services Infrastructure Grant [Schedule 5B]	13 941	13 941	–	11 685	11 685	–		13 941
Provincial Government:	**68 969**	**68 969**	**-**	**503**	**503**	–		**68 969**
Human Settlement Grant	68 969	68 969	–	503	503	–		68 969
District Municipality:	**1 600**	**1 600**	**-**	**-**	**-**	–		**1 600**
Fire Services Subsidy	1 600	1 600	–	–	–	–		1 600
Total Capital Transfers and Grants	**123 443**	**123 331**	**9 943**	**42 150**	**42 150**	**-**		**123 331**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	325 596	328 982	74 679	193 109	193 869	(760)	-0,4%	328 982

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 2024.

Description	Budget Year 2024/25							
	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands							%	
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**197 710**	**197 710**	**319**	**146 224**	**147 013**	**(789)**	**-0,5%**	**197 710**
Operational Revenue:General Revenue:Equitable Share	192 664	192 664	–	144 490	144 490	–		192 664
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 495	1 495	120	528	747	(220)	-29,4%	1 495
Local Government Financial Management Grant [Schedule 5B]	1 723	1 723	55	353	861	(509)	-59,1%	1 723
Municipal Infrastructure Grant [Schedule 5B]	1 828	1 828	144	854	914	(60)	-6,6%	1 828
Provincial Government:	**2 050**	**5 498**	**-**	**2 955**	**1 724**	**1 231**	**71,4%**	**5 498**
Library Grant	2 050	2 050	–	2 955	–	2 955		2 050
Human Settlement Grant	–	3 448	–	–	1 724	(1 724)	-100,0%	3 448
District Municipality:	**2 393**	**2 393**	**-**	**-**	**-**	–		**2 393**
Environmental Health Subsidy	2 393	2 393	–	–	–	–		2 393
Other grant providers:	**-**	**50**	**-**	**-**	**-**	–		**50**
Departmental Agencies and Accounts	–	50	–	–	–	–		50
Total operating expenditure of Transfers and Grants:	**202 153**	**205 651**	**319**	**149 179**	**148 737**	**442**	**0,3%**	**205 651**
Capital expenditure of Transfers and Grants								
National Government:	**63 247**	**70 989**	**4 850**	**25 683**	**35 495**	**(9 812)**	**-27,6%**	**70 989**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	4 203	4 889	50	50	2 445	(2 395)	-98,0%	4 889
Municipal Infrastructure Grant [Schedule 5B]	34 730	34 618	3 990	17 902	17 309	593	3,4%	34 618
Water Services Infrastructure Grant [Schedule 5B]	13 941	21 109	669	5 100	10 554	(5 454)	-51,7%	21 109
Municipal Disaster Relief Grant	10 373	10 373	141	2 631	5 186	(2 556)	-49,3%	10 373
Provincial Government:	**68 969**	**89 354**	**9 492**	**15 457**	**44 677**	**(29 220)**	**-65,4%**	**89 354**
Human Settlement Grant	68 969	89 354	9 492	15 457	44 677	(29 220)	-65,4%	89 354
District Municipality:	**1 600**	**1 600**	**-**	**-**	**-**	–		**1 600**
Fire Services Subsidy	1 600	1 600	–	–	–	–		1 600
Total capital expenditure of Transfers and Grants	**133 816**	**161 944**	**14 342**	**41 140**	**80 172**	**(39 032)**	**-48,7%**	**161 944**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**335 969**	**367 595**	**14 661**	**190 319**	**228 909**	**(38 590)**	**-16,9%**	**367 595**

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 352,714
Unspent as at 31 December 2024:	R 1,370,286

The spending of the grant amounted to 20.47% as at 31 December 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 1,047,000
Expenditure to date:	R 527,661
Unspent as at 31 December 2024:	R 519,339

The spending of the grant amounted to 50.40% as at 31 December 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 31,539,000
Expenditure to date:	R 18,755,703
Unspent as at 31 December 2024:	R 12,783,297

The spending of the grant amounted to 59.47% as at 31 December 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 49,756
Unspent as at 31 December 2024:	R 636,548

The spending of the grant amounted to 7.25% as at 31 December 2024, compared to the amount of the grant received.

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 5,100,471
Unspent as at 31 December 2024:	R 13,752,415

The spending of the grant amounted to 27.05% as at 31 December 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 2,630,597
Unspent as at 31 December 2024:	R 7,750,144

The spending of the grant amounted to 25.34% as at 31 December 2024, compared to the amount of the grant received.

Other Conditional Grants

Conditional Grant	**Prior Year Unspent**	**Interest**	**Expenditure**	**%**	**Unspent as at 30 November 2024**
Human Settlement Grant	20,555,956	502,661	15,456,847	73.40%	5,601,770

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M06 December 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	967	5 428	5 207	221	4%	10 414
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	11	65	–	65		–
Motor Vehicle Allowance	3 503	3 503	322	1 822	1 751	71	4%	3 503
Cellphone Allowance	1 678	1 678	118	705	839	(134)	-16%	1 678
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Councillors	**15 594**	**15 594**	**1 418**	**8 021**	**7 797**	**223**	**3%**	**15 594**
Senior Managers of the Municipality								
Basic Salaries and Wages	9 681	9 681	590	3 590	4 841	(1 250)	-26%	9 681
Pension and UIF Contributions	123	123	1	11	62	(51)	-82%	123
Medical Aid Contributions	56	56	–	3	28	(25)	-90%	56
Overtime	–	–	–	–	–	–		–
Performance Bonus	1 798	1 798	–	159	899	(740)	-82%	1 798
Motor Vehicle Allowance	2 196	2 196	206	1 100	1 098	2	0%	2 196
Cellphone Allowance	11	11	1	6	5	1	12%	11
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	5	5	0	0	3	(2)	-86%	5
Payments in lieu of leave	–	–	–	–	–	–		–
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
Entertainment	–	–	–	–	–	–		–
Scarcity	–	–	–	–	–	–		–
Acting and post related allowance	–	–	–	–	–	–		–
In kind benefits	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**13 870**	**13 870**	**798**	**4 869**	**6 935**	**(2 065)**	**-30%**	**13 870**
Other Municipal Staff								
Basic Salaries and Wages	295 150	302 701	21 315	120 777	151 350	(30 573)	-20%	302 701
Pension and UIF Contributions	38 991	39 834	3 052	18 253	19 917	(1 664)	-8%	39 834
Medical Aid Contributions	19 915	20 145	1 705	10 123	10 073	51	1%	20 145
Overtime	29 255	29 335	2 325	14 912	14 668	245	2%	29 335
Performance Bonus	26	26	–	–	13	(13)	-100%	26
Motor Vehicle Allowance	12 091	12 162	857	5 239	6 081	(842)	-14%	12 162
Cellphone Allowance	59	59	–	2	30	(28)	-93%	59
Housing Allowances	1 308	1 336	54	339	668	(329)	-49%	1 336
Other benefits and allowances	37 715	38 227	1 533	25 075	19 114	5 961	31%	38 227
Payments in lieu of leave	–	–	–	–	–	–		–
Long service awards	–	–	–	230	–	230		–
Post-retirement benefit obligations	23 361	23 361	574	2 895	11 680	(8 786)	-75%	23 361
Entertainment	–	–	–	–	–	–		–
Scarcity	–	–	–	–	–	–		–
Acting and post related allowance	–	–	–	–	–	–		–
In kind benefits	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**457 873**	**467 186**	**31 416**	**197 845**	**233 593**	**(35 748)**	**-15%**	**467 186**
Total Parent Municipality	**487 337**	**496 650**	**33 632**	**210 735**	**248 325**	**(37 590)**	**-15%**	**496 650**
TOTAL SALARY, ALLOWANCES & BENEFITS	**487 337**	**496 650**	**33 632**	**210 735**	**248 325**	**(37 590)**	**-15%**	**496 650**
TOTAL MANAGERS AND STAFF	**471 743**	**481 056**	**32 215**	**202 714**	**240 528**	**(37 813)**	**-16%**	**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 December 2024**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.13%	1.04%	0.32%	1.37%	4.45%	1.57%
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	0.00	0.01	0.05	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	1.07	0,51	0.91	0.91:1	0.96:1	1.32:1
Liquidity Ratio	Monetary assets / current liabilities	0.34	0,15	0.40	0.49:1	0.26:1	0.64:1
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.41%	94.32%	86.71%	91.01%	95%	87.81%

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 December 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	1.19 Months	0.53 Months	1.69 Months
Employee Costs	Employee Costs / Total Operating Expenditure	34.22%	31,69%	29.47%	30.46%	31.33%	31.59%
Capital Expenditure	Capital Expenditure / Capital Budget	71.67%	123,92%	94.66%	71.38%	95%	25.06%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	6.99%	4,32%	3.86%	4.15%	15.27%	10.56%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	3.33%	2,26%	2.32%	2.64%	10.07%	3.23%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.14%	77,76%	77.74%	77.02%	85.27%	79.01%

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 1.57% as at 31 December 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)

As at 31 December 2024, the ratio indicates 87.16% of borrowed funding, compared to total expenditure to date, excluding transfers and grants.

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 December 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:

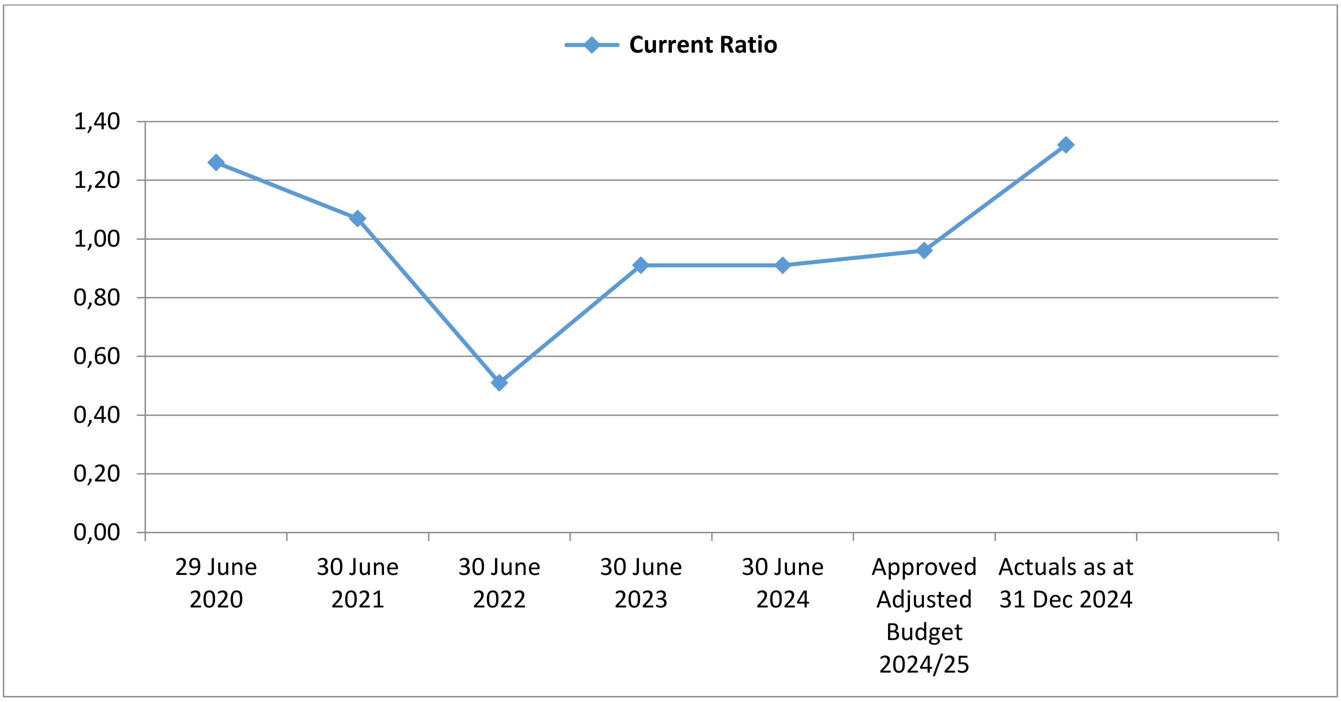
Current assets/Current liabilities

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

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

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

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



1.1.4. Liquidity Ratio

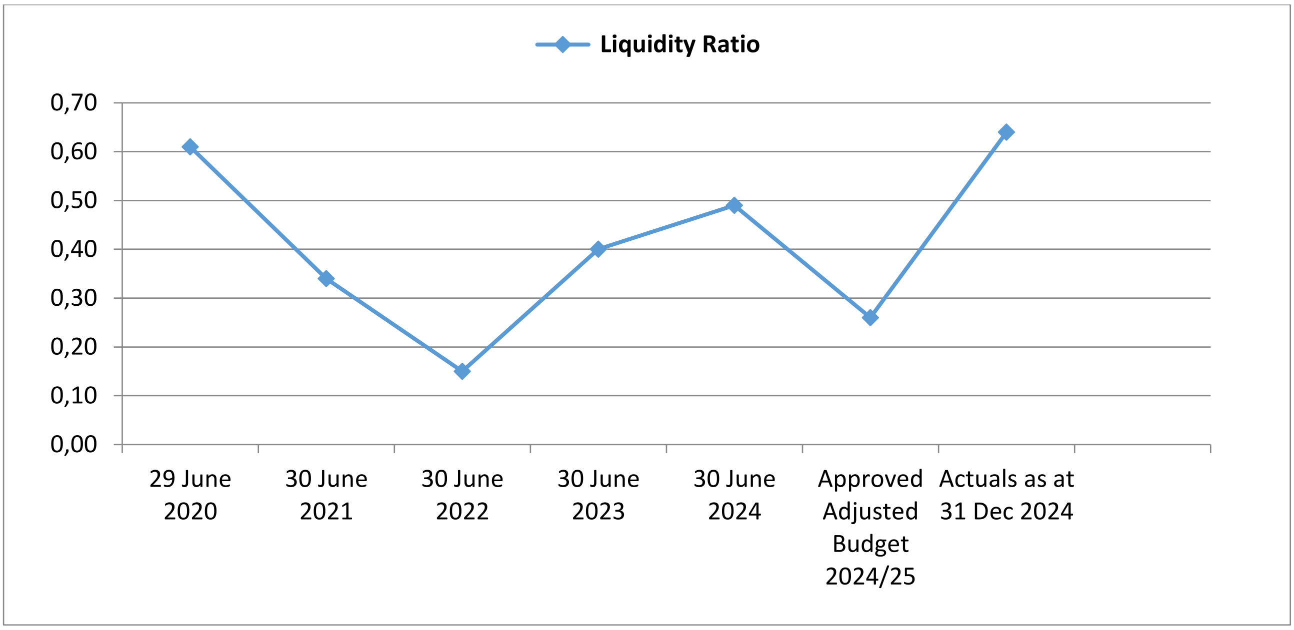
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 December 2024 was 0.64:1 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

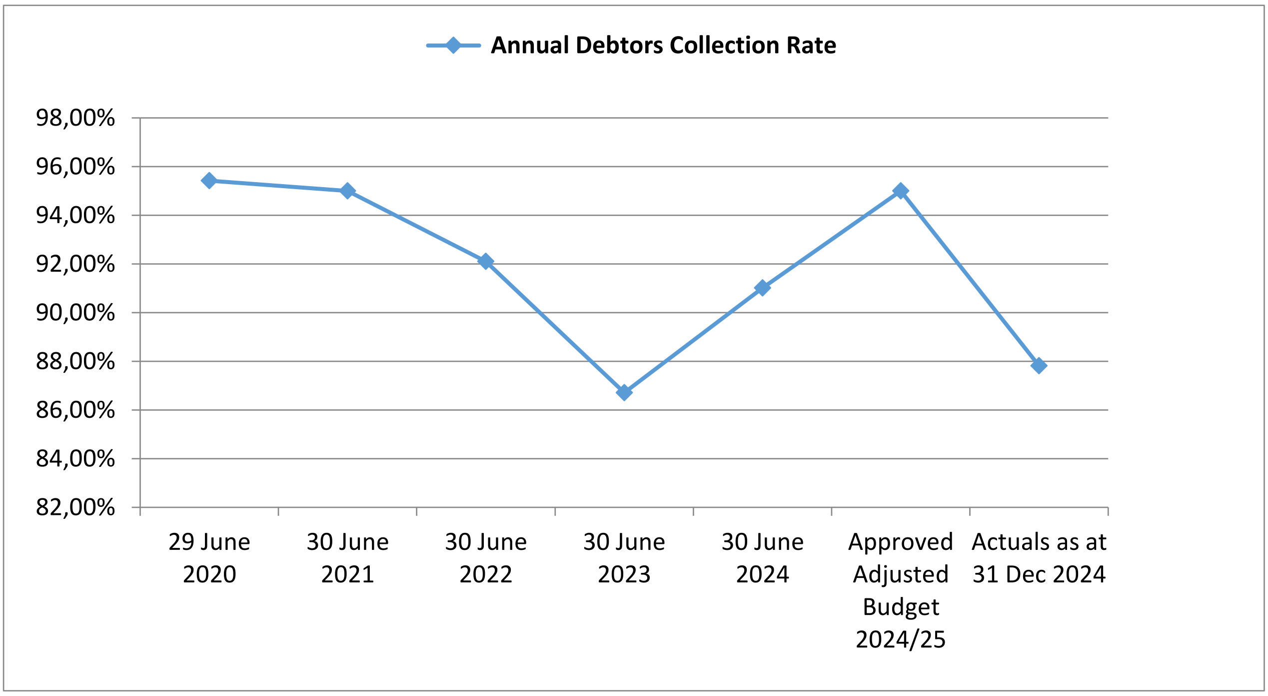
1.2.1. Annual Debtors Collection Rate

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 December 2024 was 87.81%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for November is 96.11%.



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.

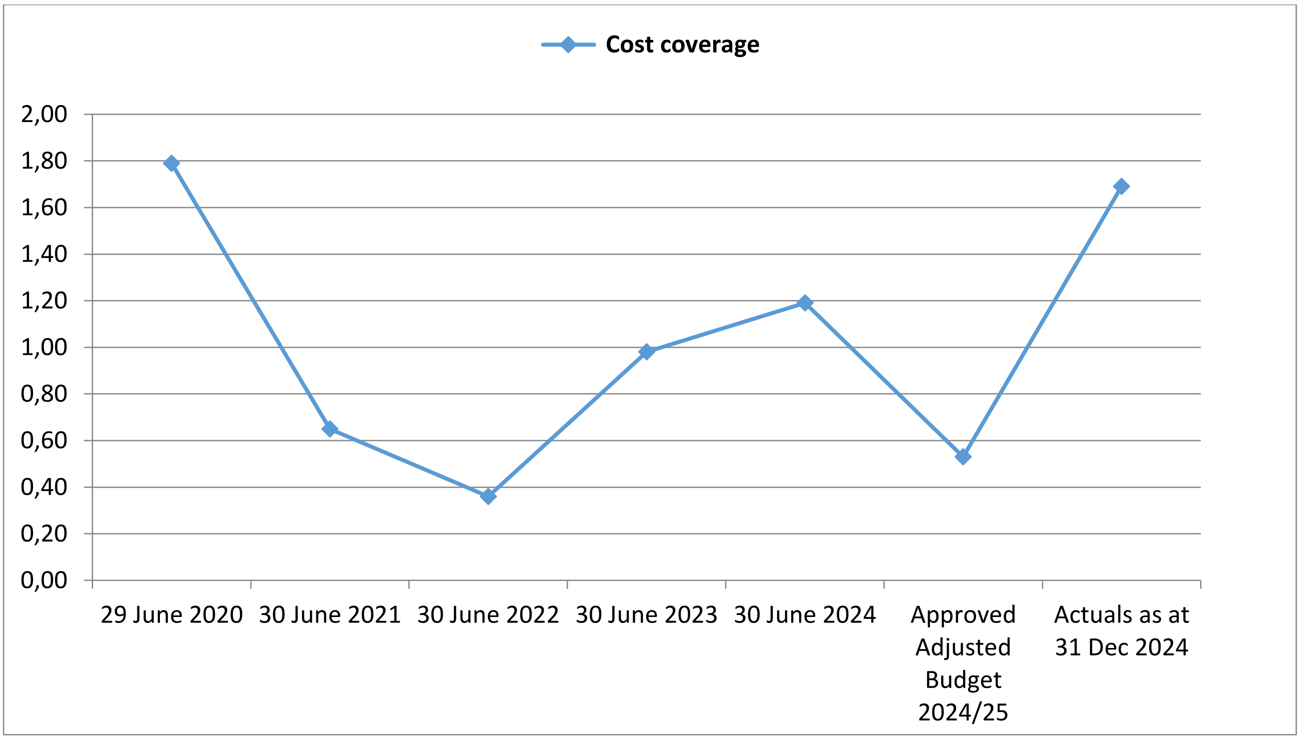
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 December 2024, the Ratio was 1.69 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.



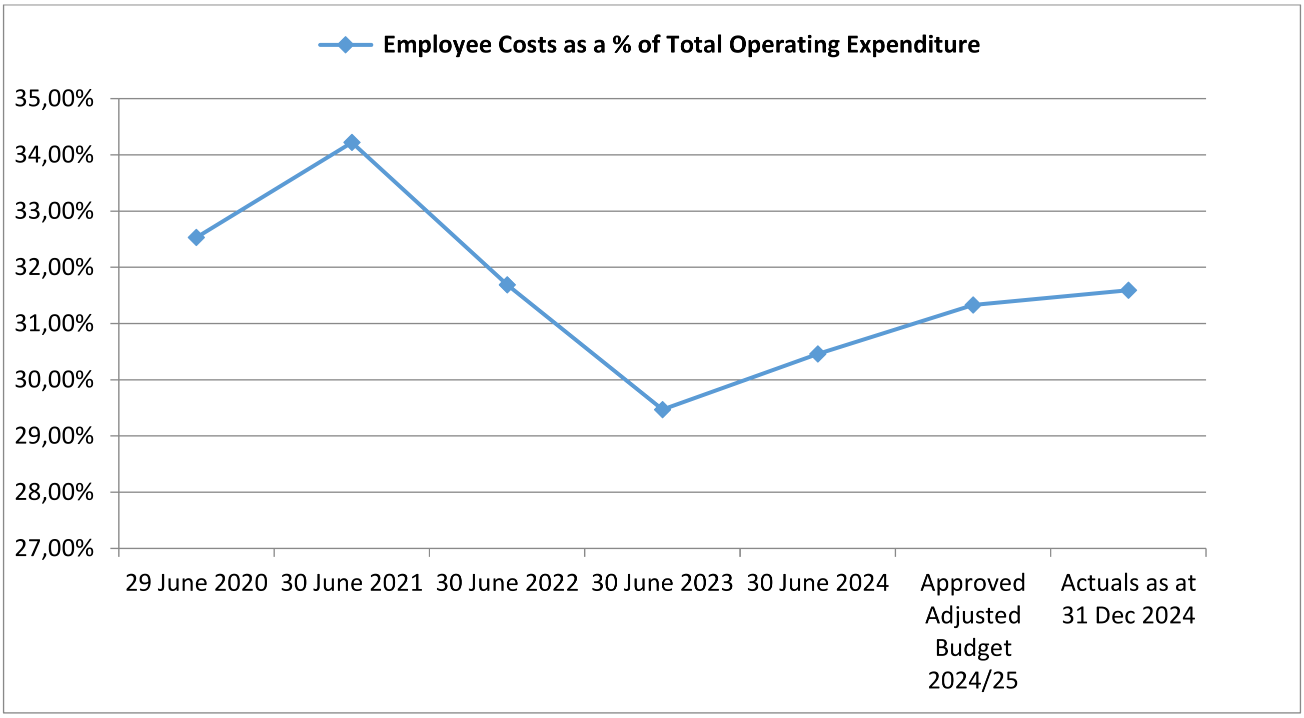
1.3.2. Employee costs as a % of Total Operating Expenditure

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 December 2024, Employee Related Costs constituted 31.59% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 31.33%.



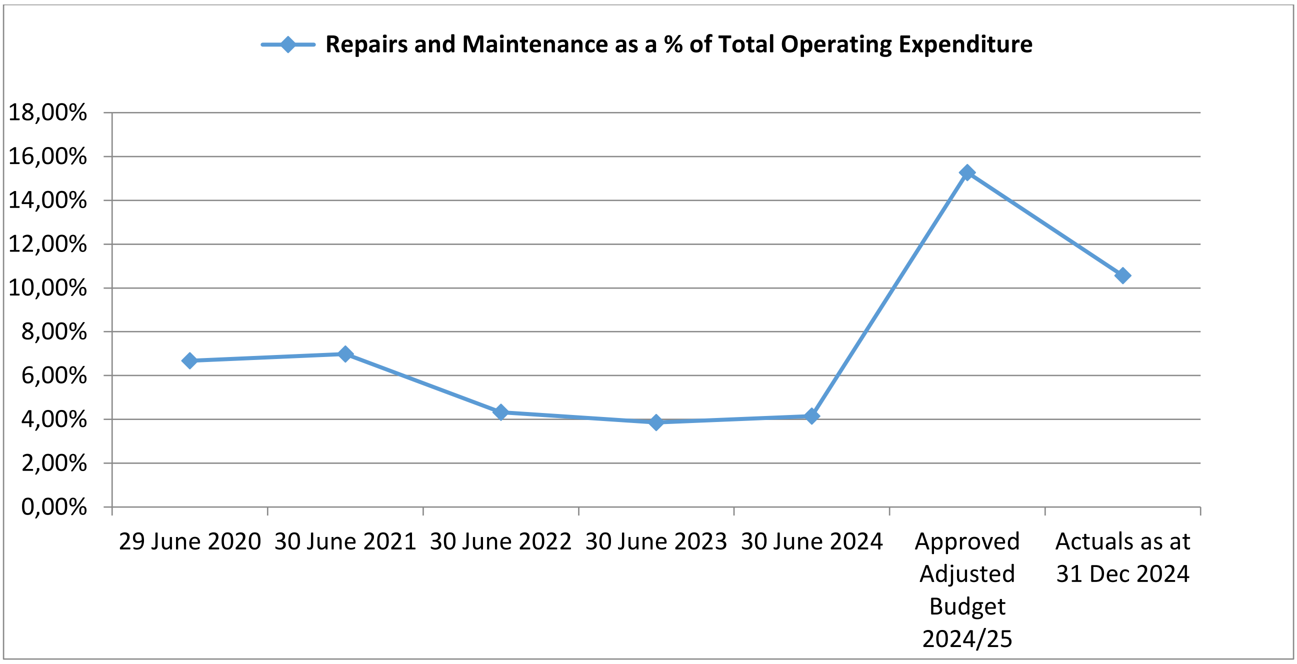
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 December 2024, the ratio was 10.56%, 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)

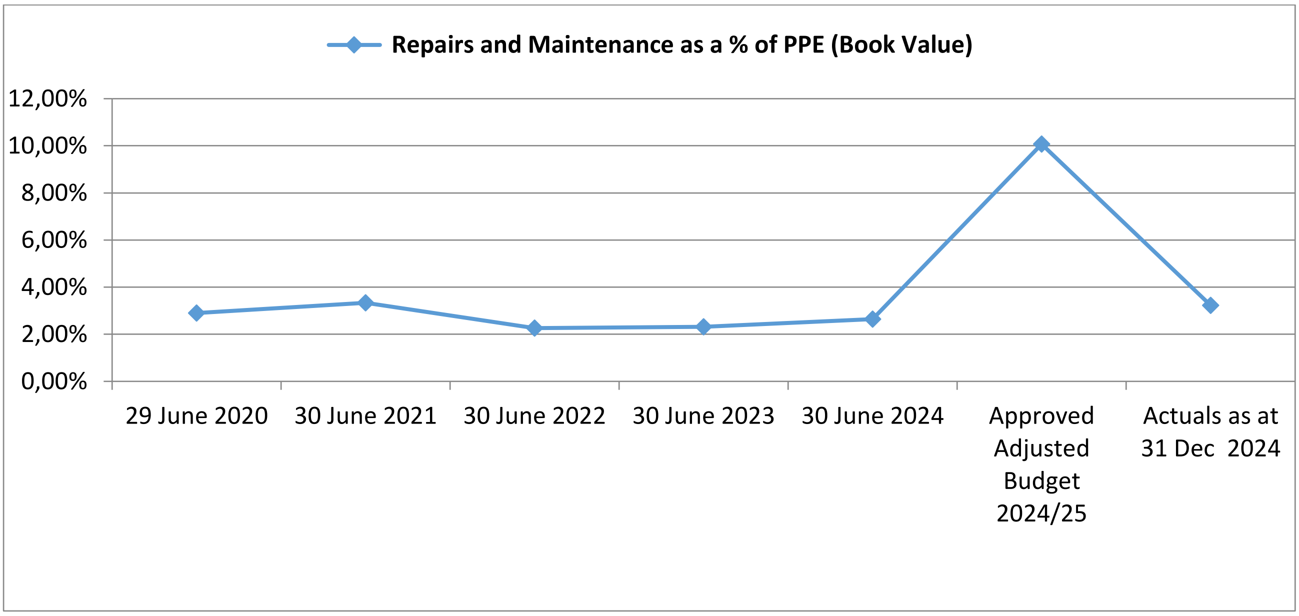
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2024, repairs and maintenance expenditure constituted 3.23% 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%.



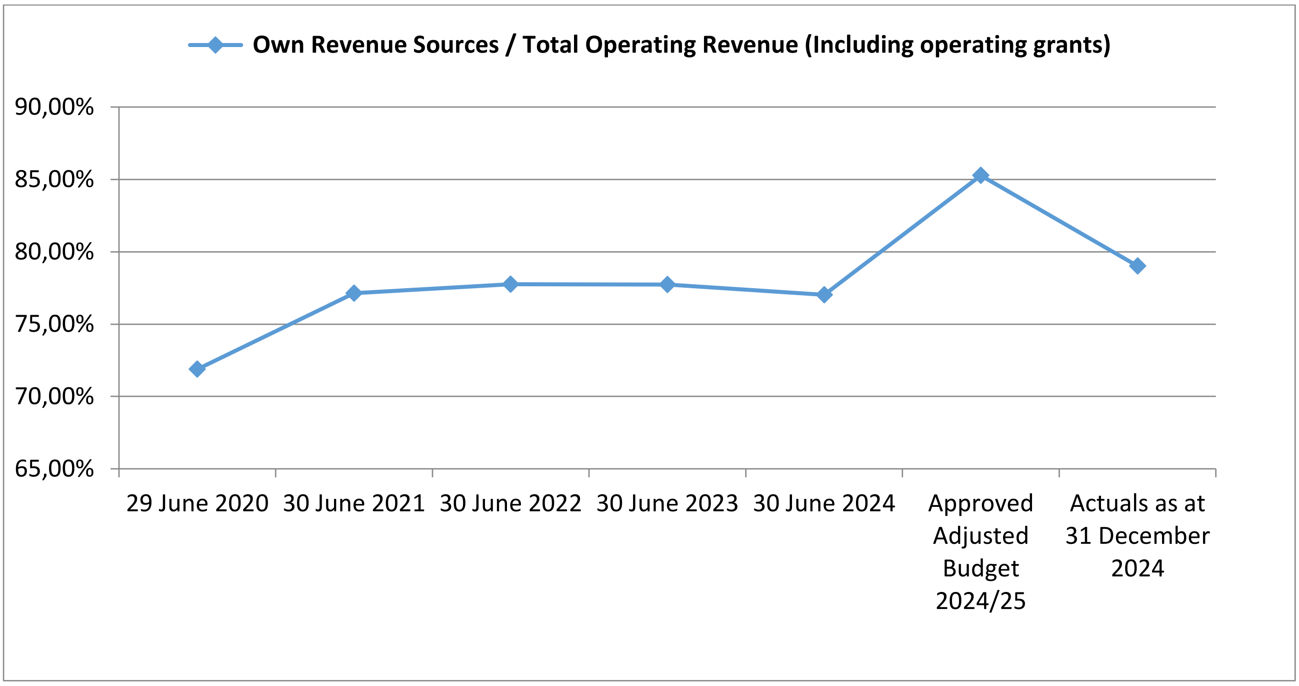
Own Revenue Generation

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 December 2024, the Municipality's own revenue sources constituted 79.01% 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 December 2024 amounted to 25.06%, compared to the approved adjusted budget ratio of 95%.