

**NELSON MANDELA BAY MUNICIPALITY**  
**CYCLE NO. 2/2024**  
**REPORT OF THE CHIEF FINANCIAL OFFICER**  
**TO THE**  
**AUDIT COMMITTEE**

**MEETING DATE: 30 APRIL 2024**

**1. FINANCIAL REPORT FOR THE PERIOD 01 JULY 2023 TO 31 MARCH 2024 AND THE ASSESSMENT OF THE MUNICIPALITY'S FINANCIAL POSITION AS AT 31 MARCH 2024 (2023/24 FINANCIAL YEAR)**

**1.1 PURPOSE**

The purpose of this report is to assess the financial performance and financial position of the Municipality and its consequential impact on the implementation of the approved 2023/24 Operating and Capital Adjustments Budgets. This report presents an assessment of the municipality's financial performance and financial position as at 31 March 2024 as required in terms of Section 71 of the Municipal Finance Management Act (MFMA), (Act No. 56 of 2003). This report also highlights financial risks to the municipality that were identified whilst implementing the Council approved budget, with some of these risks being mentioned in previous reports to the Budget and Treasury Standing Committee

**1.2 LEGISLATIVE REQUIREMENTS**

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Department of Water and Sanitation, service providers, etc. In accordance with Section 71 of the MFMA, the Accounting Officer is required to submit to the National and Provincial Treasuries a monthly statement on the state of the municipality's budget.

**1.3 EXECUTIVE SUMMARY**

This report provides a balanced and consolidated financial performance overview to assist Council in its oversight role over the financial affairs of the municipality. An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality as at 31 March 2024.

To provide a comprehensive analysis, it was necessary to compare the 2023/24 Operating/ Capital Adjustments Budgets, the General Ledger and the actual cash inflows and outflows of the Municipality, thereby determining relationships and the associated spending and income trends experienced in the first nine months of the 2023/24 financial year. The aforementioned was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the first 9 months, in order to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

**1.4 FINANCIAL PERFORMANCE HIGHLIGHTS AS AT 31 MARCH 2024 OF THE 2023/24 FINANCIAL YEAR**

The financial performance highlights are as follows:

- 1.4.1. Operating revenue amounted to R12.378 billion, whilst operating expenditure amounted to R12.761 billion. The reason for this relatively high operating revenue is due to Property Rates in the amount of R2.932 billion being raised annually in advance but being paid monthly by the rate payers of NMBM. It must be noted that R8.972 billion of the operating revenue comprises of Property Rates and Service Charges (i.e., Electricity, Water, Sanitation and Refuse) which represents billed revenue. The relatively high Expenditure levels is associated with Bad Debts of R3.578 billion that was written off during the first 9 months of the financial year, in terms of the amended Assistance to the Poor Policy.

Description	Budget Year 2023/24			
	Original Budget	Adjustments Budget	Year TD actual	% Spent
<b>R thousands</b>				%
<b>Revenue By Source</b>				
Property rates	2,974,149	2,944,079	2,931,810	99.58%
Service charges - electricity revenue	5,163,607	5,171,943	3,691,676	71.38%
Service charges - water revenue	2,943,776	2,912,999	1,545,873	53.07%
Service charges - sanitation revenue	837,553	868,502	584,694	67.32%
Service charges - refuse revenue	311,829	311,829	218,144	69.96%
Rental of facilities and equipment	31,021	37,584	32,287	85.91%
Interest earned - external investments	208,088	207,878	149,024	71.69%
Interest earned - outstanding debtors	573,984	883,722	882,060	99.81%
Fines, penalties, and forfeits	82,843	46,185	32,557	70.49%
Licences and permits	18,158	18,222	16,658	91.42%
Agency services	3,716	3,870	2,958	76.43%
Transfers and subsidies	1,933,682	2,008,503	1,951,297	97.15%
Other revenue	937,771	929,378	339,043	36.48%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>12,378,081</b>	<b>75.73%</b>
<b>Expenditure By Type</b>				
Employee related costs	4,558,182	4,419,230	2,913,337	65.92%
Remuneration of councillors	91,089	90,829	65,016	71.58%
Debt impairment	2,435,537	2,433,477	3,577,717	147.02%
Depreciation & asset impairment	1,334,327	999,907	603,878	60.39%
Finance charges	128,228	130,278	74,904	57.50%
Bulk purchases - electricity	5,632,329	5,632,845	4,135,220	73.41%
Inventory consumed	359,733	371,214	174,039	46.88%
Contracted services	1,564,811	1,554,231	602,676	38.78%
Transfers and subsidies	196,230	217,611	133,902	61.53%
Other expenditure	866,955	854,910	480,232	56.17%
Losses	238,662	238,662	-	0%
<b>Total Expenditure</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>12,760,922</b>	<b>75.32%</b>

- 1.4.2. Capital spending for 2023/24 as at 31 March 2024 amounts to R678.828 million or 38.72% of the approved capital adjustments budget of R1.753 billion. Strategies to improve the spending of the capital budget must be prioritised. The delayed transfer of grants also contributed to the capital expenditure being lower than anticipated.

- 1.4.3. The conditional grants as indicated in the table below have been received up to 31 March 2024. The table below also reflects the spending on conditional grants and the Equitable Share:

Description	Budget Year 2023/24			
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual
<b>R thousands</b>				
<b>Operating Transfers and Grants</b>			<b>RECEIPTS:</b>	<b>PAYMENTS</b>
<b>National Government:</b>	<b>1,673,310</b>	<b>1,605,107</b>	<b>1,547,212</b>	<b>1,118,041</b>
Local Government Equitable Share	1,419,053	1,419,053	1,419,053	1,064,290
EPWP Incentive	8,397	7,928	7,928	5,181
Finance Management	1,000	1,000	1,000	605

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Infrastructure Skills Development	13,750	12,970	13,970	7,642
LGSETA	3,800	3,800	4,899	1,622
Energy Efficiency & Demand Side Management		1,260		
Urban Settlements Development	15,124	15,759	8,146	126
Public Transport Networks Operations	161,176	108,337	55,376	36,518
Neighbourhood Development Partnership Programme and Project Support Grant	20,000	20,000	20,000	1,264
Informal Settlements Partnership Grant	11,010	5,000	6,840	793
<b>Provincial Government:</b>	<b>116,375</b>	<b>203,543</b>	<b>148,870</b>	<b>28 179</b>
Sport and Recreation	15,870	15,870	15,870	15,870
DRPW (Maintenance of Roads)	18,000	18,000	17,560	12,298
Marine and Coastal Development	896	896		12
Human Settlements Development	81,608	168,777	115,440	
<b>Other grant providers:</b>	<b>124,168</b>	<b>-</b>	<b>-</b>	<b>-</b>
SARS	124,168			
<b>Total Operating Transfers and Grants</b>	<b>1,913,852</b>	<b>1,808,650</b>	<b>1,696,082</b>	<b>1,146,221</b>
<b>Capital Transfers and Grants</b>				
<b>National Government:</b>	<b>1,510,143</b>	<b>1,410,507</b>	<b>1,219,797</b>	<b>520,715</b>
Public Transport Infrastructure	185,200	88,039	45,000	6,767
Urban Settlements Development	599,778	647,990	514,058	252,994
Neighbourhood Development Partnership	9,700	9,700	9,011	3,965
Informal Settlements partnership Grant	338,625	309,198	294,727	186,814
Drought Relief Grant	19,840	19,840	-	-
Energy Efficiency & Demand Side Management	9,000	7,740	9,000	5,589
Regional Bulk Infrastructure	348,000	328,000	348,000	64,586
<b>Other grant providers:</b>	<b>41,865</b>	<b>55,000</b>	<b>-</b>	<b>28,163</b>
Private Contributions	40,000	55,000	-	28,163
European Union	1,865			-
<b>Total Capital Transfers and Grants</b>	<b>1,552,009</b>	<b>1,465,507</b>	<b>1,219,797</b>	<b>548,878</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>3,465,861</b>	<b>3,274,157</b>	<b>2,915,878</b>	<b>1,695,099</b>

National Treasury approved the roll-over of the Urban Settlements Development Grant and the Informal Settlements Upgrading Partnership Grant in the amounts of R9.8 million and R32.5 million, respectively.

It is important to note that the Adjustments DORA for the 2023/24 financial year reduced the following DORA Allocations:

LOCAL GOVERNMENT MTEF ALLOCATIONS: 2023/24 Nelson Mandela Bay Municipality R'000	Original DORA 2023/24	2023/24 Adjustments	Adjusted DORA Allocation
Urban settlement development grant	614,902	-42,698	572,204
Public transport network grant	346,376	-150,000	196,376
Metro informal settlements partnership grant	349,635	-22,868	326,767
Expanded public works programme integrated grant for municipalities	8,397	-469	7,928
Infrastructure skills development grant	13,750	-780	12,970
Programme and project preparation support grant	20,000	-10,000	10,000
<b>Total</b>	<b>1,353,060</b>	<b>-226,815</b>	<b>1,126,245</b>

The aforementioned reductions, were included in the 2023/24 Adjustments Budget, as approved by Council on 27 February 2024.

It is important to note that a further reduction in Conditional Grants was Gazetted as follows:

<b>LOCAL GOVERNMENT MTEF ALLOCATIONS: 2023/24 Nelson Mandela Bay Municipality R'000</b>	<b>Original DORA 2023/24</b>	<b>2023/24 Adjustments 1</b>	<b>2023/24 Adjustments 2</b>	<b>Adjusted DORA Allocation</b>
Urban settlement development grant	614,902	-42,698	-50,000	522,204
Public transport network grant	346,376	-150,000	-96,000	196,376
Metro informal settlements partnership grant	349,635	-22,868	-25,200	326,767
Expanded public works programme integrated grant for municipalities	8,397	-469		7,928
Infrastructure skills development grant	13,750	-780		12,970
Programme and project preparation support grant	20,000	-10,000		10,000
<b>Total</b>	<b>1,353,060</b>	<b>-226,815</b>	<b>-171,200</b>	<b>955,045</b>

An item is to be submitted to Council on 17 April 2024 to amend the Operating and Capital adjustments budgets in line with the second Gazetted Adjustments DORA. The first Gazetted adjustments DORA has already been incorporated in the 2023/24 Adjustments Budget.

- 1.4.4. As previously reported, the NMBM finalised the raising of an external loan during the 2020/21 financial year, to finance service delivery projects linked to the Water, Sanitation and Electricity services, in the amount of **R750.602,100**. The external borrowing was taken up in 6 tranches, and the last tranche of R 169,165,620 was taken up on 31 January 2023. As at 31 March 2024, the unspent portion of the External Loan from Nedbank amounted to R86.434 million (Incl VAT).
- 1.4.5. Overdue debts have decreased by R844,986,030 mainly due to Bad Debt write-offs of R3,577,717,223, that were processed during the first 9 months of the 2023/24 financial year, in terms of the amended Assistance to the Poor Policy. The average collection rate for the 2023/24 financial year to date amounted to 74.98%. The collection rate for the month of March 2024 based on what was billed for February 2023 was 74.16%. As previously reported, the Committee must also note that the introduction of punitive water tariffs necessitated by the drought situation has had a negative impact on the collection rate and has also contributed to the escalation in water debt.
- 1.4.6. An amount of R1,802 billion is owing to Creditors (Trade and Other Payables) of which R559.696 million is current creditors (within the 30-Day period and not yet payable). Creditors consist of Payments and Accruals, Payments Received in Advance, Staff Leave Pay and Retentions. Below is a table detailing the amounts included in this figure: -

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Detail	0 – 30 Days	31-60 days	61 – 90 days	Above 91 days	Total	%
	R '000	R '000	R '000	R '000	R '000	
Bulk Electricity	441,552,961.89	-	-	-	441,552,961.89	24.50
Bulk Water	3,428,529.32	419,555.42	-	-	3,848,084.74	0.21
PAYE deductions	53,636,295.09	-	-	-	53,636,295.09	2.98
VAT (output less input)	-	-	-	-	-	-
Pensions / Retirement deductions	47,268,635.30	-	-	-	47,268,635.30	2.62
Loan Repayments	-	-	-	-	-	-
Trade Creditors	13,127,304.17	894,355.82	28,795,629.03	1,212,552,828.46	1,255,370,117.48	69.65
Auditor-General	682,042.75	-	-	-	682,042.75	0.04
Other	-	-	-	-	-	-
<b>Total</b>	<b>559,695,768.52</b>	<b>1,313,911.24</b>	<b>28,795,629.03</b>	<b>1,212,552,828.46</b>	<b>1,802,358,137.25</b>	<b>100.00</b>

It is important to Note that the Non-Current Trade Creditors in the amount of R1,243 million contains Developers Contributions and Other deposits (R130.411 million), Staff Leave Pay (R376,854 million), Payments in Advance (R92.071 million), Creditors Retention (R163.415 million), Upgrading of New Brighton Library (R2.139 million) and Port Elizabeth Land Restitution Project (R2.129 million) that are not due within 30 days or to be paid back within the 2023/24 financial year. It can be concluded that an amount of **R475.643 million** is due for payment but has been outstanding for a period of longer than 30 Days from the date of the invoice, due to various reasons. The remaining amount of R767.019 million, outstanding for a period of longer than 30 days, is not yet due for payment.

1.4.7. The municipality's investment portfolio has increased by R198.359 million (4.12%) since June 2023 from R4,817 billion to R5.016 billion.

1.4.8. The Non-Revenue Water Losses for the period 1 July 2023 to 29 February 2024 amount to 34,389 megalitres or 46.92%. However, the Non-revenue Water Losses for the 2022/23 financial year amounted to 43,721 megalitres or 43.14% in the value of R253.2 million.

1.4.9. Total non-revenue electricity for the 2022/23 financial year was 25.90% (781,072,790Kwh) or equivalent to R986.1 million. The year-to-date non-revenue electricity losses for the first eight months of the 2023/24 financial year amounts to 23.80% (530,050,416Kwh), or an equivalent of R695.96 million.

It is evident that the current strategies to address water and electricity losses are not yielding positive results.

## 1.5. OPERATIONAL COSTS RELATING TO EXISTING AND NEW IPTS ROUTES TO BE IMPLEMENTED

The Committee and Council should note that although the NMBM receives a Conditional Grant for the IPTS related operations, the grant received does not cover the full costs of operating the bus system. It is considered important to note that when each route is operational, additional costs are incurred by the municipality, which must be budgeted for within the Operating Budget of the municipality. The associated operational costs have a direct impact on property rates, as it **must be** funded from a reliable source, meaning that property rates will have to be adjusted to cover these costs.

## 1.6. ANALYSING THE OVERDUE CONSUMER DEBTORS AS AT 31 MARCH 2024

The analysis below indicates that from 30 June 2023 to 31 March 2024, the overdue debts have decreased by R844,986,030 as follows:

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Description	OVERDUE AMOUNTS			
	Detail	June 2023	March 2024	Difference
Trade and Other Receivables from Exchange Transactions – Water		R 8,136,133,033	R 6,707,182,445	-R 1,428,950,588
Trade and Other Receivables from Exchange Transactions – Electricity		R 653,630,400	R 715,406,217	R 61,775,817
Receivables from Non-exchange Transactions - Property Rates		R 1,335,540,279	R 1,562,640,836	R 227,100,557
Receivables from Exchange Transactions - Waste Water Management		R 1,163,788,465	R 1,162,030,980	-R 1,757,485
Receivables from Exchange Transactions - Waste Management		R 661,209,036	R 581,134,144	-R 80,074,892
Receivables from Exchange Transactions - Property Rental Debtors		R 40,177,773	R 44,345,557	R 4,167,784
Interest on Arrear Debtor Accounts		R 1,947,366,721	R 2,334,898,716	R 387,531,995
Other		R 399,930,189	R 385,150,971	-R 14,779,218
<b>Total By Income Source</b>		<b>R 14,337,775,896</b>	<b>R 13,492,789,866</b>	<b>R -844,986,030</b>
<b>Debtors Age Analysis By Customer Group</b>				
Organs of State		R 180,626,258	R 293,455,981	R 112,829,723
Commercial		R 1,693,956,774	R 1,928,911,901	R 234,955,127
Households		R 12,418,048,260	R 11,217,728,359	-R 1,200,319,901
Other NMBM		R 45,144,604	R 52,693,625	R 7,549,021
<b>Total By Customer Group</b>		<b>R 14,337,775,896</b>	<b>R 13,492,789,866</b>	<b>R -844,986,030</b>

The following table provides a detailed analysis of the Debtors' Age Analysis per category, for the period ending 31 March 2024: -

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

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total-
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 480,217,814	R 373,092,058	R 306,325,989	R 260,568,194	R 240,264,777	R 266,504,886	R 1,402,006,747	R 3,857,819,794	R 7,187,400,259
Trade and Other Receivables from Exchange Transactions - Electricity	R 350,977,255	R 91,432,343	R 35,499,778	R 31,025,117	R 21,020,597	R 36,792,615	R 90,601,074	R 409,034,693	R 1,066,383,472
Receivables from Non-exchange Transactions - Property Rates	R 863,696,411	R 37,002,616	R 106,178,029	R 149,029,007	R 39,037,313	R 36,825,045	R 139,166,753	R 1,055,402,073	R 2,426,337,247
Receivables from Exchange Transactions - Waste Water Management	R 101,216,143	R 64,648,278	R 48,378,423	R 39,292,912	R 33,757,519	R 38,162,494	R 170,684,604	R 767,106,750	R 1,263,247,123
Receivables from Exchange Transactions - Waste Management	R 49,322,313	R 17,737,886	R 13,683,946	R 12,850,467	R 12,126,586	R 11,787,450	R 64,939,083	R 448,008,726	R 630,456,457
Receivables from Exchange Transactions - Property Rental Debtors	R 1,975,059	R 704,402	R 626,158	R 701,191	R 691,445	R 538,922	R 3,575,283	R 37,508,156	R 46,320,616
Interest on Arrear Debtor Accounts	R 128,911,722	R 103,022,864	R 93,370,543	R 91,251,289	R 85,317,730	R 85,851,148	R 438,776,754	R 1,437,308,388	R 2,463,810,438
Other	R 14,212,855	R 4,877,213	R 2,939,848	R 5,442,076	R 4,119,888	R 11,697,030	R 25,222,233	R 330,792,683	R 399,363,826
<b>Total By Income Source</b>	<b>R 1,990,529,572</b>	<b>R 692,517,660</b>	<b>R 607,662,714</b>	<b>R 590,160,253</b>	<b>R 436,335,855</b>	<b>R 488,159,590</b>	<b>R 2,334,972,531</b>	<b>R 8,342,981,263</b>	<b>R 15,483,319,438</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	R 42,455,981	R 27,004,911	R 24,568,445	R 13,975,258	R 7,499,590	R 27,330,905	R 74,642,537	R 118,434,425	R 335,911,962
Commercial	R 775,154,955	R 142,662,825	R 122,559,072	R 91,336,468	R 52,457,906	R 65,084,834	R 201,748,936	R 1,253,063,860	R 2,704,066,856
Households	R 1,165,087,390	R 521,907,977	R 459,625,616	R 484,133,943	R 375,816,087	R 394,905,946	R 2,053,348,802	R 6,927,989,988	R 12,382,815,749
Other NMBM	R 7,831,246	R 941,947	R 939,581	R 714,584	R 562,362	R 837,905	R 5,234,256	R 43,492,990	R 60,524,871
<b>Total By Customer Group</b>	<b>R 1,990,529,572</b>	<b>R 692,517,660</b>	<b>R 607,662,714</b>	<b>R 590,160,253</b>	<b>R 436,335,855</b>	<b>R 488,159,590</b>	<b>R 2,334,972,531</b>	<b>R 8,342,981,263</b>	<b>R 15,483,319,438</b>

It must be noted that the period of 0 to 30 days, represents current accounts and anything greater than 30 days represent arrear accounts. In terms of the above, it can be stated that the arrear debtors' amount to about R13.493 billion (or R15.483 billion – R1.991 billion).

**1.7. THE FINANCIAL IMPACT OF OVERTIME**

The overtime paid for the period July 2023 to March 2024 amounted to R275,135,307. If this trend is maintained for the 2023/24 financial year, the projected spending on Overtime will amount to R425,306,020. It is therefore anticipated that the Adjustments Operating Budget in the amount of R409,952,230 could be overspent by at least R15.35 million once all year-end accruals for overtime have been processed at the end of the 2023/24 financial year. The main Directorates responsible for the overspending are the

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Safety and Security, Electricity and Energy, Water Service, Public Health, and Sanitation Directorates.

Directorate	2024 Budget	2024 Adjust Budget	2024 Actuals	Projection
Budget & Treasury	11,055,820	11,055,820	4,950,401	9,327,101
Chief Operating Officer	1,726,760	1,543,560	730,569	1,535,664
Corporate Services	7,393,910	7,677,460	5,121,068	7,895,013
Economic Development, Tourism & Agriculture	500,000	500,000	306,681	460,022
Electricity & Energy	65,976,330	88,390,060	63,458,121	95,393,601
Human Settlements	515,330	555,330	735,126	1,192,749
Infrastructure & Engineering Unit - Rate and General	8,930,380	8,160,980	7,469,118	11,203,677
Metro Water Service	29,188,380	45,943,380	33,343,617	50,032,226
Municipal Manager	250,000	250,000	132,340	198,510
Nelson Mandela Metropolitan Municipality	0	0	28,009	42,014
Office of the Executive Mayor	679,800	679,800	512,663	825,714
Public Health	31,778,810	32,958,810	24,651,027	37,811,850
Recreational & Cultural Services	4,682,960	9,678,960	7,664,001	12,240,001
Safety & Security	124,733,830	155,561,630	102,156,353	153,429,379
Sanitation - Metro	42,480,740	46,996,440	23,831,476	43,651,394
Special Projects and Programmes	50,000	0	44,737	67,106
<b>Grand Total</b>	<b>329,943,050</b>	<b>409,952,230</b>	<b>275,135,307</b>	<b>425,306,020</b>

The table below reflects Actual Overtime Payments for the past 7 years. Overtime payments over this period from 2016/17 to 2022/23 have increased by 99.5% or R173.301 million. The standout Directorate is Safety & Security whose actual Overtime payment increased from R40,753,649 to R107,835,094 or by 264.60%. This situation was exacerbated by the insourcing of security guards with effect from the 2018/19 and 2019/20 financial years and this is now a permanent cost, placing a burden on the Property Rates Account.

Directorate	2016/2017 Actuals	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals
Infrastructure & Engineering R&G	5,379,712	4,317,024	6,247,465	5,349,645	7,781,651	8,054,250	9,693,501
Human Settlements	1,135,380	430,116	942,996	734,493	522,384	550,583	831,766
Public Health	26,993,154	20,781,046	27,247,273	24,848,033	30,955,479	37,847,153	37,213,127
Sport, Rec, Arts & Culture	5,914,578	6,207,957	9,206,181	7,858,502	4,700,056	8,458,916	10,601,282
<b>Safety &amp; Security</b>	<b>40,753,649</b>	<b>45,617,891</b>	<b>76,720,540</b>	<b>112,333,008</b>	<b>128,459,967</b>	<b>108,843,218</b>	<b>107,835,094</b>
Economic Dev, Tourism & Agri	599,524	568,589	640,741	802,378	668,259	472,287	675,650
Corporate Services	4,446,327	5,113,737	6,815,851	5,112,714	3,857,871	6,400,590	7,674,515
Budget & Treasury	10,396,113	7,913,218	9,404,412	7,576,136	4,514,354	6,249,574	6,949,565
Executive Mayor	683,740	435,847	307,970	420,580	358,220	544,583	412,059
Sanitation	17,858,306	16,154,418	19,237,423	24,073,918	26,278,028	29,265,055	36,340,236
Water	28,423,438	21,441,984	29,397,881	37,399,119	44,233,144	44,413,757	46,907,391
Municipal Manager	185,080	183,014	237,847	279,305	173,723	197,671	157,383
Electricity & Energy	30,975,974	25,209,115	35,465,323	41,720,359	50,381,141	56,910,684	80,896,565
Chief Operating Officer	373,082	252,894	677,398	386,227	1,515,504	903,439	1,225,940
Spec Proj and Programmes	38,164	97,673	230,027	119,170	14,705	33,309	43,225
<b>Grand Total</b>	<b>174,156,220</b>	<b>154,724,523</b>	<b>222,779,330</b>	<b>269,013,587</b>	<b>304,414,486</b>	<b>309,145,069</b>	<b>347,457,300</b>
Percentage Increase		-11.16%	43.98%	20.75%	13.16%	1.55%	12.39%

As indicated previously the reduction in actual overtime payments from 2017 to 2018 is the direct result of a new overtime policy that was implemented at the time for a period of 2 months only; and subsequently withdrawn as a result of a moratorium placed by Council on the implementation of that policy.

As reported in the previous financial year/s, considering the extent of overspending, the conclusion of the outstanding Overtime Policy in line with the relevant legislation, by the

Corporate Services and Human Resources Standing Committee is long overdue. The fact that there is no guiding policy dealing with this matter, poses a significant risk for the institution.

The Committee should note that the latest draft Overtime Policy is currently with the Policy & Research Review Unit under the COO's office as administratively required before other processes are followed. As soon as the draft Overtime Policy is concluded by the Policy & Research Review Unit under the COO's office it will be taken through the Council structures. One of the critical aims of the Policy is to set the payment of Overtime to the National threshold as determined, annually, by the Minister of Employment & Labour as well as the Collective Agreement on Conditions of Service as they are binding documents that the Municipality must comply with.

### 1.8. VARIOUS FINANCIAL RATIOS

The following financial ratios are monitored on an ongoing basis:

Ratio	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Restate 2021/22	Audit 2022/23	March 2024	Targets
Current Ratio	1.63:1	1.73:1	1.85:1	2.12:1	2.14:1	2.14:1	2.62:1	2.80:1	2.09:1
Liquidity Ratio	0.70:1	0.92:1	1.05:1	1.01:1	1.19:1	1.29:1	1.29:1	1.48:1	1.09:1
Average Debtors' Collection Rate	94.3%	93.1%	94.7%	83.4%	85.5%	76.16%	63.31%	74.98%	80%
Creditors' payment Rate (i.e., 30 Days on Receipt of Invoice)	33 days	43 days	44 days	50 days	59 days	72 days	59 days	30 days	30 days
Cost Coverage (excluding unspent conditional grants)	2.20 months	3.18 months	3.64 months	4.00 months	4.84 months	5.24 months	5.05 months	3.67 months	3.99 months
Debt servicing costs to Operating Revenue Ratio	2.78%	2.40%	2.17%	1.96%	1.91%	2.33%	1.86%	2.01%	1.97%

#### 1.8.1. Collection Rate as recorded above:

It must be noted that the budgeted collection rate for the 2023/24 financial year was set at 80%. The average collection rate for revenue billed during the period July 2023 to February 2024 was 74.98%. The monthly collection rate for revenue billed in February 2024 that was collected in March 2024 was 74.16%.

#### 1.8.2. Creditor's Payment Rate

The main factors influencing the March 2024 payment days, are the following:

The National Treasury target has been set at 30 days from the date when the invoice has been received. By using the receipt date of the invoice, as recorded by the Directorate, the number of days taken to pay creditors during the quarter is as follows:

January	2024 – 36 days
February	2024 – 75 days
March	2024 – 30 days

The results above indicate that the Creditors' payment days were not met for the months of January 2024 and February 2024 and were met for the month of March 2024. It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

The average Creditors' payments days for the period 1 July 2023 to 31 March 2024 amounts to 48.7 days.

The average creditors' sufficiency ratio for the same period is calculated at 42.77% (% of invoices paid within 30 days).

The above information indicates that there is a significant delay between the Supplier's Invoice date and the date that it is received at the NMBM. This is evident for the following Directorates where it has taken more than 30 Days for the Invoices to be received:

- Chief Operating Officer 50.46
- Corporate Services 69.01
- Electricity & Energy 43.61
- Water Services 35.42

All Directorates who encounter delays in receiving Invoices from Suppliers should address this with the respective Supplier(s) as the resultant late payments may be attributed to the NMBM and punitive action against the NMBM may be initiated by the Supplier(s).

It must be noted that the level of the Creditors payment rate is due to various reasons, which can only be analysed on an invoice-by-invoice basis and per Directorate. In certain cases, it could be due to insufficient budget and compliance issues that may have not been properly addressed, such as proper authorities prior to committing the municipality to avoid unauthorised, irregular, and fruitless and wasteful expenditure. Section 78(1)(c) of the Municipal Finance Management Act (Act 56 of 2003) is instructive to senior managers and all officials dealing with the financial resources of the municipality.

The approach that has been implemented by Budget and Treasury is to write to Directorates requesting explanations for the delay in the payment of invoices. (This approach was introduced in June 2018). It is also important to note that payments to creditors can only be based on **goods received** and **services rendered** as pre-payments are against the MFMA.

## 2. DETAILED REPORTS ATTACHED AS ANNEXURES TO THIS REPORT

To comply with "Schedule C" of the Municipal Budget and Reporting Regulations (No. 32141 dated 17 April 2009) the following detailed schedules for the period ending 31 March 2023 are attached:

**Annexure "A1"** – Operating Revenue and Expenditure Performance: This Annexure illustrates the Operating Performance position for the reporting period. It answers the question of how the revenue as at the end of the reporting month compares to the expenditure for the same period.

**Annexure "A2"** – Capital Budget Performance: This Annexure gives the position of the Capital Budget for the reporting period. In total about 38.72% of the Adjustments Capital Budget of R1.753 billion has been incurred as at the end of March 2024. Some of the reasons that may have resulted in this position are disclosed elsewhere in this report.

**Annexure "A2(i)"** – Capital Expenditure Report. This Annexure show the detail of all Capital Projects per Directorate indicating the Budget, any amendments, expenditure up to 31 March 2024 as well as the funding source for each project.

**Annexure "A3"** – Projected Cash Flow Statement: This Annexure illustrates the inflows and outflows of Cash for the period ending 31 March 2024.

**Annexure “A4”** – Consolidated Budget Tables (incl. MBDA figures): This Annexure illustrates the financial position of NMBM for the reporting period including the financial records of the municipal entity.

**Annexure “A5”** – Analysis of Municipality’s Balance Sheet: This Annexure details the balance sheet items including:

- i. Outstanding Consumer Debtors
- ii. Overview of Creditors position
- iii. Investment portfolio
- iv. Grants receipts and Expenditure
- v. Councillor & Officials allowances & benefits.
- vi. Key performance Indicators

**Annexure “A6”** – MBDA’s Monthly Report & Budget Tables: This Annexure contains the tables for the MBDA (municipal entity) for the reporting period.

#### **RECOMMENDATION**

- a) That the Committee **NOTES** the Municipality’s consolidated (including the Entity) financial report as at 31 March 2024, prepared in line with Section 71 of the MFMA.
- b) That it be **NOTED** that this report represents the financial results for the 2023/24 financial year to date.

## Annexure "A1"

### OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE 2023/24 FINANCIAL YEAR AS AT 31 MARCH 2024

Below is an analysis of the operating revenue and expenditure performance compared to the approved 2023/24 Adjustments Operating Budget.

Description	Budget Year 2023/24			
	Original Budget	Adjustments Budget	Year TD actual	% Spent
<b>R thousands</b>				<b>%</b>
<b>Revenue By Source</b>				
Property rates	2,974,149	2,944,079	2,931,810	99.58%
Service charges - electricity revenue	5,163,607	5,171,943	3,691,676	71.38%
Service charges - water revenue	2,943,776	2,912,999	1,545,873	53.07%
Service charges - sanitation revenue	837,553	868,502	584,694	67.32%
Service charges - refuse revenue	311,829	311,829	218,144	69.96%
Rental of facilities and equipment	31,021	37,584	32,287	85.91%
Interest earned - external investments	208,088	207,878	149,024	71.69%
Interest earned - outstanding debtors	573,984	883,722	882,060	99.81%
Fines, penalties, and forfeits	82,843	46,185	32,557	70.49%
Licences and permits	18,158	18,222	16,658	91.42%
Agency services	3,716	3,870	2,958	76.43%
Transfers and subsidies	1,933,682	2,008,503	1,951,297	97.15%
Other revenue	937,771	929,378	339,043	36.48%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>12,378,081</b>	<b>75.73%</b>
<b>Expenditure By Type</b>				
Employee related costs	4,558,182	4,419,230	2,913,337	65.92%
Remuneration of councillors	91,089	90,829	65,016	71.58%
Debt impairment	2,435,537	2,433,477	3,577,717	147.02%
Depreciation & asset impairment	1,334,327	999,907	603,878	60.39%
Finance charges	128,228	130,278	74,904	57.50%
Bulk purchases - electricity	5,632,329	5,632,845	4,135,220	73.41%
Inventory consumed	359,733	371,214	174,039	46.88%
Contracted services	1,564,811	1,554,231	602,676	38.78%
Transfers and subsidies	196,230	217,611	133,902	61.53%
Other expenditure	866,955	854,910	480,232	56.17%
Losses	238,662	238,662	-	0%
<b>Total Expenditure</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>12,760,922</b>	<b>75.32%</b>

Below is a discussion of the significant revenue and expenditure variations:

The statement of financial performance should not be viewed in isolation from the cash flow statement and the cash flow forecast as discussed in **Annexure A3**.

#### **Revenue Variations**

##### Property Rates

Property rates raised constitutes 99.39% of the approved budget.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% received
<b>Non-Exchange Revenue / Property rates</b>	<b>-2,937,471,090</b>	<b>-2,919,513,915</b>	<b>-17,957,175</b>	<b>99.39%</b>
Agricultural Properties	-3,162,940	-3,496,312	333,372	110.54%
Business and Commercial Properties	-944,707,700	-953,242,833	8,535,133	100.90%
Industrial Properties	-284,348,130	-285,942,333	1,594,203	100.56%
Mining Properties	-268,130	-258,777	-9,353	96.51%
Public Benefit Organisations	-2,160,720	-1,475,183	-685,537	68.27%
Public Service Infrastructure Properties	-12,065,060	-577,075	-11,487,985	4.78%
Public Service Purposes Properties	-195,995,600	-133,247,166	-62,748,434	67.98%

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% received
Residential Properties	-1,395,707,190	-1,435,182,070	39,474,880	102.83%
Vacant Land	-99,055,620	-106,092,167	7,036,547	107.10%

### Service Charges

It appears that the trends for Electricity, Water, Sanitation (Wastewater) and Refuse (Waste) Services reflect lower than anticipated revenue trends.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Service charges - Electricity</b>	<b>-5,171,943,090</b>	<b>-3,691,675,958</b>	<b>-1,480,267,132</b>	<b>71.38%</b>
Availability Charges	-61,716,930	-46,111,783	-15,605,147	74.71%
Connection/Reconnection: Change Circuit Breaker	-1,500	-522	-978	34.78%
Connection/Reconnection: Connections New: Non-government Housing	-3,080,270	-2,488,705	-591,565	80.80%
Electricity Sales: Commercial Conventional (3-Phase)	-248,235,840	-120,759,126	-127,476,714	48.65%
Electricity Sales: Commercial Prepaid	-71,211,870	-53,528,701	-17,683,169	75.17%
Electricity Sales: Domestic High: Prepaid	-2,423,126,600	-2,146,718,289	-276,408,311	88.59%
Electricity Sales: Domestic Low: Domestic Indigent	-23,163,270	-15,332,038	-7,831,232	66.19%
Electricity Sales: Domestic Low: Prepaid	-9,553,380	-42,233,872	32,680,492	442.08%
Electricity Sales: Industrial more than (11 000 Volts) (High Voltage)	-290,390,980	-160,027,617	-130,363,363	55.11%
Electricity Sales: Industrial (400 Volts) (Low Voltage)	-182,717,550	-124,121,432	-58,596,118	67.93%
Electricity Sales: Time of Use Tariffs	-1,858,672,540	-980,301,248	-878,371,292	52.74%
Joint Pole Usage	-28,620	-18,648	-9,972	65.16%
Meter Compliance Testing	-53,740	-32,125	-21,615	59.78%
Meter Reading Fees	10,000	-1,850	11,850	-18.50%
<b>Exchange Revenue / Service charges - Waste Management</b>	<b>-311,828,840</b>	<b>-218,143,687</b>	<b>-93,685,153</b>	<b>69.96%</b>
Refuse Removal	-295,687,360	-206,319,348	-89,368,012	69.78%
Waste Bins	-16,141,480	-11,824,338	-4,317,142	73.25%
<b>Exchange Revenue / Service charges - Waste Water Management</b>	<b>-868,502,020</b>	<b>-584,694,344</b>	<b>-283,807,676</b>	<b>67.32%</b>
Availability Charges	-201,510,270	-151,569,403	-49,940,867	75.22%
Connection/Reconnection	-1,705,160	-1,134,026	-571,134	66.51%
Higher Level Service	-120,438,420	-88,645,433	-31,792,987	73.60%
Industrial Effluent	-45,348,070	-33,378,925	-11,969,145	73.61%
Industrial Wastewater	-75,255,990	-50,365,871	-24,890,119	66.93%
Sanitation Charges	-424,244,110	-259,600,685	-164,643,425	61.19%
<b>Exchange Revenue / Service charges - Water</b>	<b>-2,912,998,980</b>	<b>-1,545,872,575</b>	<b>-1,367,126,405</b>	<b>53.07%</b>
Agricultural and Rural Water Service	-41,000,000	-28,600,041	-12,399,959	69.76%
Availability Charges	-206,878,290	-155,775,702	-51,102,588	75.30%
Connection/Disconnection	-6,503,710	-4,629,739	-1,873,971	71.19%
Industrial Water	-344,323,750	-216,096,068	-128,227,682	62.76%
Sale: Conventional	267,709,920	207,821,472	59,888,448	77.63%
Sale: Flat Rate	-3,052,580	-2,246,437	-806,143	73.59%
Urban Higher-Level Service	-2,578,950,570	-1,346,346,059	-1,232,604,511	52.21%

### Interest Earned – External Investments

The interest earned represents the cash received in respect of investments that have matured during the 2023/24 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio. It is anticipated that the interest earned on investments will be in line with the 2023/24 Budgeted amount.

## Annexure "A1"

### Rental of Facilities and Equipment

Rentals of facilities and equipment are higher than anticipated in the 2023/24 Budget. It is however important that all the Metro's asset management structures ensure that all possible rentals be raised/ billed and that rental agreements are maintained at market related prices.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Rental from Fixed Assets</b>	<b>-37,083,920</b>	<b>-30,824,853</b>	<b>-6,259,067</b>	<b>83.12%</b>
Market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	-528,570	-417,451	-111,119	78.98%
Non-market Related: Investment Property: Ad-hoc rentals	-3,152,720	-3,177,566	24,846	100.79%
Non-market Related: Investment Property: Straight-lined Operating	-8,527,150	-5,217,527	-3,309,623	61.19%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	-11,772,460	-10,500,840	-1,271,620	89.20%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Machinery and Equipment	-178,420	-87,833	-90,587	49.23%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Other Assets	-6,300,000	-6,438,310	138,310	102.20%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Solid Waste Infrastructure	-4,993,200	-3,701,726	-1,291,474	74.14%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Community Assets	-8,650	-7,265	-1,385	83.99%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Electrical Infrastructure	-15,770	-11,822	-3,948	74.97%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Machinery and Equipment	-1,800	-1,122	-678	62.34%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Other Assets	-1,327,180	-1,026,803	-300,377	77.37%
Non-market Related: Property Plant and Equipment: Sub-lease Payment: Roads Infrastructure	-278,000	-236,588	-41,412	85.10%

### Interest Earned: Outstanding Debtors

Interest Earned on Outstanding Debtors is higher than anticipated in the 2023/24 Operating Adjustments Budget due to escalating Outstanding Debtors.

This high level of interest earned on outstanding debtors is mainly due to the imposition of punitive water tariffs.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Interest earned from Receivables</b>	<b>-883,721,980</b>	<b>-882,060,147</b>	<b>-1,661,833</b>	<b>99.81%</b>
Receivables: Electricity	-83,733,180	-289,859,440	206,126,260	346.17%
Receivables: Housing Land Sales	0	-121,892	121,892	#DIV/0!
Receivables: Service Charges	-127,217,570	-112,008,781	-15,208,789	88.05%
Receivables: Waste Management	-45,121,000	-32,560,498	-12,560,502	72.16%
Receivables: Wastewater Management	-91,605,850	-61,715,733	-29,890,117	67.37%
Receivables: Water	-536,044,380	-385,793,803	-150,250,577	71.97%

## Annexure "A1"

### Fines

The total fines raised as at 31 March 2024 was R32.56 million or 70.49%, compared to the 2023/24 Adjustments Budget of R46.185 million.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% received
<b>Non-Exchange Revenue / Fines, penalties, and forfeits</b>	<b>-46,185,260</b>	<b>-32,556,781</b>	<b>-13,628,479</b>	<b>70.49%</b>
Fines: Illegal Connections	-1,217,400	-1,111,941	-105,459	91.34%
Fines: Law Enforcement	-10,000	0	-10,000	0.00%
Fines: Overdue Books Fine	-571,870	-374,162	-197,708	65.43%
Fines: Pound Fees	-405,630	-418,929	13,299	103.28%
Fines: Traffic: Municipal	-6,494,460	-4,575,051	-1,919,409	70.45%
Fines: Traffic: Service Provider	-5,909,420	0	-5,909,420	0.00%
Forfeits: Deposits	0	-1,555,354	1,555,354	#DIV/0!
Forfeits: Unclaimed Money	0	-12,635,941	12,635,941	#DIV/0!
Penalties: Disconnection Fees	-31,576,480	-11,885,403	-19,691,077	37.64%

### Licences or Permits

The total Licences or Permits revenue collected as at 31 March 2024 was R16.66 million or 91.42% compared to the 2023/24 Adjustments Budget of R18.158 million.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Licence and permits</b>	<b>-18,221,030</b>	<b>-16,657,867</b>	<b>-1,563,163</b>	<b>91.42%</b>
Boat	-253,000	-214,434	-38,566	84.76%
Fauna and Flora	-300,000	-268,076	-31,924	89.36%
Health Certificates	-501,000	-428,895	-72,105	85.61%
Road and Transport: Drivers Licence Application/Duplicate Drivers Licences	-2,445,900	-1,930,428	-515,472	78.93%
Road and Transport: Drivers Licence Certificate	-8,231,400	-8,693,537	462,137	105.61%
Road and Transport: Learner Licence Application	-2,690,000	-3,437,304	747,304	127.78%
Road and Transport: Learners Certificate	-1,254,180	-347,784	-906,397	27.73%
Road and Transport: Operators and Public Drivers Permits	-1,712,550	-891,271	-821,279	52.04%
Threatened and Protected Species	-1,000	0	-1,000	0.00%
Trading	-832,000	-446,138	-385,862	53.62%
<b>Description</b>	<b>2023/24 Adjustments Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Received</b>
<b>Non-Exchange Revenue / Licences or permits</b>	<b>-1,000</b>	<b>-354</b>	<b>-646</b>	<b>35.39%</b>
Dog	-1,000	-354	-646	35.39%

### Grants and Subsidies received.

It is important to note that R122,906,585 of Council's allocated 2022/23 DORA Grants were not spent as at 30 June 2023. The table below reflects the unspent portions of the respective grants:

Grant Description	2022/23
Public Transport Infrastructure Grant	15,957,033
Public Transport Networks Operations Grant	6,951,599
Neighbourhood Partnership Development Grant	30,592
Neighbourhood Partnership Development Grant	1,615

## Annexure "A1"

Grant Description	2022/23
Urban Settlement Development Grant	29,400,680
Programme and Project Preparation Support Grant (PPPSG)	19,892,820
Drought Relief Grant	763,767
Energy Efficiency and Demand Side Management Grant	192,487
Informal Settlements Upgrading Grant	49,715,992
<b>Unspent Conditional Grants</b>	<b>122,906,585</b>

National Treasury did not approve the following grants for roll-over to the 2023/24 financial year and it has been off set against the Equitable Share Allocation in December 2023.

Grant Description	2022/23
Public Transport Networks Operations Grant	6,951,599
Neighbourhood Partnership Development Grant	30,592
Neighbourhood Partnership Development Grant	1,615
Urban Settlement Development Grant	19,500,000
Programme and Project Preparation Support Grant (PPPSG)	19,892,820
Drought Relief Grant	763,767
Energy Efficiency and Demand Side Management Grant	192,487
Informal Settlements Upgrading Grant	17,200,000
<b>Unspent Conditional Grants</b>	<b>64,532,880</b>

The table below also reflects the conditional grants and Equitable Share received:

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% received
<b>Non-Exchange Revenue / Transfer and subsidies - Operational</b>	<b>-2,001,737,690</b>	<b>-1,951,297,342</b>	<b>-50,440,348</b>	<b>97.48%</b>
Departmental Agencies and Accounts: National Departmental Agencies: Local Government, Water and Related Service SETA	-3,800,000	-1,621,917	-2,178,083	42.68%
Departmental Agencies and Accounts: National Departmental Agencies: Marine Living Resources Fund	-896,340	-11,503	-884,837	1.28%
National Governments: Energy Efficiency and Demand Side Management Grant	-2,433,920	0	-2,433,920	0.00%
National Governments: Expanded Public Works Programme Integrated Grant	-7,928,000	-5,180,516	-2,747,484	65.34%
National Governments: Infrastructure Skills Development Grant	-12,970,000	-8,560,341	-4,409,659	66.00%
National Governments: Local Government Financial Management Grant	-1,000,000	-772,533	-227,467	77.25%
National Governments: Metro Informal Settlements Partnership Grant	-88,158,830	-1,083,525	-87,075,306	1.23%
National Governments: Neighbourhood Development Partnership Grant	-21,265,220	-8,148,597	-13,116,623	38.32%
National Governments: Programme and Project Preparation Support Grant	-10,000,000	-1,099,105	-8,900,895	10.99%
National Governments: Public Transport Network Grant	-108,337,000	-36,518,457	-71,818,543	33.71%
National Governments: Regional Bulk Infrastructure Grant	-62,782,610	0	-62,782,610	0.00%
National Governments: Urban Settlement Development Grant	-48,213,410	-126,377	-48,087,033	0.26%
National Revenue Fund: Equitable Share	-1,419,053,000	-1,877,254,649	458,201,649	132.29%
Provincial Government: Eastern Cape: Capacity Building and Other: Specify	-196,899,360	-384,348	-196,515,012	0.20%
Provincial Government: Eastern Cape: Infrastructure: Specify	-18,000,000	-10,535,475	-7,464,525	58.53%

The Equitable Share above contains R522,319,000 that must be transferred to the Fuel Levy. Accordingly, an amount of R1,354,935,649 has been received for the Equitable Share to date. The difference of R64,117,351 is the Equitable Share that was off-set by National Treasury due to 2022/23 conditional grants not approved for role-over to the 2023/24 financial year.

### Fuel Levy

Fuel Levy is defined as a non-exchange other revenue source and was received as follows:

## Annexure "A1"

Revenue: Non-exchange Revenue:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Fuel Levy (RSC Replacement Grant)	-783,478,000	-261,159,000	-522,319,000	33.33%
<b>Total</b>	<b>-783,478,000</b>	<b>-261,159,000</b>	<b>-522,319,000</b>	<b>33.33%</b>

Fuel levy in the amount of R522,319,000 is included in the Equitable Share. The municipality has thus received the Fuel Levy in the amount of R783,478,000 or 100% of the Fuel Levy Budget allocation.

### Sale of Goods and Rendering of Services

The variances are reflected in the table below.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Sale of Goods and Rendering of Services</b>	<b>-113,104,240</b>	<b>-51,210,310</b>	<b>-61,893,930</b>	<b>45.28%</b>
Academic Services: Formal Training	-1,562,110	-617,648	-944,462	39.54%
Advertisements	-2,295,390	-2,361,332	65,942	102.87%
Building Plan Approval	-9,398,680	-6,140,178	-3,258,502	65.33%
Buyers Card	-71,000	-69,187	-1,813	97.45%
Camping Fees	-70,000	-53,166	-16,834	75.95%
Cemetery and Burial	-11,876,300	-8,106,695	-3,769,605	68.26%
Cleaning and Removal	-104,500	-172,809	68,309	165.37%
Clearance Certificates	-1,799,170	-1,109,781	-689,389	61.68%
Computer Services	-65,000	-40,647	-24,353	62.53%
Drainage Fees	-60,000	-3,612	-56,388	6.02%
Encroachment Fees	-450,000	-405,256	-44,744	90.06%
Entrance Fees	-13,349,540	-584,177	-12,765,363	4.38%
Escort Fees	-852,600	-1,677,294	824,694	196.73%
Fire Services	-55,100	-355,505	300,405	645.20%
Laboratory Services	-1,500,000	-872,557	-627,443	58.17%
Legal Fees	-42,972,110	-18,184,628	-24,787,482	42.32%
Meal and Refreshment	-10,000	0	-10,000	0.00%
Parking Fees	-13,010	-10,567	-2,443	81.23%
Photocopies, Faxes and Telephone charges	-84,500	-58,430	-26,070	69.15%
Removal of Restrictions	-1,700,000	-1,375,644	-324,356	80.92%
Sale of Goods: Agricultural Products: Nursery Sale of Plants	-17,000	-17,719	719	104.23%
Sale of Goods: Assets < Capitalisation Threshold	-5,050	-18,278	13,228	361.94%
Sale of Goods: Publications: Books	0	-1,913	1,913	#DIV/0!
Sale of Goods: Publications: Charts/Posters	-13,060	-6,527	-6,533	49.98%
Sale of Goods: Publications: Prints	-94,150	-52,562	-41,588	55.83%
Sale of Goods: Publications: Tender Documents	-1,718,910	-765,513	-953,397	44.53%
Sale of Goods: Sub-division and Consolidation Fees	-3,213,880	0	-3,213,880	0.00%
Scrap, Waste & Other Goods: Recycling of Waste	-8,500,000	-5,232,408	-3,267,592	61.56%
Scrap, Waste & Other Goods: Scrap	-67,400	-2,354,147	2,286,747	3492.80%
Transport Fees	-10,830,000	-466,634	-10,363,366	4.31%
Valuation Services	-344,320	-90,320	-254,000	26.23%
Weighbridge Fees	-11,460	-5,176	-6,284	45.16%

### Other Operational Revenue

The variances are reflected in the table below.

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Received
<b>Exchange Revenue / Operational Revenue</b>	<b>-31,285,900</b>	<b>-25,975,463</b>	<b>-5,310,437</b>	<b>83.03%</b>
Administrative Handling Fees	-211,900	-158,716	-53,184	74.90%
Breakages and Losses Recovered	-8,000	-12,800	4,800	160.01%
Collection Charges	0	-1,599	1,599	#DIV/0!
Commission: Transaction Handling Fees	-20,800,000	-13,656,212	-7,143,788	65.65%
Discounts and Early Settlements	-3,995,320	-5,752,427	1,757,107	143.98%
Incidental Cash Surpluses	-26,780	-770,585	743,805	2877.46%
Inspection Fees: Statutory Services	-3,619,490	-2,380,559	-1,238,931	65.77%
Insurance Refund	-449,000	-1,616,199	1,167,199	359.96%
Recovery Maintenance	-30,000	-15,964	-14,036	53.21%
Registration Fees: Road and Transport	-197,730	-127,865	-69,865	64.67%
Request for Information: Access to Information Act	-219,230	-55,636	-163,594	25.38%
Request for Information: Accident Reports	-386,660	-183,532	-203,128	47.47%
Request for Information: Duplicate IRP 5 Certificate	-60	0	-60	0.00%
Request for Information: Municipal Information and Statistics	-25,540	-14,726	-10,814	57.66%
Request for Information: Plan Printing and Duplicates	-1,500	-544	-956	36.23%
Sale of Property	-22,000	-118,865	96,865	540.29%
Staff and Councillors Recoveries	-1,292,690	-1,109,234	-183,456	85.81%

### Expenditure Variations:

#### Employee Related Costs

The Operating Adjustments Budget for Employee Related Costs amount to R4.374 billion for the 2023/24 financial year. The expenditure to date amounts to R2.883 billion or 65.91% of the budgeted amount.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Employee related costs</b>	<b>4,373,894,640</b>	<b>2,882,802,672</b>	<b>1,491,091,968</b>	<b>65.91%</b>
<b>Municipal Staff: Post-retirement Benefit: Pension</b>				
Pension: Current Service Cost	16,645,510	0	16,645,510	0.00%
<b>Municipal Staff: Salaries, Wages and Allowances</b>				
Cellular and Telephone	5,240	2,620	2,620	50.00%
Housing Benefits and Incidental: Essential User	31,626,500	21,621,681	10,004,819	68.37%
Housing Benefits and Incidental: Housing Benefits	15,532,660	11,460,279	4,072,381	73.78%
Non-pensionable	1,188,630	676,704	511,926	56.93%
Service-Related Benefits: Acting and Post Related Allowances	9,835,290	12,846,664	-3,011,374	130.62%
Service-Related Benefits: Bonus	169,306,100	164,173,396	5,132,704	96.97%
Service-Related Benefits: Entertainment	1,770	0	1,770	0.00%
Service-Related Benefits: Leave Pay	6,188,950	0	6,188,950	0.00%
Service-Related Benefits: Long Service Award	134,623,460	96,096,103	38,527,357	71.38%
Service-Related Benefits: Overtime: Night Shift	17,990,500	14,728,322	3,262,178	81.87%
Service-Related Benefits: Overtime: Non-Structured	349,942,970	245,230,929	104,712,041	70.08%
Service-Related Benefits: Overtime: Shift Additional Remuneration	19,938,200	16,070,857	3,867,343	80.60%
Service-Related Benefits: Overtime: Structured	60,009,260	29,876,368	30,132,892	49.79%
Service-Related Benefits: Scarcity Allowance	20,579,490	13,456,909	7,122,581	65.39%
Service-Related Benefits: Standby Allowance	28,402,980	25,528,323	2,874,657	89.88%
Service-Related Benefits: Uniform/Special/Protective Clothing	2,640	1,477	1,163	55.94%
Travel or Motor Vehicle	85,138,500	58,333,593	26,804,907	68.52%
Basic Salary and Wages	2,663,851,280	1,656,603,465	1,007,247,815	62.19%

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Bonuses	52,762,320	29,444,385	23,317,935	55.81%
<b>Municipal Staff: Social Contributions</b>				
Bargaining Council	845,480	599,009	246,471	70.85%
Group Life Insurance	45,614,870	23,529,936	22,084,934	51.58%
Medical	210,491,900	154,840,611	55,651,289	73.56%
Pension	392,442,880	286,769,660	105,673,220	73.07%
Unemployment Insurance	15,300,920	10,863,548	4,437,372	71.00%
<b>Senior Management: Chief Financial Officer</b>				
Salaries and Allowances: Basic Salary	2,663,450	1,825,049	838,401	68.52%
Salaries and Allowances: Bonuses	315,760	0	315,760	0.00%
Social Contributions: Unemployment Insurance	2,690	1,594	1,096	59.26%
<b>Senior Management: Designation</b>				
Salaries and Allowances: Basic Salary	19,913,510	8,166,624	11,746,886	41.01%
Salaries and Allowances: Bonuses	2,313,200	0	2,313,200	0.00%
Social Contributions: Unemployment Insurance	16,730	7,970	8,760	47.64%
<b>Senior Management: Municipal Manager (MM)</b>				
Salaries and Allowances: Basic Salary	0	45,000	-45,000	#DIV/0!
Salaries and Allowances: Bonuses	400,000	0	400,000	0.00%
Social Contributions: Unemployment Insurance	1,000	1,594	-594	159.41%

The variance is due to certain allowances such as Overtime, Acting Allowance and Incentive Bonuses that are paid one month in arrears. Contributions to Post Retirement benefits and Leave Pay provision are only processed as at the close of the financial year as it relies on actuarial reports and the information as applicable as at 30 June of each financial year.

The overtime paid for the period July 2023 to March 2024 amounted to R275,135,307. If this trend is maintained for the 2023/24 financial year, the projected spending on Overtime will amount to R425,306,020. It is therefore anticipated that the Adjustments Operating Budget in the amount of R409,952,230 could be overspent by at least R15.35 million once all year-end accruals for overtime have been processed at the end of the 2023/24 financial year. The main Directorates responsible for the overspending are the Safety and Security, Electricity and Energy, Water Service, Public Health, and Sanitation Directorates.

Directorate	2024 Budget	2024 Adjust Budget	2024 Actuals	Projection
Budget & Treasury	11,055,820	11,055,820	4,950,401	9,327,101
Chief Operating Officer	1,726,760	1,543,560	730,569	1,535,664
Corporate Services	7,393,910	7,677,460	5,121,068	7,895,013
Economic Development, Tourism & Agriculture	500,000	500,000	306,681	460,022
Electricity & Energy	65,976,330	88,390,060	63,458,121	95,393,601
Human Settlements	515,330	555,330	735,126	1,192,749
Infrastructure & Engineering Unit - Rate and General	8,930,380	8,160,980	7,469,118	11,203,677
Metro Water Service	29,188,380	45,943,380	33,343,617	50,032,226
Municipal Manager	250,000	250,000	132,340	198,510
Nelson Mandela Metropolitan Municipality	0	0	28,009	42,014
Office of the Executive Mayor	679,800	679,800	512,663	825,714
Public Health	31,778,810	32,958,810	24,651,027	37,811,850
Recreational & Cultural Services	4,682,960	9,678,960	7,664,001	12,240,001
Safety & Security	124,733,830	155,561,630	102,156,353	153,429,379
Sanitation - Metro	42,480,740	46,996,440	23,831,476	43,651,394
Special Projects and Programmes	50,000	0	44,737	67,106
<b>Grand Total</b>	<b>329,943,050</b>	<b>409,952,230</b>	<b>275,135,307</b>	<b>425,306,020</b>

## Annexure "A1"

These directorates will have to make a concerted effort to monitor the work programmes of employees in these Directorates.

The table below reflects Actual Overtime Payments for the past 7 years. Overtime payments over this period from 2016/17 to 2022/23 have increased by 99.5% or R173.301 million. The standout Directorate is Safety & Security whose actual Overtime payment increased from R40,753,649 to R107,835,094 or by 264.60%. This situation was exacerbated by the insourcing of security guards with effect from the 2018/19 and 2019/20 financial years and this is now a permanent cost, placing a burden on the Property Rates Account.

Directorate	2016/2017 Actuals	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals
Infrastructure & Engineering R&G	5,379,712	4,317,024	6,247,465	5,349,645	7,781,651	8,054,250	9,693,501
Human Settlements	1,135,380	430,116	942,996	734,493	522,384	550,583	831,766
Public Health	26,993,154	20,781,046	27,247,273	24,848,033	30,955,479	37,847,153	37,213,127
Sport, Rec, Arts & Culture	5,914,578	6,207,957	9,206,181	7,858,502	4,700,056	8,458,916	10,601,282
<b>Safety &amp; Security</b>	<b>40,753,649</b>	<b>45,617,891</b>	<b>76,720,540</b>	<b>112,333,008</b>	<b>128,459,967</b>	<b>108,843,218</b>	<b>107,835,094</b>
Economic Dev, Tourism & Agri	599,524	568,589	640,741	802,378	668,259	472,287	675,650
Corporate Services	4,446,327	5,113,737	6,815,851	5,112,714	3,857,871	6,400,590	7,674,515
Budget & Treasury	10,396,113	7,913,218	9,404,412	7,576,136	4,514,354	6,249,574	6,949,565
Executive Mayor	683,740	435,847	307,970	420,580	358,220	544,583	412,059
Sanitation	17,858,306	16,154,418	19,237,423	24,073,918	26,278,028	29,265,055	36,340,236
Water	28,423,438	21,441,984	29,397,881	37,399,119	44,233,144	44,413,757	46,907,391
Municipal Manager	185,080	183,014	237,847	279,305	173,723	197,671	157,383
Electricity & Energy	30,975,974	25,209,115	35,465,323	41,720,359	50,381,141	56,910,684	80,896,565
Chief Operating Officer	373,082	252,894	677,398	386,227	1,515,504	903,439	1,225,940
Spec Proj and Programmes	38,164	97,673	230,027	119,170	14,705	33,309	43,225
<b>Grand Total</b>	<b>174,156,220</b>	<b>154,724,523</b>	<b>222,779,330</b>	<b>269,013,587</b>	<b>304,414,486</b>	<b>309,145,069</b>	<b>347,457,300</b>
<b>Percentage Increase</b>		<b>-11.16%</b>	<b>43.98%</b>	<b>20.75%</b>	<b>13.16%</b>	<b>1.55%</b>	<b>12.39%</b>

As indicated previously the reduction in actual overtime payments from 2017 to 2018 is the direct result of a new overtime policy that was implemented at the time for a period of 2 months only; and subsequently withdrawn as a result of a moratorium placed by Council on the implementation of that policy.

As reported in the previous financial year/s, considering the extent of overspending, the conclusion of the outstanding Overtime Policy in line with the relevant legislation, by the Corporate Services and Human Resources Standing Committee is long overdue. The fact that there is no guiding policy dealing with this matter, poses a significant risk for the institution. The Committee should note that the latest draft Overtime Policy is currently with the Policy & Research Review Unit under the COO's office as administratively required before other processes are followed. As soon as the draft Overtime Policy is concluded by the Policy & Research Review Unit under the COO's office it will be taken through the Council structures. One of the critical aims of the Policy is to set the payment of Overtime to the National threshold as determined, annually, by the Minister of Employment & Labour as well as the Collective Agreement on Conditions of Service as they are binding documents that the Municipality must comply with.

### Debt Impairment inclusive of Bad Debts and Doubtful Debt Provision

Bad debts are written off upon Council's approval. Impairment of Receivables are normally adjusted at financial year-end when the impairment of doubtful debts is concluded.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Expenditure / Debt impairment	1,872,116,650	0	1,872,116,650	0.00%

## Annexure "A1"

Gains and Losses: Impairment Loss: Other Receivables from Non-exchange Revenue: Non-Specific Accounts	26,381,500	0	26,381,500	0.00%
Gains and Losses: Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	314,819,670	0	314,819,670	0.00%
Gains and Losses: Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	91,447,080	0	91,447,080	0.00%
Gains and Losses: Impairment Loss: Trade and Other Receivables from Exchange Transactions: Waste Management	110,951,380	0	110,951,380	0.00%
Gains and Losses: Impairment Loss: Trade and Other Receivables from Exchange Transactions: Wastewater Management	171,987,200	0	171,987,200	0.00%
Gains and Losses: Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,156,529,820	0	1,156,529,820	0.00%
<b>Description</b>	<b>2023/24 Adjustments Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
<b>Expenditure / Irrecoverable debts written off</b>	<b>0</b>	<b>3,577,717,223</b>	<b>-3,577,717,223</b>	
Expenditure: Irrecoverable Debts Written Off	0	3,577,717,223	-3,577,717,223	

### Remuneration of Councillors

The table below contains a list of Remuneration of Councillors Items where the actual expenditure is reflected:

Description	2023/24 Adjustment Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Remuneration of councillors</b>	<b>90,829,190</b>	<b>65,015,579</b>	<b>25,813,611</b>	<b>71.58%</b>
Chief Whip: Allowances and Service-Related Benefits: Basic Salary	1,161,050	870,798	290,252	75.00%
Deputy Executive Mayor/Deputy Mayor: Allowances and Service-Related Benefits: Basic Salary	1,232,550	0	1,232,550	0.00%
Deputy Executive Mayor/Deputy Mayor: Allowances and Service-Related Benefits: Cell phone Allowance	49,920	0	49,920	0.00%
Deputy Executive Mayor: Allowances and Service-Related Benefits: Basic Salary	0	953,779	-953,779	#DIV/0!
Executive Committee/Mayoral Committee: Allowances and Service-Related Benefits: Basic Salary	12,782,510	0	12,782,510	0.00%
Executive Committee/Mayoral Committee: Allowances and Service-Related Benefits: Cell phone Allowance	8,700	0	8,700	0.00%
Executive Committee: Allowances and Service-Related Benefits: Basic Salary	0	10,578,818	10,578,818	#DIV/0!
Executive Mayor/Mayor: Allowances and Service-Related Benefits: Basic Salary	1,555,360	0	1,555,360	0.00%
Executive Mayor/Mayor: Allowances and Service-Related Benefits: Cell phone Allowance	41,220	0	41,220	0.00%
Executive Mayor: Allowances and Service-Related Benefits: Basic Salary	0	1,180,183	-1,180,183	#DIV/0!
Section 79 committee chairperson: Allowances and Service-Related Benefits: Basic Salary	1,205,340	184,778	1,020,562	15.33%
Speaker: Allowances and Service-Related Benefits: Basic Salary	1,304,210	954,609	349,601	73.19%
Speaker: Allowances and Service-Related Benefits: Cell phone Allowance	5,285,750	4,184,500	1,101,250	79.17%
Speaker: Allowances and Service-Related Benefits: Market Related Non-pensionable Allowance	265,940	125,456	140,484	47.17%
Total for All Other Councillors: Allowances and Service-Related Benefits: Basic Salary	65,932,290	45,982,657	19,949,633	69.74%
Total for All Other Councillors: Allowances and Service-Related Benefits: In-kind Benefits	4,350	0	4,350	0.00%

### Finance Charges

The expenditure is influenced by the timing of payments, in accordance with the loan repayment schedules.

## Annexure "A1"

### Bulk Purchases

The table below indicates financial transactions as at 31 March 2024, in respect of Bulk Purchases.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Bulk purchases - electricity</b>	<b>5,632,844,790</b>	<b>4,135,219,939</b>	<b>1,497,624,851</b>	<b>73.41%</b>
Expenditure: Bulk Purchases: Electricity: ESKOM	5,632,844,790	4,135,219,939	1,497,624,851	73.41%

The extent of actual electricity losses has a significant impact on the Bulk electricity purchases. Electricity load shedding also impacted on the bulk electricity purchase for the 2023/24 financial year. **The average electricity losses to 30 June 2023 were at 25.90% or R986.1 million. The electricity service is already running at a significant loss by only taking the primary costs into consideration. The electricity service is effectively being funded from Property Rates.**

### Electricity losses (Refer to Table below)

Total non-revenue electricity for the 2022/23 financial year was 25.90% (848,647,879Kwh) or equivalent to R986.1 million. The year-to-date non-revenue electricity losses for the first eight months of the 2023/24 financial year amounts to 23.80% (530,050,416Kwh), or an equivalent of R695.96 million. It is evident that the current strategies to address electricity losses are not yielding the desired results.

The highest percentage non-revenue electricity losses per month are always incurred during the high season tariff months namely July and August of each year, which significantly affects the value of electricity losses. Electricity losses have increased materially over the last 5 financial years, including the 2023/24 financial year.

The tariff used to calculate the losses are based on the bulk purchase price and excludes distribution and administration costs.

- Electricity losses comprise of both Technical and Non-Technical losses.
- Technical Losses are assumed to be at 6%.
- Technical Losses include electricity system and line losses that are unavoidable.
- Non-Technical losses include theft by way of illegal connections, tampering etc.
- Internal consumption is the use of energy in municipal buildings & street lighting.
- Average purchased price will be finally recalculated annually.

**Annexure "A1"**

**2023/24 Electricity Losses**

Item	July (2023)	Aug (2023)	Sep (2023)	Oct (2023)	Nov (2023)	Dec (2023)	Jan (2024)	Feb (2024)	Total
	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	
<b>1 Energy Charge from Eskom Account Transaction Summary</b>									
Standard	128,653,637	109,451,673	120,076,351	122,748,437	112,458,609	91,534,008	104,205,785	115,316,605	904,445,105
Peak	50,729,192	43,627,245	50,432,421	51,999,734	46,161,505	37,711,397	41,861,015	48,161,985	370,684,494
Off Peak	135,501,152	117,107,816	119,801,610	119,857,744	123,973,758	108,659,534	114,978,371	120,269,764	960,149,749
<b>Total Energy Charge</b>	<b>314,883,981</b>	<b>270,186,734</b>	<b>290,310,382</b>	<b>294,605,915</b>	<b>282,593,872</b>	<b>237,904,939</b>	<b>261,045,171</b>	<b>283,748,354</b>	<b>2,235,279,348</b>
<b>2 Energy Sales from NMBM Customers</b>									
Prepaid - Domestic & Business	36,744,998	36,366,110	34,381,334	35,288,971	32,403,277	33,744,857	32,540,421	30,483,924	271,953,892
Prepaid - Free Basic Electricity	2,619,600	2,508,750	2,503,650	2,532,900	2,542,875	2,551,350	2,542,950	2,526,825	20,328,900
Credit - Domestic (Incl Free Basic Elec)	11,952,419	11,181,138	11,988,024	10,786,723	10,397,192	10,196,621	11,185,060	9,220,988	86,908,166
Credit - Small Businesses	2,474,876	2,768,341	2,878,490	6,098,694	6,100,906	6,626,936	16,863,660	6,546,464	50,358,367
Credit - Medium Businesses	24,354,676	46,670,153	29,368,868	22,128,919	23,909,263	22,418,965	10,910,860	20,795,808	200,557,514
Credit - Large Businesses	130,870,547	135,429,291	132,541,549	136,032,019	130,509,316	102,571,391	129,479,108	125,188,766	1,022,621,988
Electricity Unmetered Supply	96,922	103,301	175,605	22,301	108,054	210,879	167,803	357,943	1,242,808
Unmetered Municipal Buildings	964,391	964,391	964,391	964,391	964,391	964,391	964,391	964,391	7,715,129
Streetlights and Traffic Lights	5,251,961	5,899,787	5,370,048	5,346,373	5,173,382	4,482,135	5,116,356	4,902,128	41,542,169
Energy Sales (Pre-Street Lights Sales)	210,078,429	235,991,475	214,801,912	213,854,919	206,335,275	179,285,391	204,654,253	196,085,109	1,661,686,763
<b>Total Energy Sales (Incl. Street Lights)</b>	<b>215,330,390</b>	<b>241,891,262</b>	<b>220,171,960</b>	<b>219,201,292</b>	<b>212,108,657</b>	<b>183,767,526</b>	<b>209,770,610</b>	<b>200,987,237</b>	<b>1,703,228,932</b>
<b>3 Unbilled Energy (Energy Charge less Energy Sales)</b>	<b>99,553,591</b>	<b>28,295,472</b>	<b>70,138,422</b>	<b>75,404,623</b>	<b>70,485,215</b>	<b>54,137,413</b>	<b>51,274,561</b>	<b>82,761,117</b>	<b>532,050,416</b>
<b>4 Energy Loss</b>									
Technical Energy Losses (6% updated to 6.94% as per cost of supply study)	99,553,591	28,295,472	70,138,422	75,404,623	70,485,215	54,137,413	51,274,561	82,761,117	532,050,416
Non-Technical Energy Loss	18,893,039	16,211,204	17,418,623	17,676,355	16,955,632	14,274,296	18,116,535	19,692,136	139,237,820
Unmetered Informal Settlements	80,660,552	12,084,268	52,719,799	57,728,268	53,529,583	39,863,117	33,158,026	63,068,981	392,812,596
% Total Losses (Energy Loss divided by Total Energy Charge)	31.62%	10.47%	24.16%	25.60%	24.94%	22.76%	19.64%	29.17%	23.80%
% Non-Technical Losses	25.62%	4.47%	18.16%	19.60%	18.94%	16.76%	12.70%	22.23%	17.57%
% Technical Losses (6% updated to 6.94% as per cost of supply study)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.94%	6.94%	6.94%
Average Purchase Price	1.95	1.95	1.29	0.87	1.12	1.11	1.12	1.13	1.32
<b>9 Rand Value - Technical Losses</b>	<b>36,833,533</b>	<b>31,572,073</b>	<b>22,423,392</b>	<b>15,442,444</b>	<b>19,039,543</b>	<b>15,875,866</b>	<b>20,304,544</b>	<b>22,312,829</b>	<b>183,804,224</b>
<b>10 Rand Value - Non-Technical Losses</b>	<b>157,254,381</b>	<b>23,534,674</b>	<b>67,867,405</b>	<b>50,432,659</b>	<b>60,108,569</b>	<b>44,335,741</b>	<b>37,162,659</b>	<b>71,462,404</b>	<b>512,158,492</b>
<b>11 Rand Value - Total Losses</b>	<b>194,087,914</b>	<b>55,106,747</b>	<b>90,290,797</b>	<b>65,875,103</b>	<b>79,148,112</b>	<b>60,211,607</b>	<b>57,467,203</b>	<b>93,775,233</b>	<b>695,982,716</b>

**Annexure "A1"**

**2023/2024 Water Losses**

Financial Year	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Total
Volume Treated (kℓ)	8,819,761	9,140,395	8,794,763	9,140,427	8,851,218	9,361,163	9,634,791	9,547,323	73,289,831
Revenue Volume (kℓ)	5,677,166	4,468,779	4,863,235	4,358,388	4,320,204	4,651,431	5,269,707	5,291,454	38,900,365
Revenue Water (%)	64.4%	48.9%	55.3%	47.7%	48.8%	49.7%	54.7%	55.4%	53.1%
NRW volume (kℓ)	3,564,145	5,090,749	4,345,348	5,203,361	4,943,963	5,134,830	4,793,205	4,682,240	37,757,841
NRW (%)	40.4%	55.7%	49.4%	56.9%	55.9%	54.9%	49.7%	49.0%	51.5%
Real Losses (Mℓ)	2,231,242	3,316,847	2,791,378	3,395,248	3,217,020	3,343,910	3,099,210	3,021,666	24,416,521
Real Losses (%)	25.3%	36.3%	31.7%	37.1%	36.3%	35.7%	32.2%	31.6%	33.3%
Water Losses (Mℓ)	3,142,594	4,671,616	3,931,518	4,782,039	4,531,013	4,709,732	4,365,084	4,255,868	34,389,466
Water Losses (%)	36%	51%	45%	52%	51%	50%	45%	45%	47%
ILI	6.46	9.62	8.10	9.85	9.30	9.67	8.92	8.69	8.83

## Annexure "A1"

### Water Losses (Refer to Tables above)

The Non-revenue Water Losses for the period July 2023 to February 2024 amount to 34.389 million kl or 46.92%. The cumulative Water losses for the period 01 July 2022 to 30 June 2023 amounts to 43.721 million kl or 43.14%.

It is evident that the current strategies implemented to address water losses are not yielding positive results. Water losses have increased materially over the last 5 financial years, including the 2023/24 financial year.

### Other Materials

The table below contains a list of Other Materials Items where the actual expenditure is reflected:

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Inventory consumed</b>	<b>371,039,140</b>	<b>174,039,186</b>	<b>196,999,954</b>	<b>46.91%</b>
Consumables: Standard Rated	135,127,860	54,152,449	80,975,411	40.07%
Consumables: Zero Rated	72,125,040	41,626,689	30,498,351	57.71%
Finished Goods	23,393,650	9,284,099	14,109,551	39.69%
Materials and Supplies	102,398,100	68,975,948	33,422,152	67.36%
Water	37,994,490	0	37,994,490	0.00%

Water bulk purchases are paid against the Statement of Financial Position – Inventory. The portion that represents Revenue Water consumed is required to be transacted against Other Materials.

### Contracted Services

The table below contains a list of Contracted Services Items where the actual expenditure is reflected.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Contracted services</b>	<b>1,533,437,190</b>	<b>596,606,837</b>	<b>936,830,353</b>	<b>38.91%</b>
<b>Consultants and Professional Services</b>				
Business and Advisory: Accounting and Auditing	50,250	0	50,250	0.00%
Business and Advisory: Audit Committee	1,060,000	766,589	293,411	72.32%
Business and Advisory: Business and Financial Management	1,829,230	141,361	1,687,869	7.73%
Business and Advisory: Commissions and Committees	1,531,880	857,308	674,572	55.96%
Business and Advisory: Communications	3,213,880	0	3,213,880	0.00%
Business and Advisory: Forensic Investigators	1,642,490	0	1,642,490	0.00%
Business and Advisory: Human Resources	765,000	0	765,000	0.00%
Business and Advisory: Occupational Health and Safety	298,340	30,840	267,500	10.34%
Business and Advisory: Organisational	500,000	0	500,000	0.00%
Business and Advisory: Project Management	39,724,370	13,381,080	26,343,290	33.68%
Business and Advisory: Research and Advisory	12,216,770	2,931,274	9,285,496	23.99%
Infrastructure and Planning: Architectural	200,000	0	200,000	0.00%
Infrastructure and Planning: Engineering: Civil	15,422,550	2,195,526	13,227,024	14.24%
Infrastructure and Planning: Engineering: Electrical	18,200,000	15,868,891	2,331,109	87.19%
Infrastructure and Planning: Engineering: Structural	300,000	0	300,000	0.00%

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Infrastructure and Planning: Town Planner	2,350,000	0	2,350,000	0.00%
Laboratory Services: Roads	225,750	58,188	167,562	25.78%
Laboratory Services: Water	1,125,860	58,560	1,067,300	5.20%
Legal Cost: Collection	42,258,740	19,846,216	22,412,524	46.96%
Legal Cost: Issue of Summons	713,370	0	713,370	0.00%
Legal Cost: Legal Advice and Litigation	79,338,700	45,751,192	33,587,508	57.67%
<b>Contractors</b>				
Artists and Performers	1,841,920	1,279,109	562,811	69.44%
Audio-visual Services	1,072,550	460,000	612,550	42.89%
Building	172,276,770	63,077,641	109,199,129	36.61%
Catering Services	1,566,030	851,806	714,224	54.39%
Chipping	15,000	0	15,000	0.00%
Fire Protection	2,045,420	19,104	2,026,316	0.93%
Gardening Services	7,314,640	4,534,379	2,780,261	61.99%
Gas	1,720,550	927,111	793,439	53.88%
Maintenance of Buildings and Facilities	185,233,700	43,658,199	141,575,501	23.57%
Maintenance of Equipment	277,391,060	120,882,296	156,508,764	43.58%
Maintenance of Unspecified Assets	201,000	0	201,000	0.00%
Management of Informal Settlements	11,264,700	1,030,646	10,234,054	9.15%
Medical Services	55,000	0	55,000	0.00%
Pest Control and Fumigation	1,276,420	303,780	972,640	23.80%
Plants, Flowers and Other Decorations	2,043,030	629,218	1,413,812	30.80%
Prepaid Electricity Vendors	8,245,570	2,565,124	5,680,446	31.11%
Preservation/Restoration/Dismantling/Cleaning Services	403,050	142,257	260,793	35.30%
Safeguard and Security	6,756,110	1,780,699	4,975,411	26.36%
Sewerage Services	75,632,040	49,727,369	25,904,671	65.75%
Sports and Recreation	1,945,160	1,003,716	941,444	51.60%
Stage and Sound Crew	457,650	106,850	350,800	23.35%
Tracing Agents and Debt Collectors	586,640	-1,843	588,483	-0.31%
Traffic and Street Lights	300,000	0	300,000	0.00%
Transportation	46,492,670	17,024,428	29,468,242	36.62%
<b>Outsourced Services</b>				
Administrative and Support Staff	800,000	0	800,000	0.00%
Alien Vegetation Control	15,877,430	6,882,659	8,994,771	43.35%
Animal Care	2,204,910	639,011	1,565,899	28.98%
Burial Services	2,351,870	1,724,163	627,707	73.31%
Business and Advisory: Accounting and Auditing	1,541,900	0	1,541,900	0.00%
Business and Advisory: Commissions and Committees	1,545,000	8,832	1,536,168	0.57%
Business and Advisory: Communications	3,270,520	2,318,576	951,944	70.89%
Business and Advisory: Human Resources	47,440	0	47,440	0.00%
Business and Advisory: Project Management	221,961,550	67,940,225	154,021,325	30.61%
Business and Advisory: Qualification Verification	312,040	12,674	299,366	4.06%
Business and Advisory: Quality Control	2,047,020	1,084,703	962,317	52.99%
Business and Advisory: Research and Advisory	3,049,270	512,944	2,536,326	16.82%
Business and Advisory: Valuer	4,800,000	0	4,800,000	0.00%
Catering Services	280,000	76,658	203,342	27.38%
Cleaning Services	2,244,860	606,728	1,638,132	27.03%
Clearing and Grass Cutting Services	43,738,800	18,999,800	24,739,000	43.44%
Connection/Dis-connection: Electricity	4,322,290	0	4,322,290	0.00%
Connection/Dis-connection: Water	5,010,500	0	5,010,500	0.00%
Drivers Licence Cards	5,984,970	2,730,082	3,254,888	45.62%
Electrical	37,128,000	19,961,857	17,166,143	53.76%
Hygiene Services	16,803,450	12,097,630	4,705,820	71.99%
Medical Waste Removal	220,120	69,892	150,228	31.75%

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Meter Management	18,587,820	6,025,174	12,562,646	32.41%
Printing Services	5,571,160	2,656,174	2,914,986	47.68%
Professional Staff	543,000	0	543,000	0.00%
Refuse Removal	34,581,610	466,254	34,115,356	1.35%
Security Services	57,489,930	39,771,644	17,718,286	69.18%
Sewerage Services	2,700,230	104,040	2,596,190	3.85%
Traffic Management	8,967,720	0	8,967,720	0.00%
Transport Services	349,920	28,203	321,717	8.06%

### Other Expenditure

The table below contains a list of Other Expenditure Items where the actual expenditure is reflected.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Operational costs</b>	<b>824,963,100</b>	<b>439,584,894</b>	<b>385,378,206</b>	<b>53.29%</b>
<b>Operating Leases</b>				
Computer Equipment	531,140	0	531,140	0.00%
Furniture and Office Equipment	16,548,040	7,551,671	8,996,369	45.63%
Other Assets	31,482,300	13,449,058	18,033,242	42.72%
Transport Assets	2,332,930	3,784,157	-1,451,227	162.21%
<b>Operational Cost</b>				
Advertising, Publicity and Marketing: Auctions	15,000	995	14,005	6.63%
Advertising, Publicity and Marketing: Bursaries (Non-employees)	53,000	0	53,000	0.00%
Advertising, Publicity and Marketing: Corporate and Municipal Activities	12,818,680	2,154,085	10,664,595	16.80%
Advertising, Publicity and Marketing: Customer/Client Information	596,000	66,957	529,043	11.23%
Advertising, Publicity and Marketing: Gifts and Promotional Items	260,000	9,000	251,000	3.46%
Advertising, Publicity and Marketing: Municipal Newsletters	223,330	8,687	214,643	3.89%
Advertising, Publicity and Marketing: Signs	733,800	0	733,800	0.00%
Advertising, Publicity and Marketing: Staff Recruitment	1,638,050	69,064	1,568,986	4.22%
Advertising, Publicity and Marketing: Tenders	2,533,800	807,278	1,726,522	31.86%
Assets less than the Capitalisation Threshold	32,596,920	7,619,958	24,976,962	23.38%
Bank Charges, Facility and Card Fees: Bank Accounts	7,385,060	4,812,236	2,572,824	65.16%
Bank Charges, Facility and Card Fees: Third Parties	2,650	0	2,650	0.00%
Bursaries (Employees)	3,040,080	630,069	2,410,011	20.73%
Cash Discount	109,730	0	109,730	0.00%
Cleaning Services: Car Valet and Washing Services	23,370	400	22,970	1.71%
Cleaning Services: Laundry Services	214,020	18,703	195,317	8.74%
Commission: Prepaid Electricity	11,591,580	5,312,074	6,279,506	45.83%
Commission: Third Party Vendors	5,791,060	-2,428	5,793,488	-0.04%
Communication: Cellular Expenditure	21,311,470	7,690,910	13,620,560	36.09%
Communication: Licences (Radio and Television)	420,900	45,826	375,074	10.89%
Communication: Postage/Stamps/Frinking Machines	2,949,160	301,905	2,647,255	10.24%
Communication: Radio and TV Transmissions	27,740	0	27,740	0.00%
Communication: Rent Private Bag and Postal Box	5,850	2,944	2,906	50.32%
Communication: SMS Bulk Message Service	1,804,030	1,494,453	309,577	82.84%
Communication: Telemetric Systems	56,590	5,998	50,592	10.60%
Communication: Telephone Installation	185,780	0	185,780	0.00%
Communication: Telephone, Fax, Telegraph and Telex	17,088,620	6,781,895	10,306,725	39.69%
Cost relating to the Sale of Houses	0	1,024	-1,024	#DIV/0!

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Courier and Delivery Services	462,860	335,369	127,491	72.46%
Deeds	776,650	172,588	604,062	22.22%
Drivers Licences and Permits	350,470	17,083	333,387	4.87%
Entertainment: Senior Management	24,910	0	24,910	0.00%
Entertainment: Total for All Other Councillors	271,000	122,683	148,317	45.27%
External Audit Fees	32,000,000	24,505,538	7,494,462	76.58%
External Computer Service: Data Lines	2,288,980	811,594	1,477,386	35.46%
External Computer Service: Information Services	11,262,320	30,609	11,231,711	0.27%
External Computer Service: Internet Charge	2,551,380	474,169	2,077,211	18.58%
External Computer Service: Network Extensions	1,457,940	111,474	1,346,466	7.65%
External Computer Service: Remote Server Access	3,138,600	0	3,138,600	0.00%
External Computer Service: Software Licences	94,238,410	39,244,937	54,993,473	41.64%
External Computer Service: Specialised Computer Service	2,579,800	1,509,475	1,070,325	58.51%
External Computer Service: System Adviser	0	4,137,261	-4,137,261	#DIV/0!
External Computer Service: System Development	26,821,660	18,958,474	7,863,186	70.68%
External Computer Service: Wireless Network	7,405,350	48,381	7,356,969	0.65%
Fines and Penalties: Breach of Contract	0	11,732,067	-11,732,067	#DIV/0!
Firearm Handling Fees	38,130	6,642	31,488	17.42%
Hire Charges	188,976,230	121,876,582	67,099,648	64.49%
Insurance Underwriting: Claims paid to Third Parties	3,333,850	2,283,004	1,050,846	68.48%
Insurance Underwriting: Excess Payments	1,100	0	1,100	0.00%
Insurance Underwriting: Insurance Brokers Fees	653,650	296,899	356,751	45.42%
Insurance Underwriting: Premiums	22,936,580	23,377,721	-441,141	101.92%
Intercompany/Parent-subsidiary Transactions	6,607,950	4,349,336	2,258,614	65.82%
Land Alienation Costs	27,500	0	27,500	0.00%
Learnerships and Internships	3,800,000	2,555,609	1,244,391	67.25%
Levies Paid - Water Resource Management Charges	17,200,000	3,620,227	13,579,773	21.05%
Licences: Motor Vehicle Licence and Registrations	7,290,590	4,735,679	2,554,912	64.96%
Licences: Performing Arts	52,250	0	52,250	0.00%
Management Fee	11,509,640	4,785,217	6,724,423	41.58%
Municipal Services	76,868,970	40,246,434	36,622,536	52.36%
Office Decorations	14,600	0	14,600	0.00%
Printing, Publications and Books	3,804,870	706,406	3,098,464	18.57%
Professional Bodies, Membership and Subscription	1,437,890	321,614	1,116,276	22.37%
Registration Fees: Professional and Regulatory Bodies	339,150	9,296	329,854	2.74%
Registration Fees: Seminars, Conferences, Workshops and Events: National	4,508,140	575,245	3,932,895	12.76%
Resettlement Cost	351,000	78,354	272,646	22.32%
Rewards Incentives	3,585,580	2,204,087	1,381,493	61.47%
Samples and Specimens	350,000	0	350,000	0.00%
Servitudes and Land Surveys	1,000,000	0	1,000,000	0.00%
Signage	608,300	59,630	548,670	9.80%
Skills Development Fund Levy	34,528,520	25,395,087	9,133,433	73.55%
Storage of Files (Archiving)	1,042,150	78,748	963,402	7.56%
Taking over Contractual Obligations	400,000	0	400,000	0.00%
Transport Provided as Part of Departmental Activities: Events	30,600	0	30,600	0.00%
Transport Provided as Part of Departmental Activities: Municipal Activities	3,710,710	3,705,938	4,772	99.87%
Travel Agency and Visa's	981,330	176,823	804,507	18.02%
Travel and Subsistence: Domestic: Accommodation	2,424,340	768,615	1,655,725	31.70%
Travel and Subsistence: Domestic: Daily Allowance	560,960	328,647	232,313	58.59%
Travel and Subsistence: Domestic: Food and Beverage (Served)	142,800	1,475	141,325	1.03%
Travel and Subsistence: Domestic: Incidental Cost	113,360	9,199	104,162	8.11%
Travel and Subsistence: Domestic: Transport with Operator: Other Transport Provider	2,760	0	2,760	0.00%
Travel and Subsistence: Domestic: Transport with Operator: Public Transport: Air Transport	3,028,970	586,327	2,442,643	19.36%

## Annexure "A1"

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Travel and Subsistence: Domestic: Transport with Operator: Public Transport: Road Transport	306,650	13,394	293,256	4.37%
Travel and Subsistence: Domestic: Transport without Operator: Car Rental	1,776,540	373,505	1,403,035	21.02%
Travel and Subsistence: Domestic: Transport without Operator: Own Transport	330,650	55,500	275,150	16.79%
Travel and Subsistence: Foreign: Accommodation	677,260	64,343	612,917	9.50%
Travel and Subsistence: Foreign: Daily Allowance	612,910	14,544	598,366	2.37%
Travel and Subsistence: Foreign: Food and Beverage	8,000	0	8,000	0.00%
Travel and Subsistence: Foreign: Incidental Cost	10,000	0	10,000	0.00%
Travel and Subsistence: Foreign: Transport with Operator: Public Transport: Air Transport	1,128,540	664,201	464,339	58.85%
Travel and Subsistence: Foreign: Transport with Operator: Public Transport: Road Transport	77,500	0	77,500	0.00%
Travel and Subsistence: Foreign: Transport without Operator: Car Rental	10,000	0	10,000	0.00%
Travel and Subsistence: Non-employees	664,170	21,561	642,609	3.25%
Uniform and Protective Clothing	20,025,380	9,189,357	10,836,023	45.89%
Vehicle Tracking	1,640,060	0	1,640,060	0.00%
Ward Committees	22,560,000	13,388,487	9,171,513	59.35%
Wet Fuel	6,517,500	7,113	6,510,387	0.11%
Workmen's Compensation Fund	6,354,460	7,825,429	-1,470,969	123.15%

### Transfers and Subsidies Paid

The table below contains a list of Transfers and Subsidies Paid Items where the actual expenditure is reflected.

Description	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Expenditure / Transfers and subsidies</b>	<b>217,611,030</b>	<b>133,902,247</b>	<b>83,708,783</b>	<b>61.53%</b>
Departmental Agencies and Accounts: National Departmental Agencies: South Africa Local Government Association (SALGA)	19,894,410	18,641,946	1,252,464	93.70%
Departmental Agencies and Accounts: Provincial Departmental Agencies: Subsidiary Entity	133,542,690	100,507,738	33,034,952	75.26%
Households: Other Transfers (Cash): Bursaries (Non-Employee)	693,210	58,950	634,260	8.50%
Non-profit institutions: Public Schools: Other Educational Institutions: School Support	6,000,000	0	6,000,000	0.00%
Non-profit institutions: Use - It	53,980,720	14,693,612	39,287,108	27.22%
Private Enterprises: Subsidies to Financial Private Enterprise: Product	2,400,000	0	2,400,000	0.00%
Private Enterprises: Subsidies to Financial Private Enterprise: Production	1,100,000	0	1,100,000	0.00%

### Repairs and Maintenance

The table below contains lists of Repairs and Maintenance Expenditure where the actual expenditure is reflected.

#### **Repairs and Maintenance at mSCOA by Project segment:**

Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Infrastructure: Corrective Maintenance: Emergency</b>	<b>275,655,670</b>	<b>125,134,748</b>	<b>150,520,922</b>	<b>45.40%</b>
Electrical Infrastructure: MV Networks: MV Conductors	46,550,000	36,599,700	9,950,300	78.62%
Electrical Infrastructure: MV Substations: MV Substation Equipment	14,400,000	9,496,241	4,903,759	65.95%

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Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Electrical Infrastructure: Power Plants: Control and Instrumentation	5,800,000	2,758,156	3,041,844	47.55%
Roads Infrastructure: Road Furniture: Road Furniture	2,100,000	0	2,100,000	0.00%
Roads Infrastructure: Road Furniture: Traffic Signs	3,801,110	1,782,764	2,018,346	46.90%
Roads Infrastructure: Road Structures: Civil Structures	52,600,000	12,660,582	39,939,418	24.07%
Roads Infrastructure: Road Structures: Road Bridges	1,000,000	0	1,000,000	0.00%
Roads Infrastructure: Roads: Land	1,921,210	0	1,921,210	0.00%
Roads Infrastructure: Roads: Pavements	28,692,000	9,794,184	18,897,816	34.14%
Sanitation Infrastructure: Pump Station: Civil Structure	42,800	0	42,800	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	856,000	311,076	544,924	36.34%
Sanitation Infrastructure: Wastewater Treatment: Civil Structure	913,860	104,040	809,820	11.38%
Sanitation Infrastructure: Wastewater Treatment: Pipe Work	64,294,990	39,428,629	24,866,361	61.32%
Storm water Infrastructure: Attenuation: Civil Structures	500,000	0	500,000	0.00%
Storm water Infrastructure: Drainage Collection: Drainage	20,000	0	20,000	0.00%
Storm water Infrastructure: Storm water Conveyance: Civil Structures	9,970,000	2,400,048	7,569,952	24.07%
Storm water Infrastructure: Storm water Conveyance: Pipe Work	13,750,000	5,727,779	8,022,221	41.66%
Water Supply Infrastructure: Bulk Mains: Pipe Work	24,817,920	3,987,876	20,830,044	16.07%
Water Supply Infrastructure: Dams and Weirs: Civil Structure	100,000	0	100,000	0.00%
Water Supply Infrastructure: Dams and Weirs: Electrical Equipment	1,150,000	760	1,149,240	0.07%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	200,000	0	200,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	100,000	12,512	87,488	12.51%
Water Supply Infrastructure: Pump Station: Electrical Equipment	380,000	0	380,000	0.00%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	1,695,780	70,401	1,625,379	4.15%
<b>Infrastructure: Corrective Maintenance: Planned</b>	<b>163,178,760</b>	<b>116,810,080</b>	<b>46,368,680</b>	<b>71.58%</b>
Electrical Infrastructure: LV Networks: Public Lighting	19,350,000	17,348,136	2,001,864	89.65%
Electrical Infrastructure: MV Networks: MV Conductors	17,250,000	12,092,507	5,157,493	70.10%
Information and Communication Infrastructure: Core Layers: Communication Equipment	1,250,000	79,950	1,170,050	6.40%
Roads Infrastructure: Roads: Land	100,000	0	100,000	0.00%
Sanitation Infrastructure: Pump Station: Civil Structure	12,080,460	10,601,573	1,478,887	87.76%
Sanitation Infrastructure: Pump Station: Electrical Equipment	53,100	0	53,100	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	212,200	38,673	173,527	18.22%
Sanitation Infrastructure: Pump Station: Pipe Work	435,500	87,804	347,696	20.16%
Sanitation Infrastructure: Wastewater Treatment: Buildings	423,130	0	423,130	0.00%
Sanitation Infrastructure: Wastewater Treatment: Pavements	45,580	0	45,580	0.00%
Storm water Infrastructure: Storm water Conveyance: Drainage	506,250	0	506,250	0.00%
Water Supply Infrastructure: Dams and Weirs: Civil Structure	140,000	0	140,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	61,602,200	43,661,542	17,940,658	70.88%
Water Supply Infrastructure: Pump Station: Buildings	416,000	29,550	386,450	7.10%
Water Supply Infrastructure: Pump Station: Electrical Equipment	1,778,260	496,625	1,281,635	27.93%
Water Supply Infrastructure: Pump Station: Mechanical Equipment	40,273,310	31,569,519	8,703,791	78.39%
Water Supply Infrastructure: Reservoirs: Civil Structure	2,374,330	0	2,374,330	0.00%
Water Supply Infrastructure: Reservoirs: External Facilities	176,160	0	176,160	0.00%
Water Supply Infrastructure: Reservoirs: Service Connections on Site	21,000	0	21,000	0.00%
Water Supply Infrastructure: Water Treatment: Buildings	787,860	163,977	623,883	20.81%
Water Supply Infrastructure: Water Treatment: Electrical Equipment	1,346,130	426,115	920,015	31.65%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	2,557,290	214,109	2,343,181	8.37%
<b>Infrastructure: Preventative Maintenance: Condition Based</b>	<b>2,749,990</b>	<b>65,916</b>	<b>2,684,074</b>	<b>2.40%</b>
Electrical Infrastructure: Power Plants: Control and Instrumentation	500,000	0	500,000	0.00%
Rail Infrastructure: Rail Furniture	59,600	0	59,600	0.00%
Roads Infrastructure: Capital Spares	1,000,000	0	1,000,000	0.00%
Roads Infrastructure: Road Structures: Civil Structures	500,000	0	500,000	0.00%
Sanitation Infrastructure: Wastewater Treatment: Buildings	580,400	0	580,400	0.00%
Water Supply Infrastructure: Distribution: Pipe Work	52,000	51,136	864	98.34%
Water Supply Infrastructure: Water Treatment: Buildings	57,990	14,780	43,210	25.49%
<b>Infrastructure: Preventative Maintenance: Interval Based</b>	<b>4,100,920</b>	<b>2,116,419</b>	<b>1,984,501</b>	<b>51.61%</b>

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Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Electrical Infrastructure: HV Substations: Service Connections on Site	0	884	-884	
Electrical Infrastructure: LV Networks: Electricity Meters	0	2,500	-2,500	
Rail Infrastructure: Rail Lines: Rail Lines and Ballast	1,250,000	0	1,250,000	0.00%
Roads Infrastructure: Capital Spares	0	1,737,659	-1,737,659	!
Roads Infrastructure: Road Structures: Civil Structures	600,000	0	600,000	0.00%
Roads Infrastructure: Roads: Pavements	521,380	169,608	351,772	32.53%
Sanitation Infrastructure: Pump Station: Civil Structure	227,680	6,819	220,861	2.99%
Sanitation Infrastructure: Wastewater Treatment: Buildings	910,610	198,730	711,880	21.82%
Sanitation Infrastructure: Wastewater Treatment: Earthworks	95,070	0	95,070	0.00%
Sanitation Infrastructure: Wastewater Treatment: Mechanical Equipment	494,120	0	494,120	0.00%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	2,060	220	1,840	10.68%
<b>Non-infrastructure: Corrective Maintenance: Emergency</b>	<b>165,450,760</b>	<b>39,054,410</b>	<b>126,396,350</b>	<b>23.60%</b>
Community Assets: Community Facilities: Clinics/Care Centres: Land	50,000	10,605	39,395	21.21%
Community Assets: Community Facilities: Galleries: Buildings	25,910	8,700	17,210	33.58%
Community Assets: Community Facilities: Halls: Buildings	1,980,000	267,917	1,712,083	13.53%
Community Assets: Community Facilities: Halls: Electrical Equipment	806,000	86,663	719,337	10.75%
Community Assets: Community Facilities: Libraries: Buildings	684,760	282,536	402,224	41.26%
Community Assets: Community Facilities: Markets: Buildings	1,779,710	1,685,909	93,801	94.73%
Community Assets: Community Facilities: Markets: Electrical Equipment	237,120	6,822	230,298	2.88%
Community Assets: Community Facilities: Museums: Buildings	669,910	120,662	549,248	18.01%
Community Assets: Community Facilities: Nature Reserves: Buildings	8,960	0	8,960	0.00%
Community Assets: Community Facilities: Nature Reserves: Mechanical Equipment	60,890	18,686	42,204	30.69%
Community Assets: Community Facilities: Parks: Buildings	3,322,690	1,889,339	1,433,351	56.86%
Community Assets: Community Facilities: Police: Buildings	135,820	28,708	107,112	21.14%
Community Assets: Community Facilities: Public Ablution Facilities: Buildings	685,270	37,915	647,355	5.53%
Community Assets: Community Facilities: Public Open Space: Buildings	360,780	211,826	148,954	58.71%
Community Assets: Community Facilities: Public Open Space: Civil Structures	231,650	100,458	131,192	43.37%
Community Assets: Community Facilities: Public Open Space: External Facilities	1,404,530	721,112	683,418	51.34%
Community Assets: Community Facilities: Public Open Space: Land	805,150	493,600	311,550	61.31%
Community Assets: Sport and Recreation Facilities: Indoor Facilities: Buildings	8,717,840	2,651,632	6,066,208	30.42%
Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Buildings	518,760	143,353	375,407	27.63%
Computer Equipment	4,014,490	1,152,447	2,862,043	28.71%
Furniture and Office Equipment	3,459,350	134,340	3,325,010	3.88%
Heritage Assets: Conservation Areas	215,320	9,975	205,345	4.63%
Machinery and Equipment	54,986,750	15,683,867	39,302,883	28.52%
Other Assets: Housing: Social Housing: Buildings	7,697,790	528,937	7,168,853	6.87%
Other Assets: Operational Buildings: Depots: Buildings	8,412,450	1,834,538	6,577,912	21.81%
Other Assets: Operational Buildings: Depots: Civil Structures	246,680	134,063	112,617	54.35%
Other Assets: Operational Buildings: Depots: External Facilities	1,250,000	3,776	1,246,225	0.30%
Other Assets: Operational Buildings: Depots: Metalwork's	85,310	1,330	83,980	1.56%
Other Assets: Operational Buildings: Laboratories: Buildings	381,630	51,119	330,511	13.39%
Other Assets: Operational Buildings: Municipal Offices: Buildings	51,448,380	6,619,175	44,829,205	12.87%
Other Assets: Operational Buildings: Municipal Offices: Electrical Equipment	177,240	8,147	169,093	4.60%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	10,000	0	10,000	0.00%
Other Assets: Operational Buildings: Municipal Offices: Land	38,630	0	38,630	0.00%
Other Assets: Operational Buildings: Municipal Offices: Mechanical Equipment	5,256,080	1,196,924	4,059,156	22.77%
Other Assets: Operational Buildings: Training Centres: Buildings	295,800	9,819	285,981	3.32%
Other Assets: Operational Buildings: Workshops: Buildings	290,000	81,868	208,132	28.23%
Transport Assets	4,699,110	2,837,642	1,861,468	60.39%
<b>Non-infrastructure: Corrective Maintenance: Planned</b>	<b>54,654,290</b>	<b>18,291,734</b>	<b>36,362,556</b>	<b>33.47%</b>
Computer Equipment	1,000,000	27,000	973,000	2.70%
Furniture and Office Equipment	3,140	0	3,140	0.00%
Intangible Assets: Licences and Rights: Computer Software and Applications	32,100	0	32,100	0.00%
Machinery and Equipment	2,145,430	207,847	1,937,583	9.69%

## Annexure "A1"

Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Other Assets: Housing: Staff Housing: Buildings	314,830	36,670	278,160	11.65%
Other Assets: Operational Buildings: Depots: Buildings	108,820	8,273	100,547	7.60%
Other Assets: Operational Buildings: Municipal Offices: Buildings	1,976,500	410,850	1,565,650	20.79%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	359,030	10,047	348,983	2.80%
Other Assets: Operational Buildings: Municipal Offices: Land	205,670	0	205,670	0.00%
Transport Assets	48,508,770	17,591,047	30,917,723	36.26%
<b>Non-infrastructure: Preventative Maintenance: Condition Based</b>	<b>1,367,960</b>	<b>103,224</b>	<b>1,264,736</b>	<b>7.55%</b>
Community Assets: Community Facilities: Halls: Buildings	530,400	91,372	439,028	17.23%
Heritage Assets: Monuments	187,630	11,852	175,778	6.32%
Machinery and Equipment	2,000	0	2,000	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	563,800	0	563,800	0.00%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	84,130	0	84,130	0.00%
<b>Non-infrastructure: Preventative Maintenance: Interval Based</b>	<b>16,349,360</b>	<b>3,141,653</b>	<b>13,207,707</b>	<b>19.22%</b>
Community Assets: Community Facilities: Halls: Buildings	4,977,780	2,216,403	2,761,377	44.53%
Community Assets: Community Facilities: Halls: Electrical Equipment	650,020	7,311	642,709	1.12%
Community Assets: Community Facilities: Libraries: Buildings	810,780	34,598	776,182	4.27%
Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Buildings	61,260	0	61,260	0.00%
Computer Equipment	158,480	0	158,480	0.00%
Furniture and Office Equipment	327,850	71,858	255,992	21.92%
Intangible Assets: Licences and Rights: Computer Software and Applications	5,403,110	0	5,403,110	0.00%
Intangible Assets: Licences and Rights: Unspecified	90	0	90	0.00%
Other Assets: Housing: Social Housing: Buildings	0	84,190	-84,190	
Other Assets: Operational Buildings: Depots: Buildings	1,690,000	272,512	1,417,488	16.12%
Other Assets: Operational Buildings: Depots: Electrical Equipment	1,156,000	372,333	783,667	32.21%
Other Assets: Operational Buildings: Municipal Offices: Buildings	795,000	82,448	712,552	10.37%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	300,000	0	300,000	0.00%
Transport Assets	18,990	0	18,990	0.00%
<b>Grand Total</b>	<b>683,507,710</b>	<b>304,718,184</b>	<b>378,789,526</b>	<b>44.58%</b>

### Repairs and Maintenance by Asset Class:

Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
<b>Infrastructure</b>	<b>445,685,340</b>	<b>244,127,164</b>	<b>201,558,176</b>	<b>54.78%</b>
<b>Electrical Infrastructure</b>	<b>103,850,000</b>	<b>78,298,123</b>	<b>25,551,877</b>	<b>75.40%</b>
MV Networks: MV Conductors	63,800,000	48,692,207	15,107,793	76.32%
MV Substations: MV Substation Equipment	14,400,000	9,496,241	4,903,759	65.95%
Power Plants: Control and Instrumentation	5,800,000	2,758,156	3,041,844	47.55%
LV Networks: Public Lighting	19,350,000	17,348,136	2,001,864	89.65%
Power Plants: Control and Instrumentation	500,000	0	500,000	0.00%
HV Substations: Service Connections on Site	0	884	-884	#DIV/0!
LV Networks: Electricity Meters	0	2,500	-2,500	#DIV/0!
<b>Roads Infrastructure</b>	<b>92,835,700</b>	<b>26,144,797</b>	<b>66,690,903</b>	<b>28.16%</b>
Road Furniture: Road Furniture	2,100,000	0	2,100,000	0.00%
Road Furniture: Traffic Signs	3,801,110	1,782,764	2,018,346	46.90%
Road Structures: Civil Structures	52,600,000	12,660,582	39,939,418	24.07%
Road Structures: Road Bridges	1,000,000	0	1,000,000	0.00%
Roads: Land	2,021,210	0	2,021,210	0.00%
Roads: Pavements	29,213,380	9,963,792	19,249,588	34.11%
Capital Spares	1,000,000	1,737,659	-737,659	173.77%
Road Structures: Civil Structures	1,100,000	0	1,100,000	0.00%
<b>Sanitation Infrastructure</b>	<b>81,665,500</b>	<b>50,777,345</b>	<b>30,888,155</b>	<b>62.18%</b>

## Annexure "A1"

Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Pump Station: Civil Structure	12,350,940	10,608,392	1,742,548	85.89%
Pump Station: Mechanical Equipment	1,068,200	349,749	718,451	32.74%
Wastewater Treatment: Civil Structure	913,860	104,040	809,820	11.38%
Wastewater Treatment: Pipe Work	64,294,990	39,428,629	24,866,361	61.32%
Pump Station: Electrical Equipment	53,100	0	53,100	0.00%
Pump Station: Pipe Work	435,500	87,804	347,696	20.16%
Wastewater Treatment: Buildings	1,914,140	198,730	1,715,410	10.38%
Wastewater Treatment: Pavements	45,580	0	45,580	0.00%
Wastewater Treatment: Earthworks	95,070	0	95,070	0.00%
Wastewater Treatment: Mechanical Equipment	494,120	0	494,120	0.00%
<b>Storm water Infrastructure</b>	<b>24,746,250</b>	<b>8,127,827</b>	<b>16,618,423</b>	<b>32.84%</b>
Attenuation: Civil Structures	500,000	0	500,000	0.00%
Drainage Collection: Drainage	20,000	0	20,000	0.00%
Storm water Conveyance: Civil Structures	9,970,000	2,400,048	7,569,952	24.07%
Storm water Conveyance: Pipe Work	13,750,000	5,727,779	8,022,221	41.66%
Storm water Conveyance: Drainage	506,250	0	506,250	0.00%
<b>Information and Communication Infrastructure</b>	<b>1,250,000</b>	<b>79,950</b>	<b>1,170,050</b>	<b>6.40%</b>
Core Layers: Communication Equipment	1,250,000	79,950	1,170,050	6.40%
<b>Rail Infrastructure</b>	<b>1,309,600</b>	<b>0</b>	<b>1,309,600</b>	<b>0.00%</b>
Rail Furniture	59,600	0	59,600	0.00%
Rail Lines: Rail Lines and Ballast	1,250,000	0	1,250,000	0.00%
<b>Water Supply Infrastructure</b>	<b>140,028,290</b>	<b>80,699,121</b>	<b>59,329,169</b>	<b>57.63%</b>
Bulk Mains: Pipe Work	24,817,920	3,987,876	20,830,044	16.07%
Dams and Weirs: Civil Structure	240,000	0	240,000	0.00%
Dams and Weirs: Electrical Equipment	1,150,000	760	1,149,240	0.07%
Dams and Weirs: Mechanical Equipment	202,060	220	201,840	0.11%
Distribution: Municipal Service Connections	61,702,200	43,674,053	18,028,147	70.78%
Pump Station: Electrical Equipment	2,158,260	496,625	1,661,635	23.01%
Water Treatment: Mechanical Equipment	4,253,070	284,510	3,968,560	6.69%
Pump Station: Buildings	416,000	29,550	386,450	7.10%
Pump Station: Mechanical Equipment	40,273,310	31,569,519	8,703,791	78.39%
Reservoirs: Civil Structure	2,374,330	0	2,374,330	0.00%
Reservoirs: External Facilities	176,160	0	176,160	0.00%
Reservoirs: Service Connections on Site	21,000	0	21,000	0.00%
Water Treatment: Buildings	845,850	178,757	667,093	21.13%
Water Treatment: Electrical Equipment	1,346,130	426,115	920,015	31.65%
Distribution: Pipe Work	52,000	51,136	864	98.34%
<b>Non-infrastructure</b>	<b>237,822,370</b>	<b>60,591,021</b>	<b>177,231,349</b>	<b>25.48%</b>
<b>Community Assets</b>	<b>29,515,990</b>	<b>11,116,127</b>	<b>18,399,863</b>	<b>37.66%</b>
Community Facilities: Clinics/Care Centres: Land	50,000	10,605	39,395	21.21%
Community Facilities: Galleries: Buildings	25,910	8,700	17,210	33.58%
Community Facilities: Halls: Buildings	7,488,180	2,575,692	4,912,488	34.40%
Community Facilities: Halls: Electrical Equipment	1,456,020	93,974	1,362,046	6.45%
Community Facilities: Libraries: Buildings	1,495,540	317,134	1,178,406	21.21%
Community Facilities: Markets: Buildings	1,779,710	1,685,909	93,801	94.73%
Community Facilities: Markets: Electrical Equipment	237,120	6,822	230,298	2.88%
Community Facilities: Museums: Buildings	669,910	120,662	549,248	18.01%
Community Facilities: Nature Reserves: Buildings	8,960	0	8,960	0.00%
Community Facilities: Nature Reserves: Mechanical Equipment	60,890	18,686	42,204	30.69%
Community Facilities: Parks: Buildings	3,322,690	1,889,339	1,433,351	56.86%
Community Facilities: Police: Buildings	135,820	28,708	107,112	21.14%
Community Facilities: Public Ablution Facilities: Buildings	685,270	37,915	647,355	5.53%
Community Facilities: Public Open Space: Buildings	360,780	211,826	148,954	58.71%
Community Facilities: Public Open Space: Civil Structures	231,650	100,458	131,192	43.37%

## Annexure "A1"

Operational Repairs and Maintenance	2023/24 Adjustments Budget	2023/24 Actuals	Variance	% Spent
Community Facilities: Public Open Space: External Facilities	1,404,530	721,112	683,418	51.34%
Community Facilities: Public Open Space: Land	805,150	493,600	311,550	61.31%
Sport and Recreation Facilities: Indoor Facilities: Buildings	8,717,840	2,651,632	6,066,208	30.42%
Sport and Recreation Facilities: Outdoor Facilities: Buildings	580,020	143,353	436,667	24.72%
<b>Computer Equipment</b>	<b>5,172,970</b>	<b>1,179,447</b>	<b>3,993,523</b>	<b>22.80%</b>
<b>Furniture and Office Equipment</b>	<b>3,790,340</b>	<b>206,198</b>	<b>3,584,142</b>	<b>5.44%</b>
<b>Heritage Assets</b>	<b>402,950</b>	<b>21,827</b>	<b>381,123</b>	<b>5.42%</b>
Conservation Areas	215,320	9,975	205,345	4.63%
Monuments	187,630	11,852	175,778	6.32%
<b>Machinery and Equipment</b>	<b>57,134,180</b>	<b>15,891,714</b>	<b>41,242,466</b>	<b>27.81%</b>
<b>Other Assets</b>	<b>83,143,770</b>	<b>11,747,020</b>	<b>71,396,750</b>	<b>14.13%</b>
Housing: Social Housing: Buildings	7,697,790	613,127	7,084,663	7.96%
Housing: Staff Housing: Buildings	314,830	36,670	278,160	11.65%
Operational Buildings: Depots: Buildings	10,211,270	2,115,323	8,095,947	20.72%
Operational Buildings: Depots: Civil Structures	246,680	134,063	112,617	54.35%
Operational Buildings: Depots: Electrical Equipment	1,156,000	372,333	783,667	32.21%
Operational Buildings: Depots: External Facilities	1,250,000	3,776	1,246,225	0.30%
Operational Buildings: Depots: Metalwork's	85,310	1,330	83,980	1.56%
Operational Buildings: Laboratories: Buildings	381,630	51,119	330,511	13.39%
Operational Buildings: Municipal Offices: Buildings	54,783,680	7,112,473	47,671,207	12.98%
Operational Buildings: Municipal Offices: Electrical Equipment	177,240	8,147	169,093	4.60%
Operational Buildings: Municipal Offices: External Facilities	753,160	10,047	743,113	1.33%
Operational Buildings: Municipal Offices: Land	244,300	0	244,300	0.00%
Operational Buildings: Municipal Offices: Mechanical Equipment	5,256,080	1,196,924	4,059,156	22.77%
Operational Buildings: Training Centres: Buildings	295,800	9,819	285,981	3.32%
Operational Buildings: Workshops: Buildings	290,000	81,868	208,132	28.23%
<b>Transport Assets</b>	<b>53,226,870</b>	<b>20,428,688</b>	<b>32,798,182</b>	<b>38.38%</b>
<b>Intangible Assets</b>	<b>5,435,300</b>	<b>0</b>	<b>5,435,300</b>	<b>0.00%</b>
Licences and Rights: Computer Software and Applications	5,435,210	0	5,435,210	0.00%
Licences and Rights: Unspecified	90	0	90	0.00%
<b>Grand Total</b>	<b>683,507,710</b>	<b>304,718,184</b>	<b>378,789,526</b>	<b>44.58%</b>



## Annexure "A2"

### CAPITAL BUDGET PERFORMANCE AT 31 MARCH 2024

Below is an analysis of the capital expenditure compared to the approved 2023/24 Capital Budget.

- The performance on expenditure for capital projects by Directorate is reflected in Annexure A2i.
- Only 38.72% of the Capital Budget was spend as at 31 March 2024. This largely represents eight months expenditure as supplier invoices are paid 30 days from the date of the invoice.

The impact of the Capital Budget on the Municipality's cash flow position is discussed in **Annexure A3** of this report.

Vote Description	Budget Year 2023/24							
	2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
R thousands								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Budget & Treasury	1,909	19,451	2,400	-	-	1,800	(1,800)	-100%
Vote 2 - Public Health	7,870	24,159	15,359	2,174	6,217	11,519	(5,302)	-46%
Vote 3 - Human Settlements	126,590	130,225	130,225	19,482	63,257	97,669	(34,412)	-35%
Vote 4 - Economic Development, Tourism & Agriculture	35,556	2,500	2,500	5,752	32,119	1,875	30,244	1613%
Vote 5 - Corporate Services	(218)	5,950	320	-	-	240	(240)	-100%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	433,756	529,215	416,407	42,257	196,406	312,305	(115,899)	-37%
Vote 7 - Metro Water Service	385,100	436,623	444,765	44,299	137,462	333,573	(196,111)	-59%
Vote 8 - Sanitation - Metro	8,997	123,412	120,462	(7,880)	22,070	90,346	(68,276)	-76%
Vote 9 - Electricity & Energy	237,411	277,546	261,213	18,287	128,010	195,910	(67,900)	-35%
Vote 10 - Executive & Council	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	1,432	11,650	7,827	51	3,175	5,870	(2,695)	-46%
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	25,541	29,856	14,100	(762)	2,263	10,575	(8,312)	-79%
<b>Total Capital Multi-year expenditure</b>	<b>1,263,945</b>	<b>1,590,586</b>	<b>1,415,577</b>	<b>123,660</b>	<b>590,979</b>	<b>1,061,683</b>	<b>(470,704)</b>	<b>-44%</b>
<b>Single Year expenditure appropriation</b>								
Vote 1 - Budget & Treasury	-	2,452	3,312	-	114	2,484	(2,370)	-95%
Vote 2 - Public Health	15,895	55,063	63,863	10,966	21,939	47,897	(25,957)	-54%
Vote 3 - Human Settlements	38,277	20,127	4,086	3,429	3,429	3,065	365	12%
Vote 4 - Economic Development, Tourism & Agriculture	-	510	3,780	-	505	2,835	(2,329)	-82%
Vote 5 - Corporate Services	16,413	31,515	36,623	276	4,652	27,467	(22,815)	-83%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	103,567	83,000	98,024	1,934	12,861	73,518	(60,657)	-83%
Vote 7 - Metro Water Service	19,460	30,215	22,465	3,801	6,659	16,849	(10,189)	-60%
Vote 8 - Sanitation - Metro	6,256	18,793	21,434	(618)	1,508	16,076	(14,568)	-91%
Vote 9 - Electricity & Energy	39,193	38,265	43,170	4,762	30,912	32,377	(1,466)	-5%
Vote 10 - Executive & Council	3,804	-	-	-	-	-	-	-
Vote 11 - Safety & Security	11,730	49,300	28,590	(0)	2,607	21,442	(18,835)	-88%
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	14,319	21,724	12,146	(4,289)	2,661	9,109	(6,449)	-71%
<b>Total Capital single-year expenditure</b>	<b>268,912</b>	<b>350,964</b>	<b>337,492</b>	<b>20,261</b>	<b>87,848</b>	<b>253,119</b>	<b>(165,271)</b>	<b>-65%</b>
<b>Total Capital Expenditure</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>43,711</b>	<b>243,158</b>	<b>185,437</b>	<b>738</b>	<b>12,443</b>	<b>139,078</b>	<b>(126,634)</b>	<b>-91%</b>
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	43,711	243,158	185,437	738	12,443	139,078	(126,634)	-91%
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>105,282</b>	<b>128,758</b>	<b>96,651</b>	<b>12,288</b>	<b>33,126</b>	<b>72,488</b>	<b>(39,362)</b>	<b>-54%</b>
Community and social services	13,442	40,230	22,900	(96)	5,277	17,175	(11,898)	-69%
Sport and recreation	37,785	51,739	41,485	5,636	16,596	31,114	(14,518)	-47%
Public safety	23,067	30,422	27,589	3,319	7,768	20,692	(12,924)	-62%
Housing	30,435	4,417	3,726	3,429	3,429	2,795	635	23%
Health	553	1,950	950	(0)	56	713	(657)	-92%
<b>Economic and environmental services</b>	<b>578,370</b>	<b>520,557</b>	<b>473,360</b>	<b>59,967</b>	<b>269,846</b>	<b>355,020</b>	<b>(85,174)</b>	<b>-24%</b>
Planning and development	35,556	-	3,183	5,763	32,119	2,387	29,732	1246%
Road transport	542,814	520,557	470,178	54,204	237,728	352,633	(114,906)	-33%

## Annexure "A2"

Vote Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
R thousands								
Environmental protection								
<b>Trading services</b>	<b>805,494</b>	<b>1,049,078</b>	<b>997,622</b>	<b>70,929</b>	<b>363,412</b>	<b>748,216</b>	<b>(384,804)</b>	<b>-51%</b>
Energy sources	278,089	315,211	300,783	22,303	158,638	225,587	(66,949)	-30%
Water management	423,138	481,371	476,327	35,872	151,317	357,245	(205,928)	-58%
Wastewater management	104,267	247,496	215,732	12,753	53,457	161,799	(108,343)	-67%
Waste management	-	5,000	4,780	-	-	3,585	(3,585)	-100%
<b>Other</b>								
<b>Total Capital Expenditure - Functional Classification</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>
<b>Funded by:</b>								
National Government	812,915	1,307,960	1,190,427	104,993	455,840	892,820	(436,980)	-49%
Provincial Government								
District Municipality								
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	23,902	40,000	55,000	7,222	30,367	41,250	(10,883)	-26%
<b>Transfers recognised - capital</b>	<b>836,817</b>	<b>1,347,960</b>	<b>1,245,427</b>	<b>112,216</b>	<b>486,208</b>	<b>934,070</b>	<b>(447,863)</b>	<b>-48%</b>
<b>Borrowing</b>	<b>194,937</b>	<b>76,338</b>	<b>58,865</b>	<b>2,977</b>	<b>26,046</b>	<b>44,149</b>	<b>(18,103)</b>	<b>-41%</b>
<b>Internally generated funds</b>	<b>501,104</b>	<b>517,253</b>	<b>448,777</b>	<b>28,729</b>	<b>166,574</b>	<b>336,583</b>	<b>(170,009)</b>	<b>-51%</b>
<b>Total Capital Funding</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>

## Annexure "A3"

### PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

#### Projected Cash Flow Statement as at 31 March 2024

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

**Table C7 Consolidated Monthly Budget Statement - Cash Flow – M09 March 2024**

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	2,652,874	2,627,874	218,349	1,950,319	1,768,583	181,737	10%
Service charges	7,144,625	7,152,625	431,399	3,853,370	4,763,083	(909,713)	-19%
Other revenue	2,410,416	821,062	1,368,492	3,564,569	1,606,944	1,957,625	122%
Transfers and Subsidies - Operational	1,964,652	1,768,469	-	1,284,128	1,309,768	(25,640)	-2%
Transfers and Subsidies - Capital	1,387,960	1,242,427	-	626,145	925,307	(299,162)	-32%
Interest	208,088	207,878	66,892	567,254	138,725	428,528	309%
Dividends							
<b>Payments</b>							
Suppliers and employees	(14,133,263)	(11,734,420)	(1,109,874)	(10,539,551)	(9,422,175)	1,117,376	-12%
Finance charges	(128,228)	(130,278)	-	(96,795)	(85,485)	11,310	-13%
Transfers and Grants	(62,687)	(84,625)	(8,102)	(19,375)	(41,791)	(22,417)	54%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,444,437</b>	<b>1,871,012</b>	<b>967,157</b>	<b>1,190,064</b>	<b>962,958</b>	<b>(227,106)</b>	<b>-24%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE							
Decrease (increase) in non-current receivables	-	(16,572)					
Decrease (increase) in non-current investments							
<b>Payments</b>							
Capital assets	(1,822,952)	(1,901,227)	(106,392)	(793,423)	(1,063,389)	(269,966)	25%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,822,952)</b>	<b>(1,917,799)</b>	<b>(106,392)</b>	<b>(793,423)</b>	<b>(1,063,389)</b>	<b>(269,966)</b>	<b>25%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans	-	-					
Borrowing long term/refinancing							
Increase (decrease) in consumer deposits							
<b>Payments</b>							
Repayment of borrowing	(139,993)	(192,376)	-	(173,283)	(93,329)	79,955	-86%
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(139,993)</b>	<b>(192,376)</b>	<b>-</b>	<b>(173,283)</b>	<b>(93,329)</b>	<b>79,955</b>	<b>-86%</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(518,508)</b>	<b>(239,163)</b>	<b>860,764</b>	<b>223,358</b>	<b>(193,759)</b>		
Cash/cash equivalents at beginning:	4,797,650	4,815,036		4,792,418	4,815,036		
Cash/cash equivalents at month/year end:	4,279,142	4,575,873		5,015,776	4,621,277		

## Annexure “A3”

The significant variances are discussed below:

### Receipts: Ratepayer and Other and Payments: Suppliers and Employees

- Electricity, Water, Sanitation and Refuse Revenue appears to be lower than anticipated.
- The variances are mainly affected by VAT claimed back from SARS and VAT paid over to SARS.
- Traffic fines revenue is lower than anticipated.

### Interest Earned

- The growth in interest earned from investments is due to the Reserve Bank increasing the interest rates. Consumers not paying their municipal bills resulted in higher interest being earned on outstanding consumer debtors.

### Government Grants

- Variances due to the timing and amounts of grants to be transferred, not being available at the time the budget was concluded.
- As at 31 March 2024 ,Unspent Conditional Grants amounted to approximately R820.30 million and Unspent Borrowing was at R86.43 million, contributing to a higher investment portfolio attracting interest earned on investments during the first nine months of the 2023/24 financial year.

## MBM 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 budget performance for the first 9 months of the 2023/24 financial year as at 31 March 2024 and are to be noted by Council. Each table is accompanied by explanatory notes.

[Where the word - Consolidated – appears in the Table title it signifies that the municipal entity figures are included in the table]

### Monthly Budget Tables

**Table C1 Consolidated Monthly Budget Statement Summary – M09 March 2024**

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	2,738,530	2,974,149	2,944,079	(7,012)	2,931,810	2,208,059	723,750	33%	2,944,079
Service charges	10,567,326	9,256,765	9,265,273	662,614	6,040,387	6,948,955	(908,568)	-13%	9,265,273
Investment revenue	336,097	208,088	207,878	31,912	149,024	155,909	(6,885)	-4%	207,878
Transfers and subsidies	1,554,247	1,933,682	2,008,503	320,670	1,951,297	1,506,377	444,920	30%	2,008,503
Other own revenue	2,540,039	1,647,494	1,918,962	433,822	1,305,564	1,439,221	(133,657)	-9%	1,918,962
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,736,239</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>1,442,005</b>	<b>12,378,081</b>	<b>12,258,521</b>	<b>119,561</b>	<b>1%</b>	<b>16,344,694</b>
Employee costs	3,710,095	4,558,182	4,419,230	314,681	2,913,337	3,314,423	(401,086)	-12%	4,419,230
Remuneration of Councilors	81,903	91,089	90,829	6,838	65,016	68,122	(3,106)	-5%	90,829
Depreciation & asset impairment	993,760	1,334,327	999,907	79,461	603,878	749,930	(146,052)	-19%	999,907
Finance charges	131,489	128,228	130,278	13,802	74,904	97,709	(22,804)	-23%	130,278
Inventory consumed and bulk purchases	4,820,738	5,992,062	6,004,059	33,468	4,309,259	4,503,044	(193,785)	-4%	6,004,059
Transfers and subsidies	(22,036)	196,230	217,611	100,557	133,902	163,208	(29,306)	-18%	217,611
Other expenditure	6,031,144	5,105,966	5,081,281	147,219	4,660,625	3,810,960	849,665	22%	5,081,281
<b>Total Expenditure</b>	<b>15,747,094</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>696,026</b>	<b>12,760,922</b>	<b>12,707,396</b>	<b>53,526</b>	<b>0%</b>	<b>16,943,195</b>
<b>Surplus/(Deficit)</b>	<b>1,989,145</b>	<b>(1,385,906)</b>	<b>(598,500)</b>	<b>745,980</b>	<b>(382,840)</b>	<b>(448,875)</b>	<b>66,035</b>	<b>-15%</b>	<b>(598,500)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	812,915	1,307,960	1,190,427	104,993	455,840	892,820	(436,980)	-49%	1,190,427
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	23,902	40,000	55,000	7,222	30,367	41,250	(10,883)	-26%	55,000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>858,196</b>	<b>103,367</b>	<b>485,195</b>	<b>(381,828)</b>	<b>-79%</b>	<b>646,927</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>858,196</b>	<b>103,367</b>	<b>485,195</b>	<b>(381,828)</b>	<b>-79%</b>	<b>646,927</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>	<b>1,941,550</b>
Capital transfers recognised	836,817	1,347,960	1,245,427	112,216	486,208	934,070	(447,863)	-48%	1,347,960
Borrowing	194,937	76,338	58,865	2,977	26,046	44,149	(18,103)	-41%	76,338
Internally generated funds	501,104	517,253	448,777	28,729	166,574	336,583	(170,009)	-51%	517,253
<b>Total sources of capital funds</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>	<b>1,941,550</b>
<b>Financial position</b>									
Total current assets	9,815,003	8,058,713	9,285,496		9,479,228				-
Total non-current assets	19,584,097	19,311,372	19,621,798		19,703,800				-
Total current liabilities	3,746,198	4,403,520	4,446,277		3,379,508				-
Total non-current liabilities	3,803,041	5,928,608	6,122,039		4,823,026				-
Community wealth/Equity	21,849,860	17,037,956	18,338,978		20,980,494				-
<b>Cash flows</b>									
Net cash from (used) operating	-	1,444,437	1,871,012	967,157	1,190,064	962,958	(227,106)	-24%	-

**Annexure "A4"**

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>								%	
Net cash from (used) investing	-	(1,822,952)	(1,917,799)	(106,392)	(793,423)	-	793,423	#DIV/0!	-
Net cash from (used) financing	-	(139,993)	(192,376)	-	(173,283)	(34,998)	138,285	-395%	-
Cash/cash equivalents at the month/year end	-	4,279,142	4,575,873	-	5,015,776	5,742,996	727,220	13%	4,792,418
<b>Debtors &amp; creditors analysis</b>	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	1,982,698	691,576	606,753	589,446	435,773	487,322	2,329,738	8,299,488	15,422,795

**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 the major financial perspectives (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 Consolidated Monthly Budget Statement - Financial Performance (standard classification) – M09 March 2024**

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance
<b>R thousands</b>							%
<b>Revenue - Functional</b>							
<i><b>Governance and administration</b></i>	<b>4,018,463</b>	<b>4,069,910</b>	<b>648,826</b>	<b>4,753,969</b>	<b>3,052,433</b>	<b>1,701,537</b>	<b>56%</b>
Executive and council	1,142	1,200	-	1,050	900	150	17%
Finance and administration	4,017,321	4,068,710	648,826	4,752,919	3,051,532	1,701,387	56%
Internal audit	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>	<b>1,324,863</b>	<b>1,188,705</b>	<b>16,484</b>	<b>490,411</b>	<b>891,529</b>	<b>(401,119)</b>	<b>-45%</b>
Community and social services	39,766	38,871	1,457	19,906	29,153	(9,247)	-32%
Sport and recreation	17,335	16,508	5,970	19,270	12,381	6,889	56%
Public safety	1,098,227	822,229	4,735	444,154	616,672	(172,518)	-28%
Housing	167,044	308,543	4,271	5,582	231,407	(225,825)	-98%
Health	2,491	2,555	52	1,498	1,916	(418)	-22%
<i><b>Economic and environmental services</b></i>	<b>395,258</b>	<b>330,582</b>	<b>47,516</b>	<b>298,434</b>	<b>247,937</b>	<b>50,497</b>	<b>20%</b>
Planning and development	203,237	191,390	3,566	77,832	143,543	(65,711)	-46%
Road transport	190,220	137,389	43,935	219,777	103,042	116,735	113%
Environmental protection	1,800	1,804	15	825	1,353	(527)	-39%
<i><b>Trading services</b></i>	<b>10,236,455</b>	<b>10,715,474</b>	<b>832,781</b>	<b>7,290,605</b>	<b>8,036,606</b>	<b>(746,000)</b>	<b>-9%</b>
Energy sources	5,310,443	5,298,875	466,521	4,126,260	3,974,156	152,103	4%
Water management	3,426,577	3,696,611	2,028,346	2,118,676	2,772,459	(653,782)	-24%
Wastewater management	1,058,186	1,197,503	(1,688,632)	748,513	898,127	(149,614)	-17%
Waste management	441,249	522,484	26,546	297,156	391,863	(94,707)	-24%
<i><b>Other</b></i>	<b>45,140</b>	<b>40,022</b>	<b>8,614</b>	<b>30,870</b>	<b>30,016</b>	<b>853</b>	<b>3%</b>
<b>Total Revenue - Functional</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>1,554,221</b>	<b>12,864,289</b>	<b>12,258,521</b>	<b>605,768</b>	<b>5%</b>
<b>Expenditure - Functional</b>							
<i><b>Governance and administration</b></i>	<b>2,531,220</b>	<b>2,444,568</b>	<b>90,966</b>	<b>1,823,126</b>	<b>1,833,426</b>	<b>(10,301)</b>	<b>-1%</b>
Executive and council	291,661	294,922	118,327	286,658	221,191	65,467	30%
Finance and administration	2,170,672	2,083,378	(29,723)	1,490,666	1,562,534	(71,868)	-5%
Internal audit	68,887	66,268	2,362	45,802	49,701	(3,900)	-8%
<i><b>Community and public safety</b></i>	<b>2,217,870</b>	<b>2,207,691</b>	<b>135,917</b>	<b>1,238,487</b>	<b>1,655,769</b>	<b>(417,282)</b>	<b>-25%</b>
Community and social services	430,195	409,580	22,554	223,670	307,185	(83,515)	-27%
Sport and recreation	532,242	496,780	24,698	303,515	372,585	(69,069)	-19%

## Annexure "A4"

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>							
Public safety	706,054	667,435	44,520	401,442	500,576	(99,134)	-20%
Housing	326,984	416,315	35,146	180,772	312,236	(131,464)	-42%
Health	222,397	217,582	8,999	129,087	163,186	(34,099)	-21%
<b>Economic and environmental services</b>	<b>1,572,499</b>	<b>1,388,460</b>	<b>63,059</b>	<b>720,389</b>	<b>1,041,345</b>	<b>(320,955)</b>	<b>-31%</b>
Planning and development	599,156	575,152	35,361	261,731	431,364	(169,633)	-39%
Road transport	912,119	758,367	23,966	428,255	568,775	(140,520)	-25%
Environmental protection	61,224	54,942	3,732	30,404	41,206	(10,802)	-26%
<b>Trading services</b>	<b>10,999,836</b>	<b>10,810,861</b>	<b>400,014</b>	<b>8,930,389</b>	<b>8,108,146</b>	<b>822,243</b>	<b>10%</b>
Energy sources	6,686,111	6,638,584	75,071	4,703,623	4,978,938	(275,315)	-6%
Water management	2,743,123	2,697,568	221,995	3,203,591	2,023,169	1,180,422	58%
Wastewater management	980,068	900,111	54,482	600,250	675,083	(74,833)	-11%
Waste management	590,534	574,608	48,465	422,925	430,956	(8,030)	-2%
<b>Other</b>	<b>84,659</b>	<b>91,614</b>	<b>6,070</b>	<b>48,531</b>	<b>68,711</b>	<b>(20,179)</b>	<b>-29%</b>
<b>Total Expenditure - Functional</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>696,026</b>	<b>12,760,922</b>	<b>12,707,396</b>	<b>53,526</b>	<b>0%</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(1,385,906)</b>	<b>(598,500)</b>	<b>858,196</b>	<b>103,367</b>	<b>(448,875)</b>	<b>552,242</b>	<b>-123%</b>

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities. It is to be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

### Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M09 March 2024

Vote Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - Budget & Treasury	3,933,262	3,984,147	647,039	4,718,341	2,988,111	1,730,231	57.9%	3,984,147
Vote 2 - Public Health	456,285	537,417	38,868	325,809	403,063	(77,254)	-19.2%	537,417
Vote 3 - Human Settlements	192,100	340,300	25,622	91,251	255,225	(163,974)	-64.2%	340,300
Vote 4 - Economic Development, Tourism & Agriculture	26,572	35,427	160	20,933	26,570	(5,637)	-21.2%	35,427
Vote 5 - Corporate Services	17,163	18,164	1,341	12,650	13,623	(973)	-7.1%	18,164
Vote 6 - Infrastructure & Engineering Unit - Rate & General	192,990	140,159	33,155	189,037	105,119	83,918	79.8%	140,159
Vote 7 - Metro Water Service	3,426,577	3,696,611	242,826	2,094,218	2,772,459	(678,240)	-24.5%	3,696,611
Vote 8 - Sanitation - Metro	1,058,186	1,197,503	68,087	724,488	898,127	(173,640)	-19.3%	1,197,503
Vote 9 - Electricity & Energy	5,311,617	5,300,049	486,625	4,146,521	3,975,037	171,484	4.3%	5,300,049
Vote 10 - Executive & Council	145,352	144,883	1,065	52,991	108,662	(55,671)	-51.2%	144,883
Vote 11 - Safety & Security	1,114,920	839,007	3,124	452,352	629,256	(176,904)	-28.1%	839,007
Vote 12 - Mandela Bay Stadium	60,891	60,891	-	16,066	45,668	(29,602)	-64.8%	60,891
Vote 13 - Special Projects and Programmes	29,816	29,816	1,644	11,420	22,362	(10,941)	-48.9%	29,816
Vote 14 - Recreational & Cultural Services	54,448	20,321	4,664	8,211	15,241	(7,029)	-46.1%	20,321
<b>Total Revenue by Vote</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>1,554,221</b>	<b>12,864,289</b>	<b>12,258,521</b>	<b>605,768</b>	<b>4.9%</b>	<b>16,344,694</b>
<b>Expenditure by Vote</b>								
Vote 1 - Budget & Treasury	1,048,666	1,091,028	(89,824)	788,920	818,271	(29,351)	-3.6%	1,091,028
Vote 2 - Public Health	1,089,649	1,022,540	74,174	697,777	766,905	(69,128)	-9.0%	1,022,540
Vote 3 - Human Settlements	459,332	561,931	42,416	246,189	421,448	(175,259)	-41.6%	561,931
Vote 4 - Economic Development, Tourism & Agriculture	596,811	102,728	22,053	129,792	77,046	52,747	68.5%	102,728
Vote 5 - Corporate Services	583,765	571,552	30,004	319,077	428,664	(109,587)	-25.6%	571,552
Vote 6 - Infrastructure & Engineering Unit - Rate & General	1,231,898	1,042,176	25,399	597,744	781,632	(183,888)	-23.5%	1,042,176
Vote 7 - Metro Water Service	2,828,598	2,766,527	223,109	3,217,121	2,074,895	1,142,226	55.0%	2,766,527

## Annexure "A4"

Vote Description	Budget Year 2023/24							
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
Vote 8 - Sanitation - Metro	905,831	847,718	54,069	596,046	635,789	(39,743)	-6.3%	847,718
Vote 9 - Electricity & Energy	6,678,299	6,632,433	(298,570)	4,326,274	4,974,324	(648,050)	-13.0%	6,632,433
Vote 10 - Executive & Council	544,315	537,097	123,981	351,037	402,823	(51,786)	-12.9%	537,097
Vote 11 - Safety & Security	1,243,361	1,206,662	90,761	789,790	904,996	(115,206)	-12.7%	1,206,662
Vote 12 - Mandela Bay Stadium	55,653	55,653	-	33,703	41,739	(8,036)	-19.3%	55,653
Vote 13 - Special Projects and Programmes	30,736	28,652	2,391	14,847	21,489	(6,642)	-30.9%	28,652
Vote 14 - Recreational & Cultural Services	109,169	476,499	23,113	279,653	357,374	(77,721)	-21.7%	476,499
<b>Total Expenditure by Vote</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>323,075</b>	<b>12,387,972</b>	<b>12,707,396</b>	<b>(319,425)</b>	<b>-2.5%</b>	<b>16,943,195</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(1,385,906)</b>	<b>(598,500)</b>	<b>1,231,146</b>	<b>476,317</b>	<b>(448,875)</b>	<b>925,193</b>	<b>-206.1%</b>	<b>(598,500)</b>

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

The purpose of the format in which the monthly budget reporting table is presented, 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 Executive Directors concerned. Operating revenue and expenditure is 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 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) – M09 March 2024

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	2,738,530	2,974,149	2,944,079	(7,012)	2,931,810	2,208,059	723,750	33%	2,944,079
Service charges - electricity revenue	4,602,372	5,163,607	5,171,943	343,169	3,691,676	3,878,957	(187,281)	-5%	5,171,943
Service charges - water revenue	4,851,512	2,943,776	2,912,999	233,181	1,545,873	2,184,749	(638,877)	-29%	2,912,999
Service charges - sanitation revenue	790,170	837,553	868,502	61,985	584,694	651,377	(66,682)	-10%	868,502
Service charges - refuse revenue	323,273	311,829	311,829	24,279	218,144	233,872	(15,728)	-7%	311,829
Rental of facilities and equipment	30,762	31,021	37,584	3,220	32,287	28,188	4,099	15%	37,584
Interest earned - external investments	336,097	208,088	207,878	31,912	149,024	155,909	(6,885)	-4%	207,878
Interest earned - outstanding debtors	901,629	573,984	883,722	105,564	882,060	662,791	219,269	33%	883,722
Dividends received									
Fines, penalties and forfeits	77,511	82,843	46,185	3,725	32,557	34,639	(2,082)	-6%	46,185
Licences and permits	21,439	18,158	18,222	1,712	16,658	13,667	2,992	22%	18,222
Agency services	4,329	3,716	3,870	310	2,958	2,903	55	2%	3,870
Transfers and subsidies	1,554,247	1,933,682	2,008,503	320,670	1,951,297	1,506,377	444,920	30%	2,008,503
Other revenue	1,504,010	937,771	929,378	319,291	339,043	697,034	(357,990)	-51%	929,378
Gains	360								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,736,239</b>	<b>16,020,179</b>	<b>16,344,694</b>	<b>1,442,005</b>	<b>12,378,081</b>	<b>12,258,521</b>	<b>119,561</b>	<b>1%</b>	<b>16,344,694</b>
<b>Expenditure By Type</b>									
Employee related costs	3,710,095	4,558,182	4,419,230	314,681	2,913,337	3,314,423	(401,086)	-12%	4,419,230
Remuneration of councillors	81,903	91,089	90,829	6,838	65,016	68,122	(3,106)	-5%	90,829
Debt impairment	4,057,047	2,435,537	2,433,477	10,149	3,577,717	1,825,108	1,752,609	96%	2,433,477
Depreciation & asset impairment	993,760	1,334,327	999,907	79,461	603,878	749,930	(146,052)	-19%	999,907
Finance charges	131,489	128,228	130,278	13,802	74,904	97,709	(22,804)	-23%	130,278
Bulk purchases - electricity	4,705,198	5,632,329	5,632,845	(357,365)	3,762,270	4,224,634	(462,364)	-11%	5,632,845
Inventory consumed	115,540	359,733	371,214	17,883	174,039	278,411	(104,371)	-37%	371,214
Contracted services	966,181	1,564,811	1,554,231	90,885	602,676	1,165,673	(562,997)	-48%	1,554,231
Transfers and subsidies	(22,036)	196,230	217,611	100,557	133,902	163,208	(29,306)	-18%	217,611

## Annexure "A4"

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
Other expenditure	749,555	866,955	854,910	46,184	480,232	641,183	(160,951)	-25%	854,910
Losses	258,361	238,662	238,662			178,997	(178,997)	-100%	238,662
<b>Total Expenditure</b>	<b>15,747,094</b>	<b>17,406,084</b>	<b>16,943,195</b>	<b>323,075</b>	<b>12,387,972</b>	<b>12,707,396</b>	<b>(319,425)</b>	<b>-3%</b>	<b>16,943,195</b>
<b>Surplus/(Deficit)</b>	<b>1,989,145</b>	<b>(1,385,906)</b>	<b>(598,500)</b>	<b>1,118,930</b>	<b>(9,890)</b>	<b>(448,875)</b>	<b>438,985</b>	<b>(0)</b>	<b>(598,500)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	812,915	1,307,960	1,190,427	104,993	455,840	892,820	(436,980)	(0)	1,190,427
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	23,902	40,000	55,000	7,222	30,367	41,250	(10,883)	(0)	55,000
Transfers and subsidies - capital (in-kind - all)									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>1,231,146</b>	<b>476,317</b>	<b>485,195</b>			<b>646,927</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>1,231,146</b>	<b>476,317</b>	<b>485,195</b>			<b>646,927</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>1,231,146</b>	<b>476,317</b>	<b>485,195</b>			<b>646,927</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>2,825,962</b>	<b>(37,946)</b>	<b>646,927</b>	<b>1,231,146</b>	<b>476,317</b>	<b>485,195</b>			<b>646,927</b>

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

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, 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 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification, and funding) – M09 March 2024

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Budget & Treasury	1,909	19,451	2,400			1,800	(1,800)	-100%	
Vote 2 - Public Health	7,870	24,159	15,359	2,174	6,217	11,519	(5,302)	-46%	
Vote 3 - Human Settlements	126,590	130,225	130,225	19,482	63,257	97,669	(34,412)	-35%	
Vote 4 - Economic Development, Tourism & Agriculture	35,556	2,500	2,500	5,752	32,119	1,875	30,244	1613%	
Vote 5 - Corporate Services	(218)	5,950	320			240	(240)	-100%	
Vote 6 - Infrastructure & Engineering Unit - Rate & General	433,756	529,215	416,407	42,257	196,406	312,305	(115,899)	-37%	
Vote 7 - Metro Water Service	385,100	436,623	444,765	44,299	137,462	333,573	(196,111)	-59%	
Vote 8 - Sanitation - Metro	8,997	123,412	120,462		(7,880)	22,070	90,346	(68,276)	-76%
Vote 9 - Electricity & Energy	237,411	277,546	261,213	18,287	128,010	195,910	(67,900)	-35%	
Vote 10 - Executive & Council									
Vote 11 - Safety & Security	1,432	11,650	7,827	51	3,175	5,870	(2,695)	-46%	
Vote 12 - Mandela Bay Stadium									
Vote 13 - Special Projects and Programmes									
Vote 14 - Recreational & Cultural Services	25,541	29,856	14,100	(762)	2,263	10,575	(8,312)	-79%	
<b>Total Capital Multi-year expenditure</b>	<b>1,263,945</b>	<b>1,590,586</b>	<b>1,415,577</b>	<b>123,660</b>	<b>590,979</b>	<b>1,061,683</b>	<b>(470,704)</b>	<b>-44%</b>	
<b>Single Year expenditure appropriation</b>									
Vote 1 - Budget & Treasury		2,452	3,312		114	2,484	(2,370)	-95%	
Vote 2 - Public Health	15,895	55,063	63,863	10,966	21,939	47,897	(25,957)	-54%	
Vote 3 - Human Settlements	38,277	20,127	4,086	3,429	3,429	3,065	365	12%	
Vote 4 - Economic Development, Tourism & Agriculture		510	3,780		505	2,835	(2,329)	-82%	
Vote 5 - Corporate Services	16,413	31,515	36,623	276	4,652	27,467	(22,815)	-83%	
Vote 6 - Infrastructure & Engineering Unit - Rate & General	103,567	83,000	98,024	1,934	12,861	73,518	(60,657)	-83%	
Vote 7 - Metro Water Service	19,460	30,215	22,465	3,801	6,659	16,849	(10,189)	-60%	

## Annexure "A4"

Vote Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
R thousands								
Vote 8 - Sanitation - Metro	6,256	18,793	21,434	(618)	1,508	16,076	(14,568)	-91%
Vote 9 - Electricity & Energy	39,193	38,265	43,170	4,762	30,912	32,377	(1,466)	-5%
Vote 10 - Executive & Council	3,804	-	-	-	-	-	-	-
Vote 11 - Safety & Security	11,730	49,300	28,590	(0)	2,607	21,442	(18,835)	-88%
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	14,319	21,724	12,146	(4,289)	2,661	9,109	(6,449)	-71%
<b>Total Capital single-year expenditure</b>	<b>268,912</b>	<b>350,964</b>	<b>337,492</b>	<b>20,261</b>	<b>87,848</b>	<b>253,119</b>	<b>(165,271)</b>	<b>-65%</b>
<b>Total Capital Expenditure</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>
<b>Capital Expenditure - Functional Classification</b>								
<b>Governance and administration</b>	<b>43,711</b>	<b>243,158</b>	<b>185,437</b>	<b>738</b>	<b>12,443</b>	<b>139,078</b>	<b>(126,634)</b>	<b>-91%</b>
Executive and council	-	-	-	-	-	-	-	-
Finance and administration	43,711	243,158	185,437	738	12,443	139,078	(126,634)	-91%
Internal audit	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	<b>105,282</b>	<b>128,758</b>	<b>96,651</b>	<b>12,288</b>	<b>33,126</b>	<b>72,488</b>	<b>(39,362)</b>	<b>-54%</b>
Community and social services	13,442	40,230	22,900	(96)	5,277	17,175	(11,898)	-69%
Sport and recreation	37,785	51,739	41,485	5,636	16,596	31,114	(14,518)	-47%
Public safety	23,067	30,422	27,589	3,319	7,768	20,692	(12,924)	-62%
Housing	30,435	4,417	3,726	3,429	3,429	2,795	635	23%
Health	553	1,950	950	(0)	56	713	(657)	-92%
<b>Economic and environmental services</b>	<b>578,370</b>	<b>520,557</b>	<b>473,360</b>	<b>59,967</b>	<b>269,846</b>	<b>355,020</b>	<b>(85,174)</b>	<b>-24%</b>
Planning and development	35,556	-	3,183	5,763	32,119	2,387	29,732	1246%
Road transport	542,814	520,557	470,178	54,204	237,728	352,633	(114,906)	-33%
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>805,494</b>	<b>1,049,078</b>	<b>997,622</b>	<b>70,929</b>	<b>363,412</b>	<b>748,216</b>	<b>(384,804)</b>	<b>-51%</b>
Energy sources	278,089	315,211	300,783	22,303	158,638	225,587	(66,949)	-30%
Water management	423,138	481,371	476,327	35,872	151,317	357,245	(205,928)	-58%
Wastewater management	104,267	247,496	215,732	12,753	53,457	161,799	(108,343)	-67%
Waste management	-	5,000	4,780	-	-	3,585	(3,585)	-100%
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>
<b>Funded by:</b>								
National Government	812,915	1,307,960	1,190,427	104,993	455,840	892,820	(436,980)	-49%
Provincial Government	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	23,902	40,000	55,000	7,222	30,367	41,250	(10,883)	-26%
<b>Transfers recognised - capital</b>	<b>836,817</b>	<b>1,347,960</b>	<b>1,245,427</b>	<b>112,216</b>	<b>486,208</b>	<b>934,070</b>	<b>(447,863)</b>	<b>-48%</b>
<b>Borrowing</b>	<b>194,937</b>	<b>76,338</b>	<b>58,865</b>	<b>2,977</b>	<b>26,046</b>	<b>44,149</b>	<b>(18,103)</b>	<b>-41%</b>
<b>internally generated funds</b>	<b>501,104</b>	<b>517,253</b>	<b>448,777</b>	<b>28,729</b>	<b>166,574</b>	<b>336,583</b>	<b>(170,009)</b>	<b>-51%</b>
<b>Total Capital Funding</b>	<b>1,532,857</b>	<b>1,941,550</b>	<b>1,753,069</b>	<b>143,921</b>	<b>678,828</b>	<b>1,314,802</b>	<b>(635,974)</b>	<b>-48%</b>

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

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

### Table C6 Consolidated Monthly Budget Statement - Financial Position – M09 March 2024

Description	2022/23	Budget Year 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	237,573	200,000	200,000	599,776
Call investment deposits	4,577,463	4,079,141	4,626,138	4,416,000
Consumer debtors	4,492,171	3,301,835	3,632,188	3,842,279
Other debtors	324,630	217,452	497,781	304,730

## Annexure "A4"

Description	2022/23	Budget Year 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual
<b>R thousands</b>				
Current portion of long-term receivables				
Inventory	183,166	260,285	329,389	316,442
<b>Total current assets</b>	<b>9,815,003</b>	<b>8,058,713</b>	<b>9,285,496</b>	<b>9,479,228</b>
<b>Non-current assets</b>				
Long-term receivables	120,967	170,638	158,668	120,967
Investments				
Investment property	142,512	153,640	142,512	142,512
Investments in Associate				
Property, plant and equipment	19,277,208	18,923,743	19,277,209	19,401,641
Biological				
Intangible	43,409	63,351	43,409	38,680
Other non-current assets				
<b>Total non-current assets</b>	<b>19,584,097</b>	<b>19,311,372</b>	<b>19,621,798</b>	<b>19,703,800</b>
<b>TOTAL ASSETS</b>	<b>29,399,100</b>	<b>27,370,085</b>	<b>28,907,294</b>	<b>29,183,027</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft				
Borrowing	192,287	192,379	192,379	192,379
Consumer deposits	155,528	176,659	175,514	176,659
Trade and other payables	2,793,688	3,804,910	3,682,625	2,774,569
Provisions	604,695	229,572	395,759	235,901
<b>Total current liabilities</b>	<b>3,746,198</b>	<b>4,403,520</b>	<b>4,446,277</b>	<b>3,379,508</b>
<b>Non-current liabilities</b>				
Borrowing	1,153,063	1,055,049	1,369,578	1,055,049
Provisions	2,649,978	4,873,559	4,752,461	3,767,977
<b>Total non-current liabilities</b>	<b>3,803,041</b>	<b>5,928,608</b>	<b>6,122,039</b>	<b>4,823,026</b>
<b>TOTAL LIABILITIES</b>	<b>7,549,239</b>	<b>10,332,128</b>	<b>10,568,316</b>	<b>8,202,534</b>
<b>NET ASSETS</b>	<b>21,849,860</b>	<b>17,037,956</b>	<b>18,338,978</b>	<b>20,980,494</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	21,744,102	16,130,926	17,754,390	20,073,463
Reserves	105,758	907,030	584,588	907,030
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>21,849,860</b>	<b>17,037,956</b>	<b>18,338,978</b>	<b>20,980,494</b>

## Explanatory notes to Table C6 - Budgeted Financial Position

1. The table presents 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.
2. 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 debt impairment, which in turn impacts on the 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 the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Consolidated Monthly Budget Statement - Cash Flow – M09 March 2024

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates	2,652,874	2,627,874	218,349	1,950,319	1,768,583	181,737	10%
Service charges	7,144,625	7,152,625	431,399	3,853,370	4,763,083	(909,713)	-19%
Other revenue	2,410,416	821,062	1,368,492	3,564,569	1,606,944	1,957,625	122%
Transfers and Subsidies - Operational	1,964,652	1,768,469	-	1,284,128	1,309,768	(25,640)	-2%
Transfers and Subsidies - Capital	1,387,960	1,242,427	-	626,145	925,307	(299,162)	-32%
Interest	208,088	207,878	66,892	567,254	138,725	428,528	309%
Dividends				-	-	-	
<b>Payments</b>							
Suppliers and employees	(14,133,263)	(11,734,420)	(1,109,874)	(10,539,551)	(9,422,175)	1,117,376	-12%
Finance charges	(128,228)	(130,278)	-	(96,795)	(85,485)	11,310	-13%
Transfers and Grants	(62,687)	(84,625)	(8,102)	(19,375)	(41,791)	(22,417)	54%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,444,437</b>	<b>1,871,012</b>	<b>967,157</b>	<b>1,190,064</b>	<b>962,958</b>	<b>(227,106)</b>	<b>-24%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE				-	-	-	
Decrease (increase) in non-current receivables	-	(16,572)		-	-	-	
Decrease (increase) in non-current investments				-	-	-	
<b>Payments</b>							
Capital assets	(1,822,952)	(1,901,227)	(106,392)	(793,423)	(1,063,389)	(269,966)	25%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,822,952)</b>	<b>(1,917,799)</b>	<b>(106,392)</b>	<b>(793,423)</b>	<b>(1,063,389)</b>	<b>(269,966)</b>	<b>25%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans	-	-		-	-	-	
Borrowing long term/refinancing				-	-	-	
Increase (decrease) in consumer deposits				-	-	-	
<b>Payments</b>							
Repayment of borrowing	(139,993)	(192,376)	-	(173,283)	(93,329)	79,955	-86%
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(139,993)</b>	<b>(192,376)</b>	<b>-</b>	<b>(173,283)</b>	<b>(93,329)</b>	<b>79,955</b>	<b>-86%</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(518,508)</b>	<b>(239,163)</b>	<b>860,764</b>	<b>223,358</b>	<b>(193,759)</b>		
Cash/cash equivalents at beginning:	4,797,650	4,815,036		4,792,418	4,815,036		
Cash/cash equivalents at month/year end:	4,279,142	4,575,873		5,015,776	4,621,277		

**Explanatory notes to Table C7 - Budgeted Cash Flow Statement**

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

## ANALYSIS OF THE MUNICIPALITY'S BALANCE SHEET

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. DEBTORS AGE ANALYSIS &amp; ANNUAL DEBTORS COLLECTION RATE POSITION AS AT 31 March 2024

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

Below is an analysis of the outstanding consumer debtors as at 31 March 2024 compared to the position as at 30 June 2023.

## Debtors' Age Analysis (Inclusive of VAT) as at end of 30 June 2023

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Debtors Age Analysis by Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 579,962,627	R 433,284,681	R 1,284,659,826	R 375,745,014	R 601,617,049	R 468,623,272	R 2,013,175,164	R 2,979,128,027	R 8,716,065,660
Trade and Other Receivables from Exchange Transactions - Electricity	R 342,050,268	R 81,380,320	R 32,222,572	R 21,061,634	R 22,669,385	R 16,141,811	R 69,881,482	R 410,373,196	R 995,898,648
Receivables from Non-exchange Transactions - Property Rates	R 230,458,157	R 19,444,744	R 34,188,022	R 12,552,568	R 39,957,900	R 93,467,879	R 263,482,360	R 852,468,808	R 1,545,998,438
Receivables from Exchange Transactions - Wastewater Management	R 124,701,918	R 56,982,784	R 46,420,113	R 37,726,520	R 37,750,128	R 28,226,806	R 158,923,345	R 798,058,767	R 1,284,490,343
Receivables from Exchange Transactions - Waste Management	R 46,813,408	R 16,675,606	R 21,548,753	R 13,498,445	R 19,141,543	R 14,262,793	R 84,976,801	R 491,105,095	R 708,022,444
Receivables from Exchange Transactions - Property Rental Debtors	R 2,802,332	R 323,610	R 1,089,719	R 173,640	R 962,522	R 534,777	R 3,277,032	R 33,816,473	R 42,780,105
Interest on Arrear Debtor Accounts	R 132,703,573	R 68,969,586	R 103,565,420	R 72,573,736	R 92,212,598	R 69,880,500	R 298,769,968	R 1,221,394,913	R 2,080,070,294
Other	R 23,171,565	R 6,140,361	R 4,768,418	R 4,853,025	R 4,623,930	R 3,099,855	R 27,672,738	R 348,771,872	R 423,101,694
<b>Total By Income Source</b>	<b>R 1,492,493,768</b>	<b>R 702,921,882</b>	<b>R 1,598,332,843</b>	<b>R 638,184,580</b>	<b>R 818,835,065</b>	<b>R 694,237,695</b>	<b>R 2,940,148,890</b>	<b>R 7,135,115,151</b>	<b>R 15,820,239,684</b>
Depts of State	R 41,721,884	R 15,008,152	R 15,314,732	R 8,066,458	R 9,486,224	R 3,415,213	R 32,957,126	R 96,378,353	R 222,348,142
Commercial	R 485,445,479	R 103,989,433	R 72,634,667	R 35,300,400	R 66,942,130	R 71,490,852	R 212,608,447	R 1,131,021,045	R 2,179,402,253
Households	R 948,441,940	R 583,310,091	R 1,419,832,777	R 494,178,207	R 741,000,413	R 618,317,134	R 2,689,294,530	R 6,872,315,018	R 13,366,499,200
Other (NMBM)	R 6,854,486	R 614,006	R 750,887	R 639,427	R 1,406,288	R 1,044,696	R 5,288,785	R 35,400,735	R 51,999,089
<b>Total By Customer Group</b>	<b>R 1,482,463,768</b>	<b>R 702,921,882</b>	<b>R 1,598,332,843</b>	<b>R 638,184,580</b>	<b>R 818,835,065</b>	<b>R 694,237,695</b>	<b>R 2,940,148,890</b>	<b>R 7,135,115,151</b>	<b>R 15,820,239,684</b>

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

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Debtors Age Analysis by Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 480,217,814	R 373,082,058	R 306,925,989	R 260,668,194	R 240,264,777	R 268,504,886	R 1,402,006,747	R 3,857,819,794	R 7,187,400,259
Trade and Other Receivables from Exchange Transactions - Electricity	R 350,977,255	R 91,432,343	R 35,499,778	R 31,025,117	R 21,020,587	R 36,792,615	R 99,801,074	R 409,034,893	R 1,066,383,472
Receivables from Non-exchange Transactions - Property Rates	R 663,696,411	R 37,092,616	R 106,178,029	R 149,029,007	R 39,037,313	R 36,825,045	R 139,166,753	R 1,055,402,073	R 2,426,337,247
Receivables from Exchange Transactions - Waste Water Management	R 101,216,143	R 64,648,278	R 48,378,423	R 39,292,912	R 33,757,519	R 38,162,494	R 170,684,604	R 787,106,750	R 1,263,247,123
Receivables from Exchange Transactions - Waste Management	R 49,322,313	R 17,737,686	R 13,683,946	R 12,650,467	R 12,126,588	R 11,787,450	R 64,939,083	R 448,008,726	R 836,456,457
Receivables from Exchange Transactions - Property Rental Debtors	R 1,975,059	R 704,402	R 626,158	R 701,191	R 691,445	R 536,922	R 3,575,283	R 37,506,156	R 48,320,818
Interest on Arrear Debtor Accounts	R 128,911,722	R 103,022,864	R 93,370,543	R 91,251,289	R 85,317,730	R 85,851,148	R 438,776,754	R 1,437,306,388	R 2,481,810,438
Other	R 14,212,855	R 4,877,213	R 2,939,848	R 5,442,076	R 4,119,888	R 11,607,030	R 25,222,233	R 330,782,983	R 368,343,826
<b>Total By Income Source</b>	<b>R 1,990,529,572</b>	<b>R 692,517,660</b>	<b>R 607,862,714</b>	<b>R 590,160,253</b>	<b>R 436,335,655</b>	<b>R 488,159,509</b>	<b>R 2,334,972,531</b>	<b>R 6,342,981,263</b>	<b>R 15,483,319,438</b>
Depts of State	R 42,455,981	R 27,004,811	R 24,568,445	R 13,975,258	R 7,499,500	R 27,330,905	R 74,642,537	R 118,434,425	R 335,911,982
Commercial	R 775,154,955	R 142,662,825	R 122,559,072	R 91,336,468	R 52,457,906	R 66,064,834	R 201,746,836	R 1,263,063,880	R 2,794,066,858
Households	R 1,165,087,390	R 521,907,977	R 459,825,816	R 484,133,943	R 376,816,087	R 394,905,946	R 2,063,348,802	R 6,927,989,988	R 12,382,815,748
Other (NMBM)	R 7,831,246	R 941,947	R 905,581	R 714,584	R 562,362	R 637,905	R 5,234,256	R 43,482,990	R 60,524,871
<b>Total By Customer Group</b>	<b>R 1,990,529,572</b>	<b>R 692,517,660</b>	<b>R 607,862,714</b>	<b>R 590,160,253</b>	<b>R 436,335,655</b>	<b>R 488,159,509</b>	<b>R 2,334,972,531</b>	<b>R 6,342,981,263</b>	<b>R 15,483,319,438</b>

The above-mentioned analysis indicates that from 30 June 2023 to 31 March 2024, the overdue debts have decreased by R844,986,030 as follows mainly due to Bad Debt write-offs of R3,399,737,863, that were processed during the first 9 months of the 2024 financial year, in terms of the amended Assistance to the Poor Policy:

## Annexure "A5"

Detail	OVERDUE AMOUNTS		
	June 2023	March 2024	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 8,136,133,033	R 6,707,182,445	-R 1,428,950,588
Trade and Other Receivables from Exchange Transactions – Electricity	R 653,630,400	R 715,406,217	R 61,775,817
Receivables from Non-exchange Transactions - Property Rates	R 1,335,540,279	R 1,562,640,836	R 227,100,557
Receivables from Exchange Transactions - Waste Water Management	R 1,163,788,465	R 1,162,030,980	-R 1,757,485
Receivables from Exchange Transactions - Waste Management	R 661,209,036	R 581,134,144	-R 80,074,892
Receivables from Exchange Transactions - Property Rental Debtors	R 40,177,773	R 44,345,557	R 4,167,784
Interest on Arrear Debtor Accounts	R 1,947,366,721	R 2,334,898,716	R 387,531,995
Other	R 399,930,189	R 385,150,971	-R 14,779,218
<b>Total By Income Source</b>	<b>R 14,337,775,896</b>	<b>R 13,492,789,866</b>	<b>R -844,986,030</b>
<b>Debtors Age Analysis By Customer Group</b>			
Organs of State	R 180,626,258	R 293,455,981	R 112,829,723
Commercial	R 1,693,956,774	R 1,928,911,901	R 234,955,127
Households	R 12,418,048,260	R 11,217,728,359	-R 1,200,319,901
Other NMBM	R 45,144,604	R 52,693,625	R 7,549,021
<b>Total By Customer Group</b>	<b>R 14,337,775,896</b>	<b>R 13,492,789,866</b>	<b>R -844,986,030</b>

The credit control policy is being implemented to its fullest extent except for the component dealing with the sale in execution of both movable and immovable assets.

### Growth in Debt by category

The following table further provides the Committee with the history of how the arrear debt situation has escalated from July 2017 up to date:

Outstanding Debtors by Category					
Month	Category				Total
	Government	Business	Household	NMBM	
Jul-17	131,605,461	948,819,329	1,498,914,440	18,866,863	2,598,206,093
Aug-17	104,633,792	952,594,059	1,561,708,130	13,877,297	2,632,813,278
Sep-17	111,750,722	739,558,610	1,568,778,756	14,095,837	2,434,183,925
Oct-17	179,672,102	906,897,383	1,763,941,360	14,472,532	2,864,983,377
Nov-17	127,932,749	888,213,821	1,805,477,552	14,986,214	2,836,610,336
Dec-17	134,972,713	913,685,465	1,879,858,438	18,109,773	2,946,626,389
Jan-18	134,134,638	975,421,884	1,977,500,540	14,795,257	3,101,852,319
Feb-18	105,343,973	893,996,624	1,987,125,644	14,980,713	3,001,446,954
Mar-18	109,231,097	1,036,621,747	2,022,574,714	15,946,568	3,184,374,126
Apr-18	109,626,926	1,039,180,221	2,094,728,530	15,742,771	3,259,278,448
May-18	112,735,842	1,053,595,707	2,105,708,816	16,901,890	3,288,942,255
Jun-18	102,939,284	1,035,331,542	2,108,261,598	17,624,231	3,264,156,655
Jul-18	99,708,290	1,049,275,412	2,113,075,158	16,332,077	3,278,390,937
Aug-18	103,554,527	1,066,307,271	2,162,454,892	16,527,891	3,348,844,581
Sep-18	94,561,804	979,168,582	2,280,929,826	20,170,905	3,374,831,117
Oct-18	164,982,480	993,875,094	2,350,424,434	21,538,214	3,530,820,222
Nov-18	116,018,020	987,991,661	2,371,146,994	21,013,996	3,496,170,671
Dec-18	113,652,702	1,023,496,281	2,454,062,638	22,896,183	3,614,107,804
Jan-19	115,131,644	1,044,563,530	2,548,552,149	23,798,153	3,732,045,476
Feb-19	110,516,104	992,773,520	2,551,914,535	24,053,840	3,679,257,999
Mar-19	122,275,466	1,040,446,996	2,629,763,511	27,671,454	3,820,157,427
Apr-19	119,176,147	1,024,408,324	2,645,586,093	30,585,500	3,819,756,064
May-19	104,537,696	999,611,086	2,676,167,109	29,507,234	3,809,823,125
Jun-19	91,038,489	989,505,419	2,702,507,784	30,001,743	3,813,053,435
Jul-19	85,564,615	1,142,778,505	2,653,304,020	32,088,668	3,913,735,808
Aug-19	90,373,388	1,149,814,821	2,703,970,584	31,759,862	3,975,918,655
Sep-19	109,368,442	1,178,190,411	2,364,651,705	33,842,941	3,686,053,499
Oct-19	151,413,880	1,193,345,083	2,433,626,335	26,910,325	3,805,295,623
Nov-19	113,090,936	1,198,838,764	2,504,504,602	26,241,036	3,842,675,338
Dec-19	130,945,358	1,258,698,481	2,634,641,368	32,546,934	4,056,832,141
Jan-20	135,178,726	1,293,896,794	2,780,370,815	31,468,179	4,240,914,514
Feb-20	126,380,147	1,269,003,363	2,836,445,913	28,645,808	4,260,475,231
Mar-20	138,997,054	1,337,089,989	2,920,985,491	38,497,040	4,435,569,574
Apr-20	181,347,872	1,520,914,374	3,080,706,601	54,029,438	4,836,998,285
May-20	217,075,706	1,397,620,326	3,200,372,813	63,806,044	4,878,874,889

## Annexure "A5"

Outstanding Debtors by Category						
Month	Category			NMBM	Total	
	Government	Business	Household			
Jun-20	226,436,994	1,504,983,613	3,254,120,628	30,423,021	5,015,964,256	
Jul-20	176,399,253	1,473,562,003	3,311,069,732	30,578,375	4,991,609,363	
Aug-20	178,700,904	1,518,494,930	3,391,965,425	33,202,062	5,122,363,321	
Sep-20	177,913,838	1,514,531,406	3,460,129,495	35,876,824	5,188,451,563	
Oct-20	180,838,124	1,585,419,568	3,609,290,419	30,348,519	5,405,896,630	
Nov-20	199,820,603	1,570,647,648	3,886,751,212	43,555,953	5,700,775,416	
Dec-20	207,370,797	1,604,414,662	3,930,727,030	35,623,793	5,778,136,282	
Jan-21	201,207,009	1,599,260,902	4,070,002,886	31,756,091	5,902,226,888	
Feb-21	202,847,103	1,551,589,618	4,120,115,720	37,884,321	5,912,436,762	
Mar-21	198,750,607	1,579,442,827	4,248,102,288	32,492,235	6,058,787,957	
Apr-21	201,827,172	1,608,128,527	4,333,259,122	33,258,939	6,176,473,760	
May-21	151,384,533	1,648,118,675	4,431,481,988	33,565,247	6,264,550,443	
Jun-21	139,326,575	1,582,792,153	4,488,806,232	37,628,117	6,248,553,077	
Jul-21	164,531,984	1,650,649,855	4,642,038,574	40,205,793	6,497,426,206	
Aug-21	152,655,812	1,696,234,145	4,847,662,045	56,852,499	6,753,404,501	
Sep-21	154,560,053	1,703,479,311	5,113,737,194	35,130,687	7,006,907,245	
Oct-21	177,656,262	1,802,561,606	5,461,557,379	36,729,127	7,478,504,374	
Nov-21	207,095,304	1,828,372,065	5,785,896,888	37,354,462	7,858,718,719	
Dec-21	223,874,721	1,784,577,155	6,040,058,139	40,020,922	8,088,530,937	
Jan-22	237,008,342	1,901,393,994	6,320,662,819	45,053,874	8,504,118,829	
Feb-22	198,555,915	1,845,283,283	6,553,678,171	41,994,914	8,693,512,283	
Mar-22	219,906,424	1,901,929,313	6,745,447,544	38,836,083	8,906,121,364	
Apr-22	230,404,967	1,827,933,684	6,942,836,405	39,878,537	9,041,053,593	
May-22	104,831,777	1,432,153,667	6,381,720,942	29,470,399	7,948,176,785	
Jun-22	150,887,128	1,816,207,856	7,242,667,376	41,306,707	9,251,069,067	
Jul-22	138,071,594	1,808,368,730	7,418,890,959	46,068,829	9,411,400,112	
Aug-22	151,120,798	1,816,655,770	7,685,015,131	42,592,857	9,695,384,556	
Sep-22	148,963,028	1,777,666,427	8,141,070,821	43,360,378	10,111,060,654	
Oct-22	169,097,100	1,862,433,940	8,690,261,192	39,216,030	10,761,008,262	
Nov-22	175,395,539	1,854,190,450	9,251,754,703	38,691,566	11,320,032,258	
Dec-22	174,209,778	1,905,344,288	9,928,689,845	39,909,204	12,048,153,115	
Jan-23	174,827,696	1,996,042,621	10,648,762,048	40,748,002	12,860,380,367	
Feb-23	176,856,024	1,937,809,593	11,156,534,665	42,318,764	13,313,519,046	
Mar-23	217,843,623	1,997,766,080	10,761,831,590	43,100,182	13,020,541,475	
Apr-23	205,466,554	1,977,511,175	10,911,698,951	43,626,887	13,138,303,567	
May-23	183,660,173	1,715,095,892	12,193,828,288	44,494,833	14,137,079,186	
Jun-23	180,626,258	1,693,956,774	12,418,048,260	45,144,604	14,337,775,896	
Jul-23	201,839,518	1,686,747,320	10,546,100,402	47,048,250	12,481,835,490	
Aug-23	214,260,250	1,782,258,524	9,705,918,697	47,880,223	11,750,317,694	
Sep-23	215,745,355	1,716,498,076	9,887,164,628	48,130,578	11,867,538,637	
Oct-23	273,612,281	1,810,482,735	10,141,679,960	49,094,613	12,274,869,589	
Nov-23	271,672,951	1,799,288,677	10,291,152,699	49,706,259	12,411,820,586	
Dec-23	251,753,539	1,840,991,493	10,599,811,819	50,626,221	12,743,183,072	
Jan-24	275,047,389	1,969,061,504	10,877,700,438	51,293,876	13,173,103,207	
Feb-24	263,997,695	1,931,167,397	10,918,727,543	51,862,769	13,165,755,404	
Mar-24	293,455,981	1,928,911,901	11,217,728,359	52,693,625	13,492,789,866	

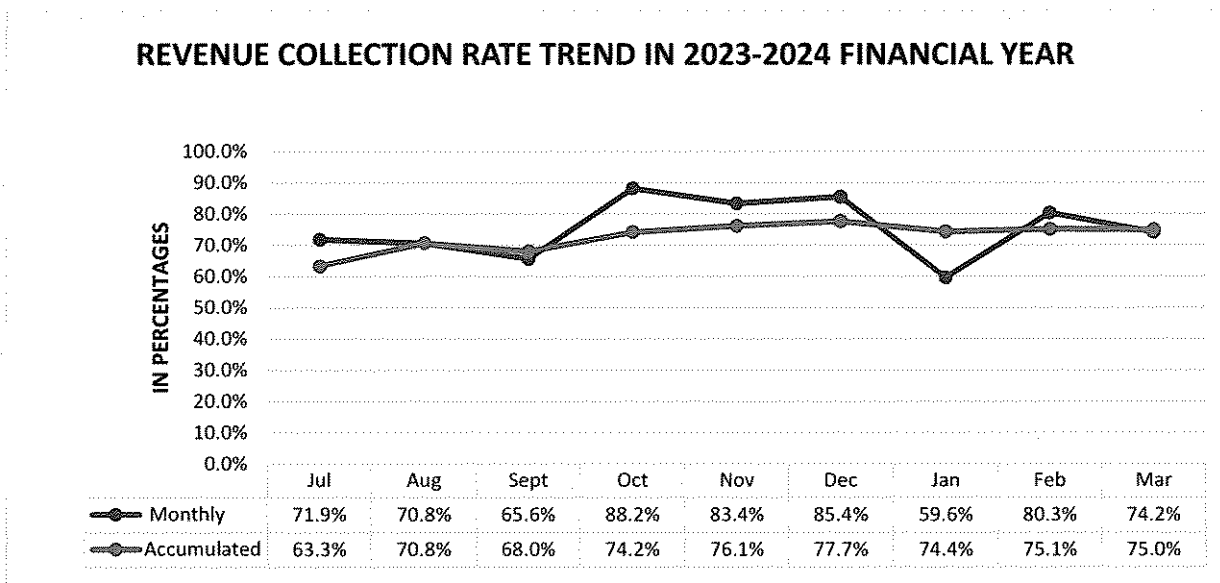
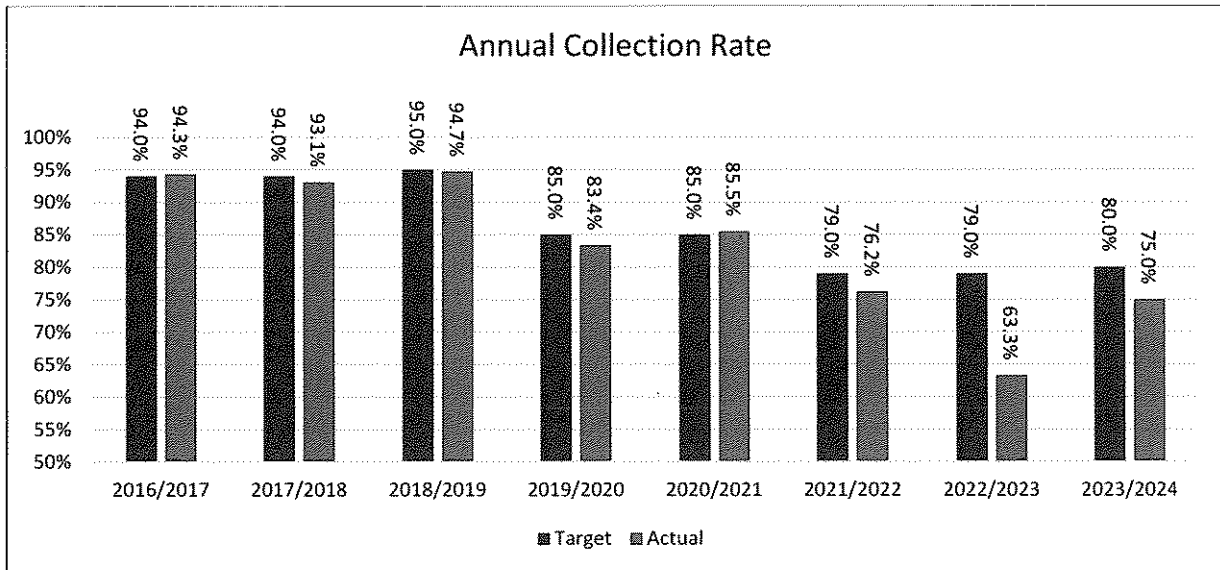
### 1.2. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The ratio is 80% as per the 2023/24 Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

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

$$\frac{\text{Total Payments Received in respect of Accounts rendered during Financial year}}{\text{Total Value of Accounts Rendered during Financial year.}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the 2022/23 financial year was 63.31%. However, the average collection rate for the 2023/24 financial year to date is 74.98%, whilst the collection rate for revenue raised in December 2023 collected in the month ending 31 March 2024 amounts to 74.16%.



1.3 Other Debtors

The bridge financing of the Housing function is at a level of R196,735,237 million as at 31 March 2024. It is important that the current level of R196.74 million be managed downwards.

2. Overview of Creditors position

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

## Annexure "A5"

**Supporting Table SC4 Monthly Budget Statement - aged creditors – M09 March 2024**

Detail	0 – 30 Days	31-60 days	61 – 90 days	Above 91 days	Total	%
	R '000	R '000	R '000	R '000	R '000	
Bulk Electricity	441,552,961.89	-	-	-	441,552,961.89	24.50
Bulk Water	3,428,529.32	419,555.42	-	-	3,848,084.74	0.21
PAYE deductions	53,636,295.09	-	-	-	53,636,295.09	2.98
VAT (output less input)	-	-	-	-	-	-
Pensions / Retirement deductions	47,268,635.30	-	-	-	47,268,635.30	2.62
Loan Repayments	-	-	-	-	-	-
Trade Creditors	13,127,304.17	894,355.82	28,795,629.03	1,212,552,828.46	1,255,370,117.48	69.65
Auditor-General	682,042.75	-	-	-	682,042.75	0.04
Other	-	-	-	-	-	-
<b>Total</b>	<b>559,695,768.52</b>	<b>1,313,911.24</b>	<b>28,795,629.03</b>	<b>1,212,552,828.46</b>	<b>1,802,358,137.25</b>	<b>100.00</b>

The above amounts represent invoices still to be paid by the NMBM and MBDA. Creditors' payments for the NMBM approximate **49.29 days**, based on the date of invoice. The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date. The **49.29 days** excludes delayed payments as a result of irregular expenditure. The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date.

A monthly report is submitted to Management Team on the outcome of the creditors' payment process. Executive Directors are held responsible for outcomes in the following two areas: -

- Adhering to the **19 days** allocated to Directorates for processing of all payments – this currently forms part of the Executive Directors' scorecards; and
- Reporting on and being held accountable for irregular expenditure – this is dealt with through the MPAC sub-committee for irregular, fruitless & wasteful and unauthorised expenditure.

### 2.1 Payment of Service Providers

Section 65(2)(e) of the MFMA states that "all monies owing by the Municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

To ensure efficient administration all reporting in relation to payment is based on using the invoice date as the baseline and not the date of receipt of the invoice. An average number of days to make payment from the date of invoice have been calculated at 35 days, by allowing 5 days for postal travel of the invoice from supplier to the municipality.

For performance measuring purpose the 35 days has been split as follows:

- Phase 1 – The Directorate has 19 days to process from date of invoice: and
- Phase 2 – Creditors, Accountants & Cash Management have 16 days to finalise the payment process.

It must be noted that the date of receipt is inserted in the payments program by the directorate who is capturing the invoice. This date is subjective as it relies on the directorate to be honest when capturing the date, the invoice document was physically received by the municipality.

This reporting standard is being applied due to the fact that:

- Service Providers give discount based on the invoice date, irrespective of the invoice receipt date.

## Annexure “A5”

- Performance of the NMBM in relation to payment is determined by the Service Provider from the date of the invoice.
- Recording of the invoice receipt date may be subjective, impractical to manage and difficult to prove.

### **DATE OF INVOICE vs DATE OF DIRECTORATE APPROVAL**

**Table 1: Reflects the number of Days taken by Directorates to process documentation for payment from Date of Invoice**

DIRECTORATE	January 2024	Total No of Invoices	February 2024	Total No of Invoices	March 2024	Total No of Invoices
Budget & Treasury	9.38	712	13.30	550	12.14	996
Chief Operating Officer	43.75	102	126.32	158	75.21	224
Corporate Services	37.34	293	88.39	9727	76.31	302
Economic Development, Tourism & Agriculture	143.2	46	43.29	14	27.25	28
Electricity & Energy	50.23	177	86.34	176	63.03	218
Human Settlements	29.23	128	45.22	76	25	180
Infrastructure & Engineering: Rate & General	36.12	657	38.03	708	26.09	788
Water Services	30.78	109	43.53	105	42.31	113
Municipal Manager	26.07	54	85.91	44	37.79	94
Office of the Executive Mayor	43.7	10	24.50	2	1.5	2
Public Health	33.93	255	29.80	301	26.03	330
Recreational & Cultural Services	20.66	105	36.81	77	27.22	172
Safety & Security	32.92	242	20.87	157	12.33	273
Sanitation	27.95	154	30.53	152	30.52	176
<b>Average for all Directorates</b>	<b>30.66</b>		<b>78.50</b>		<b>31.29</b>	

An analysis of **Table 1** illustrates the following:

### **DATE OF RECEIPT OF INVOICE vs DATE OF DIRECTORATE APPROVAL**

**Table 2** below illustrates by Directorate the number of days taken to process documentation from the date of Receipt of invoice:

DIRECTORATE	January 2024	Total No of Invoices	February 2024	Total No of Invoices	March 2024	Total No of Invoices
Budget & Treasury	3.52	712	6.05	550	4.33	996
Chief Operating Officer	15.50	102	39.03	158	25.12	224
Corporate Services	19.21	293	84.07	9727	12.01	302
Economic Development, Tourism & Agriculture	90.43	46	23.64	14	19.18	28
Electricity & Energy	19.47	177	22.60	176	36.88	218
Human Settlements	11.34	128	17.03	76	10.87	180
Infrastructure & Engineering: Rate & General	20.56	657	16.53	708	12.85	788
Water Services	14.62	109	10.95	105	12	113
Municipal Manager	21.20	54	49.45	44	19.29	94
Office of the Executive Mayor	42.30	10	2.50	2	0.50	2
Public Health	24.24	255	15.04	301	14.06	330
Recreational & Cultural Services	12.08	105	28.26	77	14.83	172
Safety & Security	18.74	242	5.49	157	3.67	273
Sanitation	8.67	154	16.99	152	24.98	176
<b>Average for all Directorates</b>	<b>16.02</b>		<b>70.06</b>		<b>12.83</b>	

The Directorates' performance cumulatively has improved for the month of March 2024 when compared to February 2024 as per **Table 2**.

## Annexure "A5"

The recording of the Invoice received Date is performed by each respective Directorate and is subjective as Suppliers often dispute that there has been any delay for submitting Invoices to the NMBM. When Suppliers initiate punitive action for late payment, such as legal action; penalty interest; revoking the NMBM's credit facility, etc. the date of the Invoice becomes relevant and not the date that it was received.

The analysis of the Average Number of Days between the **Invoice Date** and the **Date of Receipt of Invoice** per Directorate indicates the following for March 2024:

Directorate	No. of Days (March)
Budget & Treasury	12.21
Chief Operating Officer	50.46
Corporate Services	69.01
Economic Development, Tourism & Agriculture	10.50
Electricity & Energy	43.61
Human Settlements	14.99
Infrastructure & Engineering: Rate & General	16.44
Water Services	35.42
Municipal Manager	18.53
Office of the Executive Mayor	1
Public Health	14.72
Recreational & Cultural Services	15.75
Safety & Security	12.79
Sanitation	7.81

The above information indicates that there is a significant delay between the Supplier's Invoice date and the date that it is received at the NMBM. This is evident for the following Directorates where it has taken in excess of 30 Days for the Invoices to be received:

- Chief Operating Officer 50.46
- Corporate Services 69.01
- Electricity & Energy 43.61
- Water Services 35.42

All Directorates who encounter delays in receiving Invoices from Suppliers should address this with the respective Supplier(s) as the resultant late payments may be attributed to the NMBM and punitive action against the NMBM may be initiated by the Supplier(s).

The overall number of days taken to process documentation for payment has improved for March 2024 when compared to February 2024.

**Table 3: Reflects the Average number of Days taken by the NMBM to pay Service Providers from the date that the EFT is available for release.**

	Number of Days taken by Accountant to sign off documentation	Number of Days taken by Creditors to process & final Sign Off of EFT	Delay in release of EFT's	Total No. of days from date Directorate approves invoice
January	10	9	2	21
February	3	0	0	3
March	10	6	2	18

## Annexure "A5"

Table 3 above reflects the Phase 2 process payment cycle where the target has been set at **16 days**. The target for this phase of processing has been met for the month of February 2024 and has not been met for the months of January 2024 and March 2024.

If we combine Phase 1 and Phase 2 in the payment process, then the number of days taken to pay creditors from date of invoice is as follows against the target of 35 days.

January        2024 – 51.66 days  
 February      2024 – 81.50 days  
 March          2024 – 49.29 days

The National Treasury target has been set at 30 days from the date when the invoice has been received. By using the receipt date of the invoice, as recorded by the Directorate, the number of days taken to pay creditors during the quarter is as follows:

January        2024 – 36 days  
 February      2024 – 75 days  
 March          2024 – 30 days

The results above indicate that the Creditors' payment days were not met for the months of January 2024 and February 2024 and was met for the month of March 2024.

It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

Another factor that contributes to a poor payment days' outcome is that some Directorates paid the majority of their Invoices in excess of 30 days from the Date of Receipt of Invoice as per the analysis below which measures the efficiency rate per Directorate, where the Office of the Executive Mayor and the Sanitation Directorate achieved a Creditors' Efficiency Rate of 0.00 percent and 57.39 percent, respectively, versus the NMBM's target of one hundred (100) percent .

Directorate	Total No. Of Invoices (March 2024)	No. of Invoices paid <u>within</u> 30 Days of Receipt	Efficiency Rate (%), calculated as No. of Invoices paid within 30 days of Receipt / Total No. of Invoices*100
Budget & Treasury	996	935	93.88
Chief Operating Officer	224	160	71.43
Corporate Services	302	251	83.11
Economic Development, Tourism & Agriculture	28	24	85.71
Electricity & Energy	218	165	75.69
Human Settlements	180	144	80.00
Infrastructure & Engineering: Rate & General	788	484	61.42
Water Services	113	89	78.76
Municipal Manager	94	58	61.70
Office of the Executive Mayor	2	0	0.00
Public Health	330	250	75.76
Recreational & Cultural Services	172	136	79.07
Safety & Security	273	202	73.99
Sanitation	176	101	57.39

The above results in respect of the Office of the Executive Mayor are attributed to payments effected to TUNIMART which were paid in excess of 84 days from the date of receipt of Invoice.

### 3. Investment Portfolio as at 31 March 2024

Below is an analysis of the Investment Portfolio as at 31 March 2024: -

Financial Institution	ABSA		FNB		Investec		Nedbank		Nedbank		Standard Bank		Stanlib		Total NMBM		ABSA		MBDA		Santam		NMBM	
	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Investments	Current Account			Shares				Total	
Type of Investment: 30Jun23	620,000,000	5,310,000	1,155,000,000	169,693,179	1,030,000,000	50,500,000	1,546,700,000	1,546,700,000	1,546,700,000	1,546,700,000	1,546,700,000	1,546,700,000	259,657	259,657	4,577,462,836	171,275,467	66,291,417	2,387,624	2,387,624	66,291,417	2,387,624	2,387,624	4,817,417,344	
Type of Investment: 31Mar24	560,000,000	7,676,969	955,000,000	180,199,562	840,000,000	680,500,000	1,086,700,000	1,086,700,000	1,086,700,000	1,086,700,000	1,086,700,000	1,086,700,000	259,657	259,657	4,310,336,188	597,365,639	105,686,547	2,387,624	105,686,547	105,686,547	2,387,624	2,387,624	5,015,775,997	
(Decrease) / Increase in Investments	-60,000,000	2,366,969	-200,000,000	10,506,383	-190,000,000	630,000,000	-480,000,000	-480,000,000	-480,000,000	-480,000,000	-480,000,000	-480,000,000	0	0	-267,126,648	426,090,171	39,395,130	0	39,395,130	39,395,130	0	0	198,358,653	
% Exposure of Institution	11.16%	0.15%	19.04%	3.59%	16.75%	13.57%	21.67%	21.67%	21.67%	21.67%	21.67%	21.67%	0.01%	0.01%	85.94%	11.91%	2.11%	0.05%	2.11%	2.11%	0.05%	0.05%	100.00%	
Actual Interest earned to date	4,936,633	-383,592.51	-42,730,368	-10,506,383	-6,808,463	-21,672,999	-43,414,016	-43,414,016	-43,414,016	-43,414,016	-43,414,016	-43,414,016	-14,943	-14,943	-120,604,132	-28,491,872	-1,927,838		-1,927,838	-1,927,838				-149,023,842

There is an increase in the investment portfolio since 30 June 2023 amounting to R198.359 million.

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

<b>Cash backed Reserves</b>	<b>R'000</b>
Bank Balances and Cash	703,052
Short-term Investment Deposits	4,310,336
Short-term Investments	<u>2,387</u>
	<b>5,015,775</b>
<b>Application of Cash</b>	
Unspent Conditional Grants	820,302
Statutory Funds – COID	65,912
Self-Insurance Fund	213,355
Outstanding Creditors Liability	1,802,358
Internally Generated Funding	282,203
Provision for Land Fill Sites	461,882
Provision for Rehab of Swartkops river	109,731
Brookes Bequest	25,270
Current Provisions	146,771
Consumer Deposits	153,200
Unspent Borrowing	86,434
<b>Total Commitments</b>	<b><u>4,167,418</u></b>
<b>Commitments less than Cash and Cash Equivalents</b>	<b><u>848,357</u></b>

The Cash and Cash Equivalents exceeds Commitments by an amount of R 848.357 million.

The following financial strategies are being implemented to address this situation:

- Optimisation of all revenue streams.
- Increasing collection rates above the targeted percentage utilising the credit control policy of Council.
- Disposal of serviced land in order to boost the depleted Capital Replacement Reserve.
- Implementation of Cost Containment Policy.

## 4. Allocation and Grant receipts and expenditure for the 2023/24 financial year

## Monthly Budget Statement - Transfers and Grants - Receipts and Expenditure – March 2024

Description	Budget Year 2023/24			
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual
R thousands				
<b>Operating Transfers and Grants</b>			<b>RECEIPTS:</b>	<b>PAYMENTS</b>
<b>National Government:</b>	<b>1,673,310</b>	<b>1,605,107</b>	<b>1,547,212</b>	<b>1,118,041</b>
Local Government Equitable Share	1,419,053	1,419,053	1,419,053	1,064,290
EPWP Incentive	8,397	7,928	7,928	5,181
Finance Management	1,000	1,000	1,000	605
Infrastructure Skills Development	13,750	12,970	13,970	7,642
LGSETA	3,800	3,800	4,899	1,622
Energy Efficiency & Demand Side Management		1,260		
Urban Settlements Development	15,124	15,759	8,146	126
Public Transport Networks Operations	161,176	108,337	55,376	36,518
Neighbourhood Development Partnership	20,000	20,000	20,000	
Programme and Project Support Grant	20,000	10,000	10,000	1,264
Informal Settlements Partnership Grant	11,010	5,000	6,840	793
<b>Provincial Government:</b>	<b>116,375</b>	<b>203,543</b>	<b>148,870</b>	<b>28,179</b>
Sport and Recreation	15,870	15,870	15,870	15,870
DRPW (Maintenance of Roads)	18,000	18,000	17,560	12,298
Marine and Coastal Development	896	896		12
Human Settlements Development	81,608	168,777	115,440	
<b>Other grant providers:</b>	<b>124,168</b>	<b>-</b>	<b>-</b>	<b>-</b>
SARS	124,168			
<b>Total Operating Transfers and Grants</b>	<b>1,913,852</b>	<b>1,808,650</b>	<b>1,696,082</b>	<b>1,146,221</b>
<b>Capital Transfers and Grants</b>				
<b>National Government:</b>	<b>1,510,143</b>	<b>1,410,507</b>	<b>1,219,797</b>	<b>520,715</b>
Public Transport Infrastructure	185,200	88,039	45,000	6,767
Urban Settlements Development	599,778	647,990	514,058	252,994
Neighbourhood Development Partnership	9,700	9,700	9,011	3,985
Informal Settlements partnership Grant	336,625	309,198	294,727	186,814
Drought Relief Grant	19,840	19,840		
Energy Efficiency & Demand Side Management	9,000	7,740	9,000	5,589
Regional Bulk Infrastructure	348,000	328,000	348,000	64,586
<b>Other grant providers:</b>	<b>41,865</b>	<b>55,000</b>	<b>-</b>	<b>28,163</b>
Private Contributions	40,000	55,000		28,163
European Union	1,865			
<b>Total Capital Transfers and Grants</b>	<b>1,552,009</b>	<b>1,465,507</b>	<b>1,219,797</b>	<b>548,878</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>3,465,861</b>	<b>3,274,157</b>	<b>2,915,878</b>	<b>1,695,099</b>

**DORA Operating Grants:****Expanded Public Works Programme (EPWP)**

This grant is to incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery.

DORA Allocation:	R 8,397,000
DORA Adjustments	R 469,000
<b>Adjustments DORA Allocation</b>	<b>R 7,928,000</b>
Amount of Grant Received	R 7,928,000
Expenditure to date:	R 5,180,516
<b>Unspent as at 31 March 2024</b>	<b>R 2,747,484</b>

As at 31 March 2024, 65.34% of the DORA allocation was spent.

**Infrastructure Skills Development**

This grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R 13,750,000
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## Annexure "A5"

DORA Adjustments	R 780,000
<b>Adjustments DORA Allocation</b>	<b>R 12,970,000</b>
Amount of Grant Received	R 13,970,000
Expenditure to date:	R 7,642,339
<b>Unspent as at 31 March 2024:</b>	<b>R 6,327,661</b>

As at 31 March 2024, 54.71% of the DORA allocation was spent.

### Finance Management Grant

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 1,000,000
Amount of Grant Received	R 1,000,000
Expenditure to date:	R 605,316
<b>Unspent as at 31 March 2024:</b>	<b>R 394,684</b>

As at 31 March 2024, 60.53% of the DORA allocation was spent.

### Programme and Project Preparation Support Grant

This grant is to support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation.

DORA Allocation:	R 20,000,000
DORA Adjustments	R 10,000,000
<b>Adjustments DORA Allocation</b>	<b>R 10,000,000</b>
Amount of Grant Received	R4,530,000
Expenditure to date:	R1,263,971
<b>Unspent as at 31 March 2024:</b>	<b>R8,736,029</b>

As at 31 March 2024, 12.64% of the DORA allocation was spent.

### Urban Settlements Development Grant – Portion allocated for operational expenditure.

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R8,145,753
Amount of Grant Received	R8,145,753
Expenditure to date:	R 126,377
<b>Unspent as at 31 March 2024:</b>	<b>R8,019,376</b>

As at 31 March 2024, 1.55% of the DORA allocation was spent.

### Public Transport Networks Operations – Portion allocated for operational expenditure.

This grant is to provide supplementary operational funding to municipalities.

DORA Allocation:	R 161,176,000
DORA Adjustments	R69,800,000
<b>Adjustments DORA Allocation</b>	<b>R91,376,000</b>
Amount of Grant Received	R55,375,580
Expenditure to date:	R36,518,457
<b>Unspent as at 31 March 2024:</b>	<b>R18,857,123</b>

As at 31 March 2024, 65.95% of the DORA allocation was spent.

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### **Informal Settlements Partnership Grant – Portion allocated for operational expenditure.**

In 2020/21, this new grant was introduced to fund Operating Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R5,000,000
Amount of Grant Received	R6,840,000
Expenditure to date:	R 792,602
<b>Unspent as at 31 March 2024:</b>	<b>R6,047,398</b>

As at 31 March 2024, 11.59% of the DORA allocation was spent.

### **Capital Grants (DORA)**

#### **Urban Settlements Development Grant**

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R 599,778,470
DORA Adjustments	R42,698,000
<b>Adjustments DORA Allocation</b>	<b>R 557,080,470</b>
Amount of Grant Received	R 514,058,247
Expenditure to date:	R 252,994,065
<b>Unspent as at 31 March 2024:</b>	<b>R 261,064,182</b>

As at 31 March 2024, 49.22% of the DORA allocation was spent.

#### **Public Transport Infrastructure Grant**

This grant is to provide for accelerated planning, construction, and improvement of public and non-motorised transport infrastructure.

DORA Allocation:	R 185,200,000
DORA Adjustments	R80,200,000
<b>Adjustments DORA Allocation</b>	<b>R 105,000,000</b>
Amount of Grant Received	R77,514,813
Expenditure to date:	R6,766,505
<b>Unspent as at 31 March 2024:</b>	<b>R70,747,813</b>

As at 31 March 2024, 8.73% of the DORA allocations was spent.

#### **Neighbourhood Development Partnership**

This grant is to support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation:	R9,700,000
Amount of Grant Received:	R9,011,000
Expenditure to date:	R3,965,411
<b>Unspent as at 31 March 2024:</b>	<b>R5,045,589</b>

As at 31 March 2024, 44.01% of the DORA allocation was spent.

### **Informal Settlements Partnership Grant – Portion allocated for capital expenditure.**

In 2020/21, this new grant was introduced to fund Capital Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R 338,625,000
DORA Adjustments	R22,868,000

<b>Adjustments DORA Allocation</b>	<b>R 315,757,000</b>
Amount of Grant Received	R 394,727,000
Expenditure to date:	R 186,813,911
<b>Unspent as at 31 March 2024:</b>	<b>R 107,913,089</b>

As at 31 March 2024, 63.39% of the DORA allocation was spent.

#### Energy Efficiency & Demand Management Grant

DORA Allocation:	R 9,000,000
Amount of Grant Received	R 9,000,000
Expenditure to date:	R 5,589,388
<b>Unspent as at 31 March 2024:</b>	<b>R 3,410,612</b>

As at 31 March 2024, 62.10% of the DORA allocation was spent.

#### Regional Bulk Infrastructure Grant

DORA Allocation:	R 348,000,000
Amount of Grant Received	R 348,000,000
Expenditure to date:	R64,586,058
<b>Unspent as at 31 March 2024:</b>	<b>R 283,413,942</b>

As at 31 March 2024, 18.56% of the DORA allocation was spent.

#### Drought Relief Grant

DORA Allocation:	R 19,840,000
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
<b>Unspent as at 31 March 2024:</b>	<b>R 19,840,000</b>

As at 31 March 2024, 0% of the DORA allocation was spent.

### 5. Councillor and Board members' allowances and employee benefits

Below is an analysis of Councillor, Board members' allowances and employee benefits:

#### Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits – M09 March 2024

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>								
<b>Councillors (Political Office Bearers plus Other)</b>								
Basic Salaries and Wages	70,791	85,433	85,173	6,396	60,706	63,880	(3,174)	-5%
Cellphone Allowance	4,385	5,386	5,386	432	4,185	4,039	145	4%
Other benefits and allowances	132	270	270	10	125	203	(77)	-38%
<b>Sub Total - Councillors</b>	<b>75,308</b>	<b>91,089</b>	<b>90,829</b>	<b>6,838</b>	<b>65,016</b>	<b>68,122</b>	<b>(3,106)</b>	<b>-5%</b>
<b>Senior Managers of the Municipality</b>								
Basic Salaries and Wages	13,612	23,600	39,966	1,068	10,037	29,975	(19,938)	-67%
Pension and UIF Contributions	16	21	183	1	11	137	(126)	-92%
Medical Aid Contributions	-	-	864	-	-	648	(648)	-100%
Performance Bonus	(1,677)	3,008	3,136	-	-	2,352	(2,352)	-100%
Motor Vehicle Allowance	-	-	4,210	-	-	3,158	(3,158)	-100%
Cellphone Allowance	-	-	4	-	-	3	(3)	-100%
Housing Allowances	-	-	133	-	-	100	(100)	-100%
<b>Sub Total - Senior Managers of Municipality</b>	<b>11,951</b>	<b>26,629</b>	<b>48,496</b>	<b>1,070</b>	<b>10,048</b>	<b>36,372</b>	<b>(26,324)</b>	<b>-72%</b>
<b>Other Municipal Staff</b>								
Basic Salaries and Wages	2,130,616	2,855,552	2,678,520	184,235	1,856,603	2,008,890	(352,287)	-18%
Pension and UIF Contributions	354,676	433,477	409,306	12,111	297,633	306,980	(9,347)	-3%
Medical Aid Contributions	198,447	220,748	212,037	17,791	154,841	159,028	(4,187)	-3%
Overtime	388,233	375,208	447,991	36,680	305,906	335,993	(30,087)	-9%
Performance Bonus	208,406	235,048	222,068	8,237	193,618	166,551	27,066	16%

## Annexure "A5"

Summary of Employee and Councilor remuneration	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance
Motor Vehicle Allowance	71,247	79,745	85,139	6,750	58,334	63,854	(5,520)	-9%
Cell phone Allowance	5	9	5	0	3	4	(1)	-33%
Housing Allowances	40,195	46,924	47,159	3,695	33,082	35,389	(2,287)	-6%
Other benefits and allowances	98,246	80,444	111,050	30,245	76,639	83,287	(6,648)	-8%
Payments in lieu of leave	51,642	6,516	6,189	-	-	4,642	(4,642)	-100%
Long service awards	48,373	140,488	134,623	10,742	96,096	100,968	(4,871)	-5%
Post-retirement benefit obligations	70,034	16,646	16,646	-	-	12,484	(12,484)	-100%
<b>Sub Total - Other Municipal Staff</b>	<b>3,660,121</b>	<b>4,490,804</b>	<b>4,370,734</b>	<b>310,486</b>	<b>2,872,755</b>	<b>3,278,050</b>	<b>(405,296)</b>	<b>-12%</b>
<b>Total Parent Municipality</b>	<b>3,747,379</b>	<b>4,608,522</b>	<b>4,510,059</b>	<b>318,393</b>	<b>2,947,818</b>	<b>3,382,545</b>	<b>(434,726)</b>	<b>-13%</b>
Unpaid salary, allowances & benefits in arrears:								
<b>Board Members of Entities</b>								
Board Fees	1,128	1,300	-	-	648	650	(2)	0%
<b>Sub Total - Board Members of Entities</b>	<b>1,128</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>648</b>	<b>650</b>	<b>(2)</b>	<b>0%</b>
<b>Senior Managers of Entities</b>								
Basic Salaries and Wages	13,825	14,492	-	-	10,618	9,480	1,138	12%
Pension and UIF Contributions	1,278	145	-	-	981	876	105	12%
Medical Aid Contributions	735	485	-	-	565	504	61	12%
Performance Bonus	91	-	-	-	70	62	7	12%
Motor Vehicle Allowance	3,581	1,585	-	-	2,751	2,456	295	12%
Cellphone Allowance	4	-	-	-	3	3	0	12%
Other benefits and allowances	113	1,390	-	-	87	78	9	12%
<b>Sub Total - Senior Managers of Entities</b>	<b>19,627</b>	<b>18,097</b>	<b>-</b>	<b>-</b>	<b>15,074</b>	<b>13,459</b>	<b>1,616</b>	<b>12%</b>
<b>Other Staff of Entities</b>								
Basic Salaries and Wages	12,479	18,163	-	-	9,584	8,557	1,027	12%
Pension and UIF Contributions	1,205	2,705	-	-	925	826	99	12%
Medical Aid Contributions	1,314	1,031	-	-	1,009	901	108	12%
Overtime	-	208	-	-	-	-	-	-
Other benefits and allowances	219	-	-	-	168	150	18	12%
<b>Sub Total - Other Staff of Entities</b>	<b>15,216</b>	<b>22,107</b>	<b>-</b>	<b>-</b>	<b>11,686</b>	<b>10,434</b>	<b>1,252</b>	<b>12%</b>
<b>Total Municipal Entities</b>	<b>35,970</b>	<b>41,504</b>	<b>-</b>	<b>-</b>	<b>27,409</b>	<b>24,542</b>	<b>2,866</b>	<b>12%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>3,783,349</b>	<b>4,650,026</b>	<b>4,510,059</b>	<b>318,393</b>	<b>2,975,227</b>	<b>3,407,087</b>	<b>(431,860)</b>	<b>-13%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>3,706,914</b>	<b>4,557,637</b>	<b>4,419,230</b>	<b>311,556</b>	<b>2,910,211</b>	<b>3,338,315</b>	<b>(428,752)</b>	<b>-13%</b>

### 6. Key performance indicators

The table below reflects the key performance indicators as per the 2023/24 Budget and the associated performance to date.

#### Supporting Table SC2 Monthly Budget Statement - performance indicators – M09 March 2024

Description of financial indicator	Basis of calculation	Budget Year 2023/24	
		Adjustments Budget	Year TD actual
<b>Borrowing Management</b>			
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.90%	1.94%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	11.60%	13.52%
<b>Safety of Capital</b>			
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	28.60%	19.17%
Gearing	Long Term Borrowing/ Funds & Reserves	7.47%	5.03%
<b>Liquidity</b>			
Current Ratio	Current assets/current liabilities	2.09:1	2.80:1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.09:1	1.48:1
<b>Revenue Management</b>			
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	80%	74.98%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26.24%	26.11%

## Annexure "A5"

Description of financial indicator	Basis of calculation	Budget Year 2023/24	
		Adjustments Budget	Year TD actual
<b>Creditors Management</b>			
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%	42.77%
<b>Other Indicators</b>			
Employee costs	Employee costs/Total Revenue - capital revenue	27.04%	23.54%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	4.18%	2.46%
Interest & Depreciation	I&D/Total Revenue - capital revenue	6.91%	5.48%
<b>IDP regulation financial viability indicators</b>			
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within budget year)	44.43 times	44.12 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	41.33%	27.74%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.99 months	3.67 months

The above table is discussed in detail below.

## Annexure "A5"

### 6.1 Borrowing Management

#### 6.1.1 Borrowing to Asset Ratio

This ratio assesses to what extent there are adequate assets to cover the amount of outstanding long-term borrowing (refer figure 1).

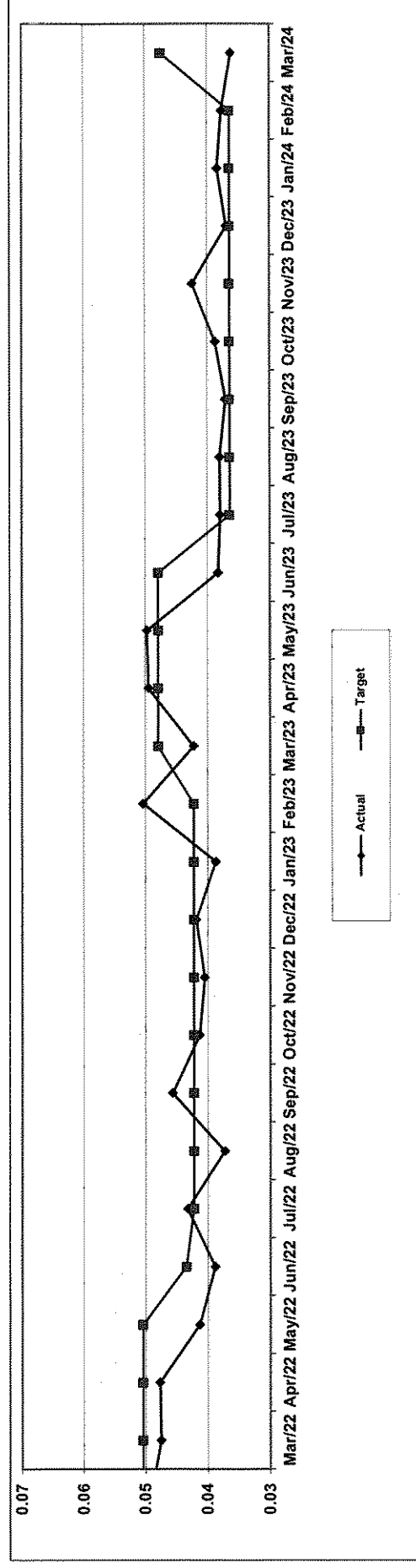
The ratio is determined as follows:

#### Long-Term Borrowing / Total Assets

The risk that the Municipality might not be able to settle its long-term borrowing becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its assets are not overburdened by raising excessive borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality's continued financial viability.

As at the end of March 2024, the borrowing to asset ratio was at 0.0362:1, compared to the 2023/24 adjustments budget target of 0.0474:1. A ratio of 0.0474:1 as reflected in the 2023/24 approved adjustments budget appears to be appropriate for the Municipality from a financial affordability and sustainability perspective. External borrowing should only be utilised for the creation of economic assets that will generate future revenue streams for the Municipality.

Figure 1: Borrowing to Asset Ratio



**6.1.2 Capital Charges to Operating Expenditure**

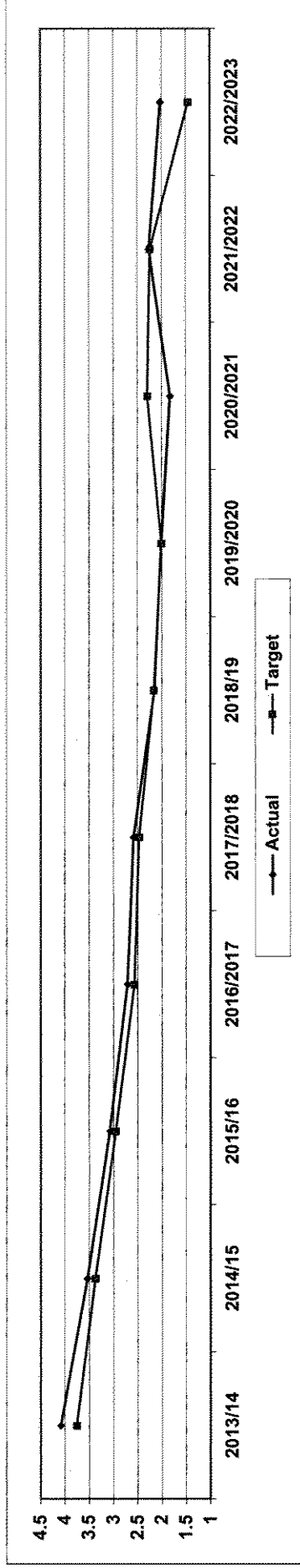
This ratio indicates the proportion of capital charges (interest and principal paid on borrowing) to actual operating expenditure to date. The ratio also provides an assurance that the proportion of capital charges to total annual operating expenditure is financially prudent. (Refer figure 2).

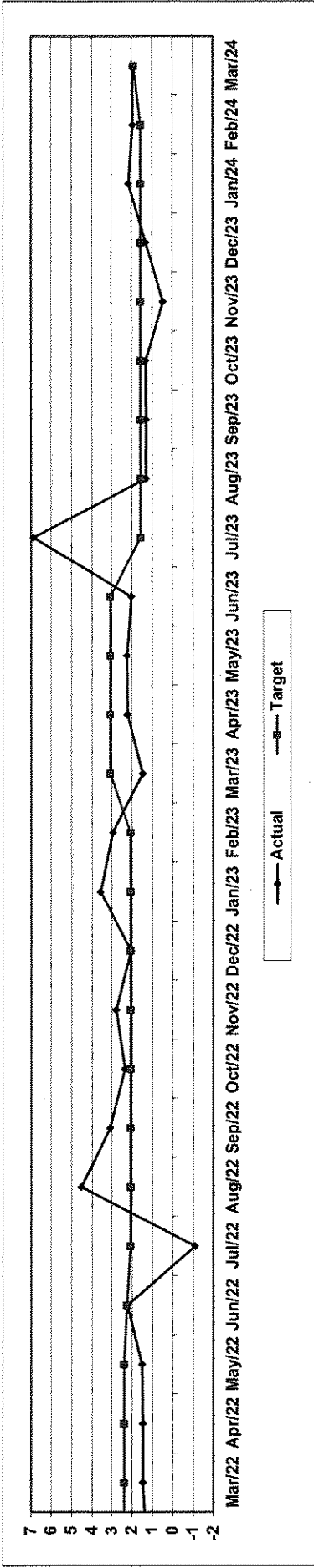
The ratio is determined as follows:

$$\text{Capital Charges} / \text{Total Operating Expenditure to date.}$$

The ratio indicates that 1.94% of the Operating Adjustments Budget was utilised for capital charges, compared to the 2023/24 adjustments budget target of 1.90%. Capital charges (Debt servicing costs) are paid at specific intervals. The ratio as at 31 March 2024 will increase as operating expenditure are processed during the remainder of the 2023/24 financial year.

Figure 2: Capital Charges to Annual Operating Expenditure





**6.1.3 Borrowed funding of capital expenditure.**

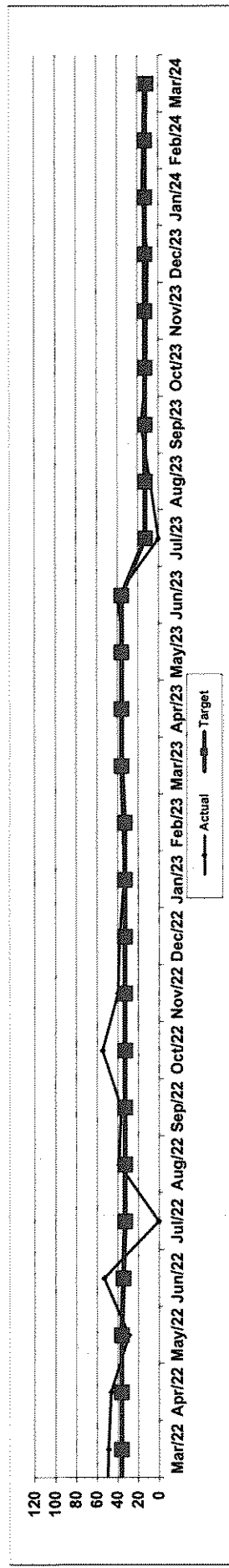
This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant-funded expenditure (refer figure 3).

The ratio is determined as follows:

$$\text{Capital expenditure funded from Borrowings} / \text{Total Capital Expenditure to date (excluding transfers and grants)}$$

The ratio was at 0.135:1 compared to the budget target of 0.116:1 as per the 2023/24 Adjustments Budget.

Figure 3: Borrowed funding of Capital Expenditure



**6.1.4 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. (Refer figure 4).

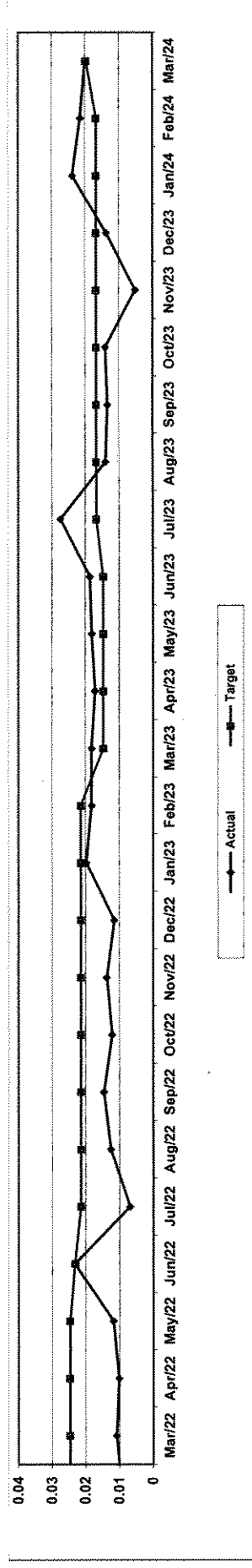
The ratio is determined as follows:

**Debt Servicing Costs/ Operating Revenue**

The risk that the Municipality might not be able to settle its annual long-term borrowing commitments becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its operating revenues are not overburdened by the level of borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality’s continued financial viability.

As at the end of March 2024, the debt servicing costs to operating revenue ratio was at 0.0201:1, compared to the 2023/24 adjustments budget target of 0.0197:1. A ratio of 0.03:1 appears to be the maximum borrowing level for the Municipality from a financial affordability and sustainability perspective. The ratio indicates that the Municipality is positioned to take on limited external borrowing over the short to medium term.

Figure 4: Debt Servicing Costs to Operating Revenue Ratio



**2. Safety of Capital**

**6.2.1 Gearing Ratio**

The gearing ratio assesses the percentage of capital employed that is financed by long-term borrowing (refer figure 5).

## Annexure "A5"

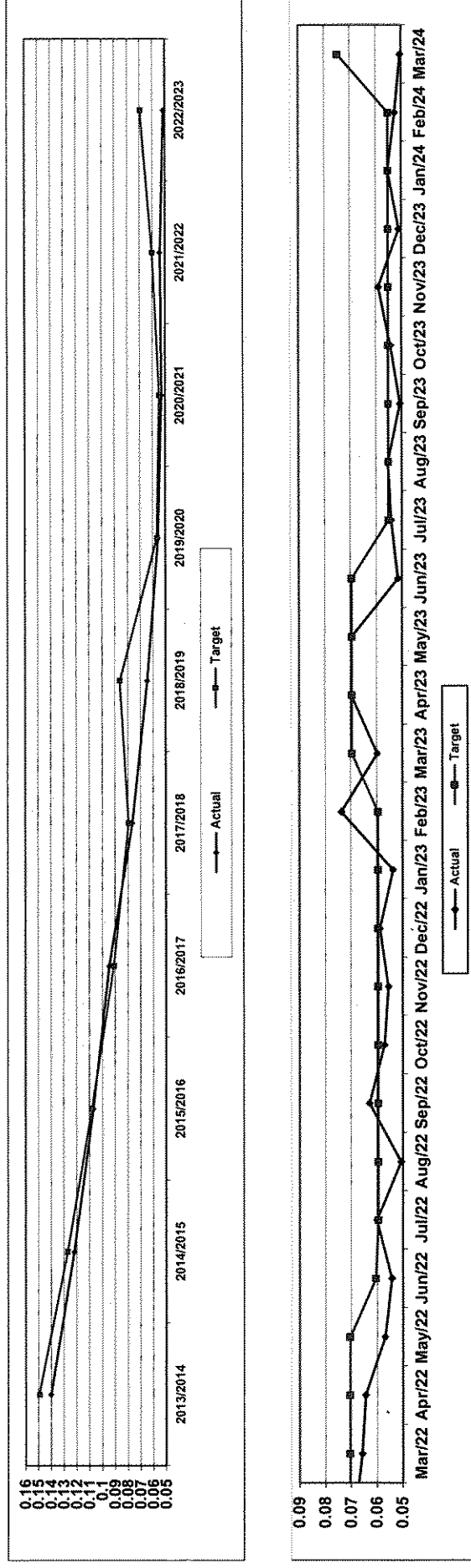
The ratio is determined as follows:

### Long Term Borrowing / Funds & Reserves (Equity)

The higher the gearing ratio, the higher the dependence will be on borrowings. The lower the gearing ratio, the higher will be the dependence on the Municipality's funds and reserves.

The gearing ratio as at the end of March 2024 was 0.0503:1, compared to the 2023/24 adjustments budget target of 0.0747:1.

Figure 5: Gearing Ratio



### 6.3 Liquidity

#### 6.3.1 Current Ratio

The current ratio assesses a Municipality's ability to meet its short-term commitments (refer figure 6).

The ratio is determined as follows:

## Annexure "A5"

### Current assets / Current liabilities

The different components of current assets and current liabilities are reflected below:

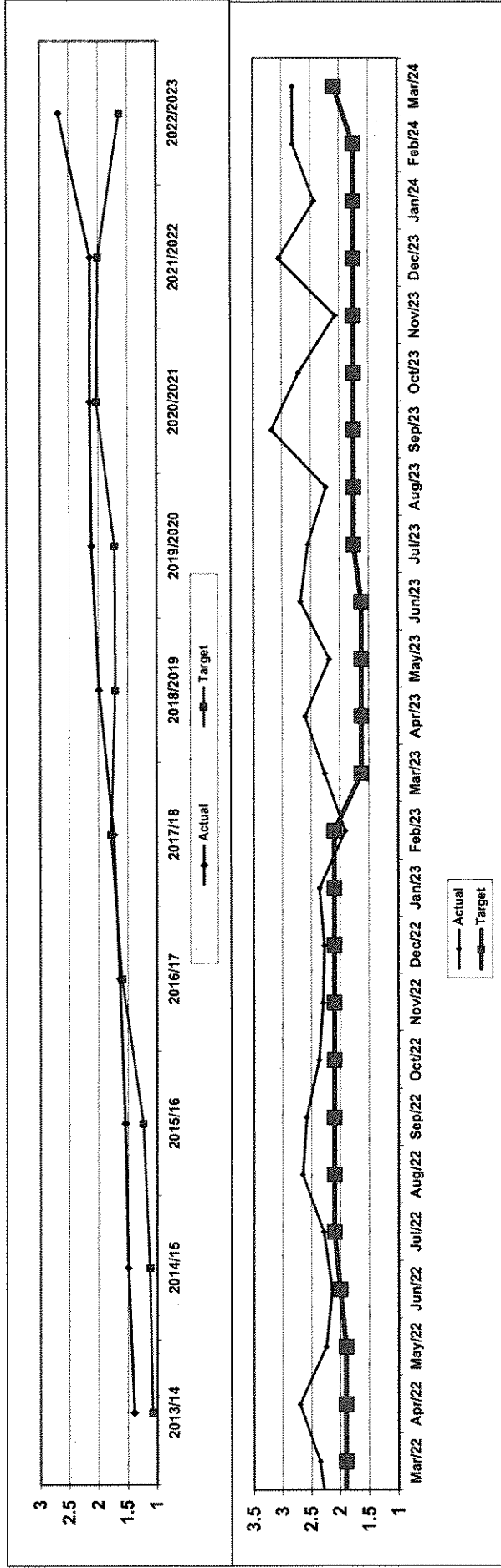
	R	%
<b>Current Assets</b>		
Cash & investments	5,015,775,998	52.91%
Consumer Debtors	3,842,279,122	40.53%
Other Debtors	304,730,266	3.21%
Current portion of long-term receivables		0.00%
Inventory	316,442,404	3.34%
<b>Total</b>	<b>9,479,227,790</b>	<b>100.00%</b>
<b>Current Liabilities</b>		
Borrowing	192,379,000	5.69%
Consumer Deposits	176,659,000	5.23%
Trade and other payables	2,774,569,022	82.10%
Provisions	235,900,546	6.98%
<b>Total</b>	<b>3,379,507,568</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>2.80:1</b>	

It is to be noted that cash and investments, consumer debtors and inventory comprise 52.91%, 40.53% and 3.34% respectively of total current assets. Trade and other payables constitute 82.10% of total current liabilities (refer to Sections 1.8.3, 1.8.1 and 1.8.2 of this report for a further discussion on investments, debtors, and creditors).

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments to its creditors. In this regard, it is important that the Municipality ensure the relative liquidity of its current assets. Non-liquid assets, such as long outstanding debtors, could negatively affect liquidity, possibly resulting in a situation where current assets are not liquid enough to cover current liabilities. The ratio as of 31 March 2024 was 2.80:1.

The current ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. Although the 2023/24 adjustments budget target is 1.76:1, it does not imply that it is a satisfactory target. It is important that a ratio of at least 2:1 be achieved for medium and long-term financial sustainability.

Figure 6: Current Ratio



**6.3.2 Liquidity Ratio**

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets (refer figure 7).

The ratio is determined as follows:

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

The different components of monetary assets and current liabilities are reflected below.

Monetary Assets	R	%
Cash & Investments	5,015,775,998	100.00%
<b>Total</b>	<b>5,015,775,998</b>	<b>100.00%</b>

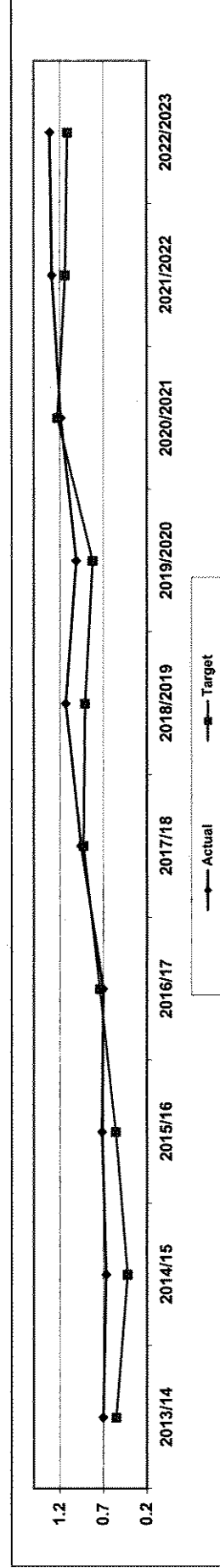
## Annexure "A5"

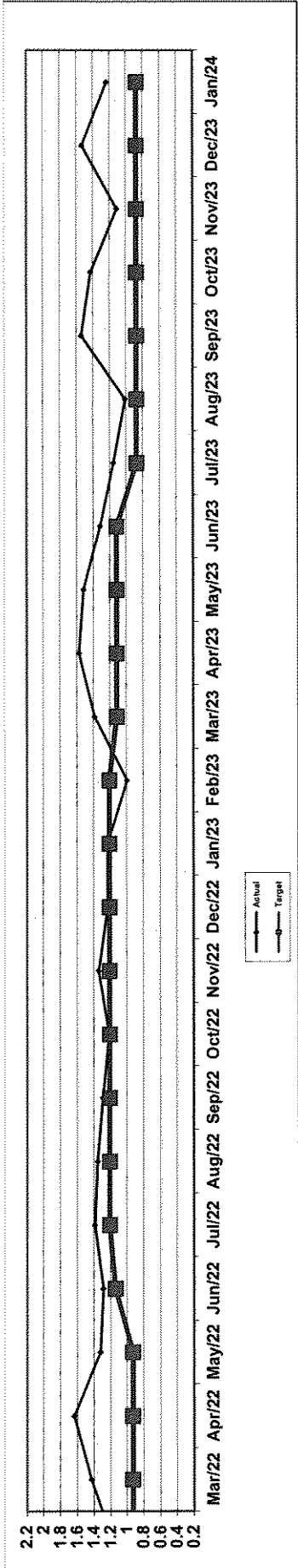
Current Liabilities	R	%
Borrowing	192,379,000	5.69%
Consumer Deposits	176,659,000	5.23%
Trade and other payables	2,774,569,022	82.10%
Provisions	235,900,546	6.98
<b>Total</b>	<b>3,379,507,568</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>1.48:1</b>	

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 March 2024 is 1.48:1.

The liquidity ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. The 2023/24 adjustments budget target of 0.87:1 is not a satisfactory target. It is important that a ratio of at least 1:1 be achieved for medium and long-term financial sustainability.

Figure 7: Liquidity Ratio





**6.4 Revenue Management**

**6.4.1 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 is 80% as per the 2023/24 Adjustments Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

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

$$\frac{\text{Total Payments Received in respect of Billing this Financial year}}{\text{Total Value of Accounts Rendered this Financial year}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the period July 2023 to March 2024 is 74.98%. The collection rate for March 2024 amounted to 74.16%.

Figure 8: Annual Debtors Collection Rate

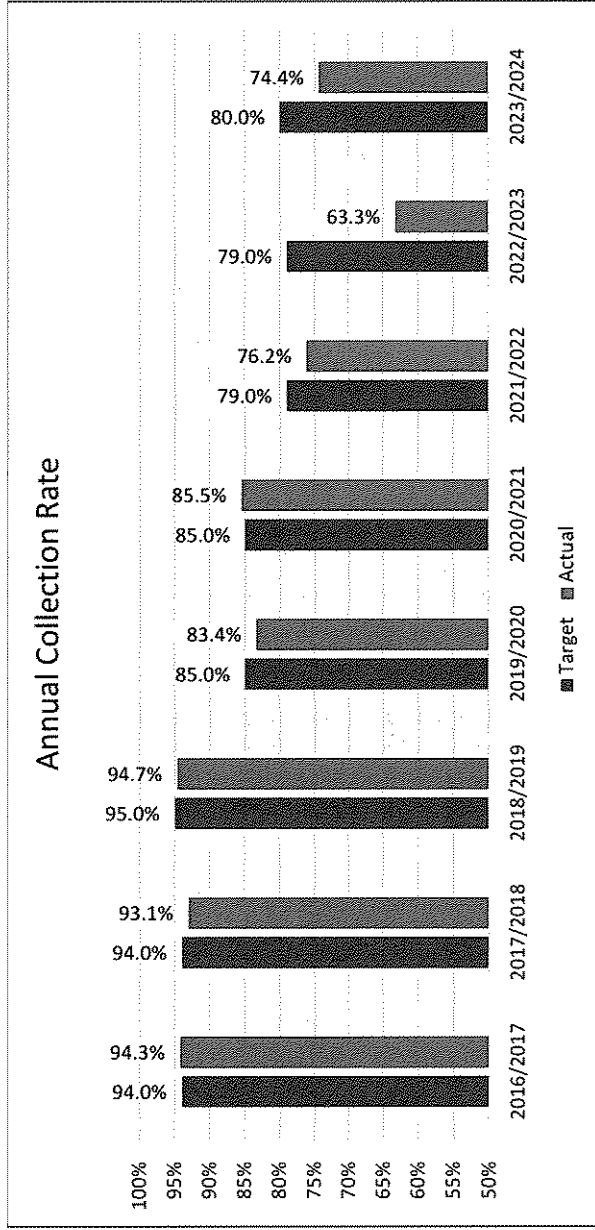
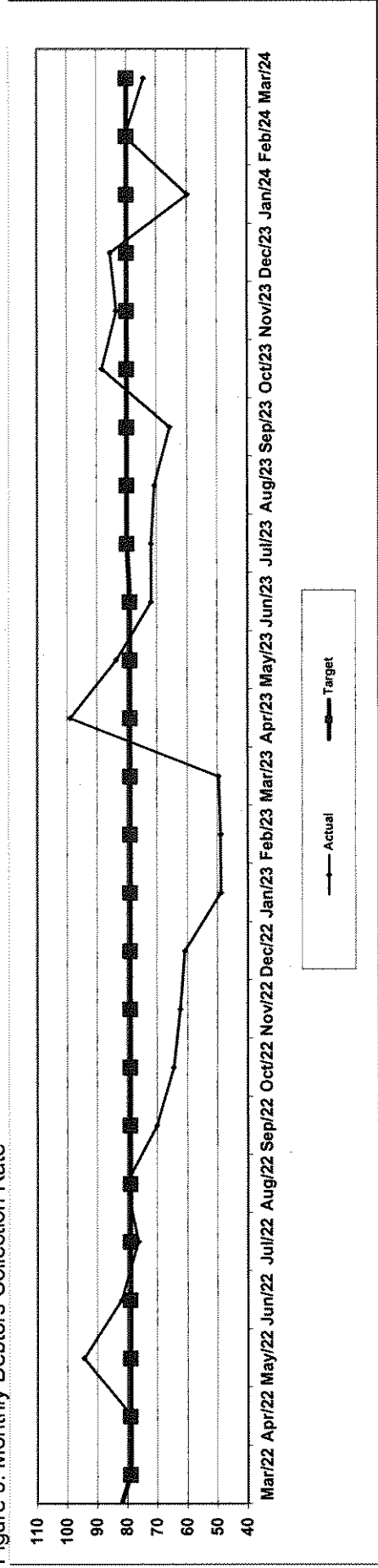


Figure 9: Monthly Debtors Collection Rate



**6.4.2 Outstanding Debtors to Annual Operating Revenue**

This ratio focuses on the amount owed by outstanding debtors as a percentage of the annualised operating revenue.

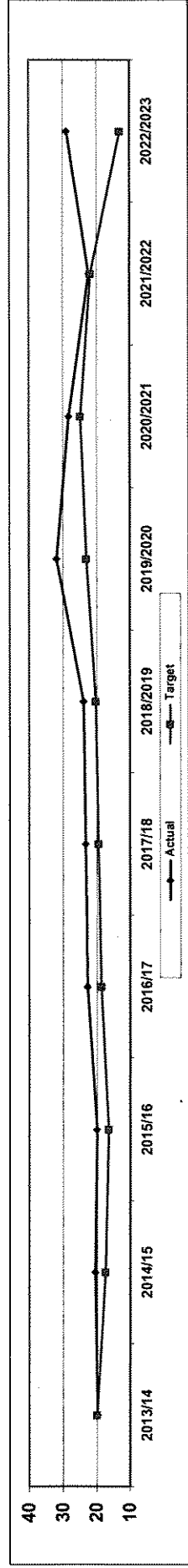
The ratio is determined as follows:

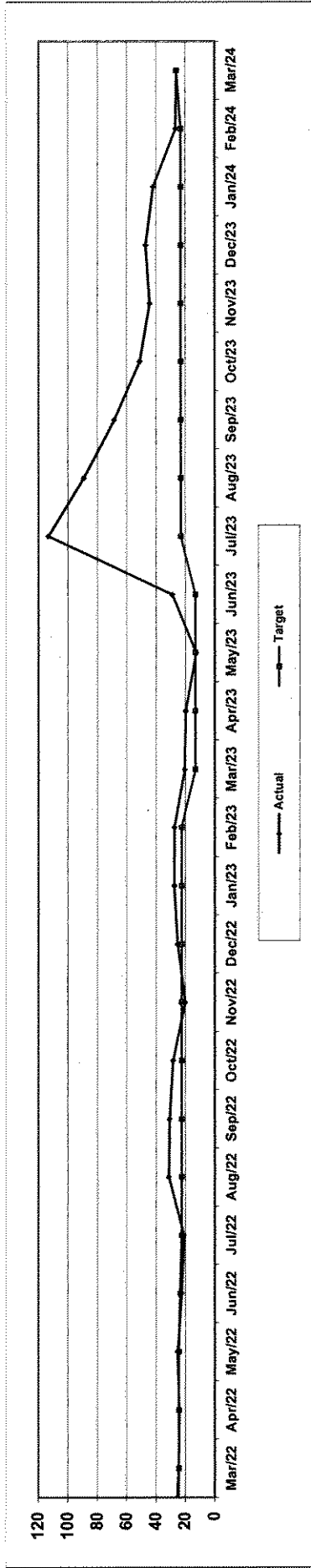
$$\text{Outstanding Debtors} / \text{Annualised Operating Revenue}$$

The ratio at the end of March 2024 was 26.11% compared to the 2023/24 adjustments budget target of 26.24%.

A Revenue Enhancement Strategy to improve revenue collection has been drafted and is being reviewed. This strategy is monitored by the CFO monthly and reported to the Budget and Treasury Standing Committee on a quarterly basis. Amongst others, the decline in the current economic climate has had a negative impact on this ratio.

Figure 9: Outstanding Debtors to Annual Operating Revenue





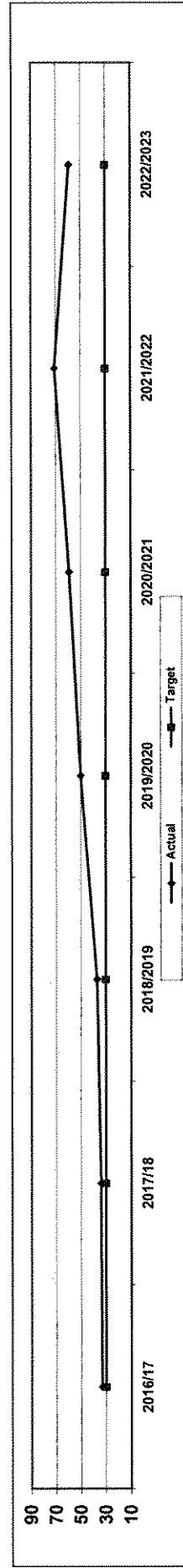
**6.5 Creditor Management**

**6.5.1 Creditors Turnover (days)**

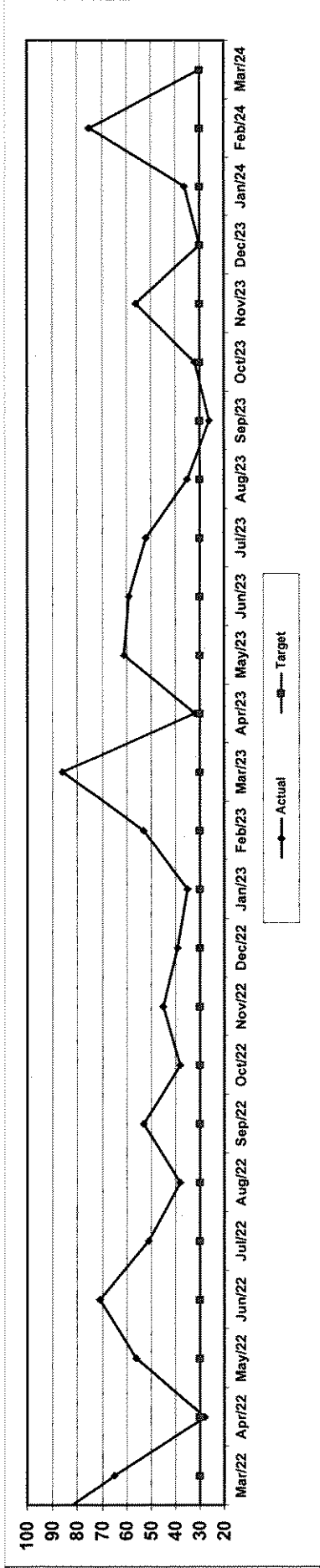
This ratio reflects the number of days that it takes on average to pay the Municipality's suppliers. Section 65 (2) (e) of the MFMA states that all money owing by the Municipality must be paid within 30 days of receiving the relevant invoice or statement (refer figure 10).

The ratio is determined from the date of receipt of the invoice until the date of payment. The ratio as at 31 March 2024 amounted to 30 days (also refer to Section 1.8.2 of this report.)

Figure 10: Creditors Turnover (days) (From date of Invoice Received)



# Annexure "A5"



## 6.6 Financial Viability and Sustainability

### 6.6.1 Operating Surplus

The ratio indicates the extent to which revenues cover operational expenses only or are also available for capital funding or debt repayments.

The ratio is determined as follows:

$$\frac{\text{Operating Result or Net Results (Excluding Capital Items)}}{\text{Total Operating Revenue (Excluding Capital Items)}} \times 100$$

The ratio as at 31 March 2024 amounted to -7.02%.

Operating Surplus Ratio	2019/20 2nd Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2023 Adjustments Budget	2022/23 Audit AFS	2023/24 Adjustments Budget	March 2024
Operating surplus/(deficit)	980,374,999	1,224,804,268	1,086,670,839	406,057,160	405,472,073	211,894,375	231,762,790	925,191,000	2,825,962,349	-598,500,350	-382,840,497
Less: Transfers recognised Capital	1,124,719,714	977,009,766	711,898,672	651,761,620	829,663,490	832,928,582	785,685,640	1,008,653,570	1,478,761,187	1,245,427,166	486,207,627
Total	-144,344,715	247,794,483	374,771,968	-445,704,460	-424,211,417	-621,034,207	-553,932,850	-83,662,570	1,347,201,162	-1,843,927,516	-869,048,124
Total Operating Revenue	11,509,629,367	11,939,658,863	12,222,925,790	12,835,447,880	13,895,014,910	13,700,048,766	14,846,440,730	16,345,994,090	17,094,294,734	16,344,694,320	12,378,081,241
Ratio	-1.25	2.08	3.07	-3.47	-3.05	-4.53	-3.73	-0.51	7.88	-11.28	-7.02

**6.6.2 Cost coverage**

The ratio indicates the extent to which the available cash and investments are adequate to cover monthly payments (refer figure 11).

The ratio is determined as follows:

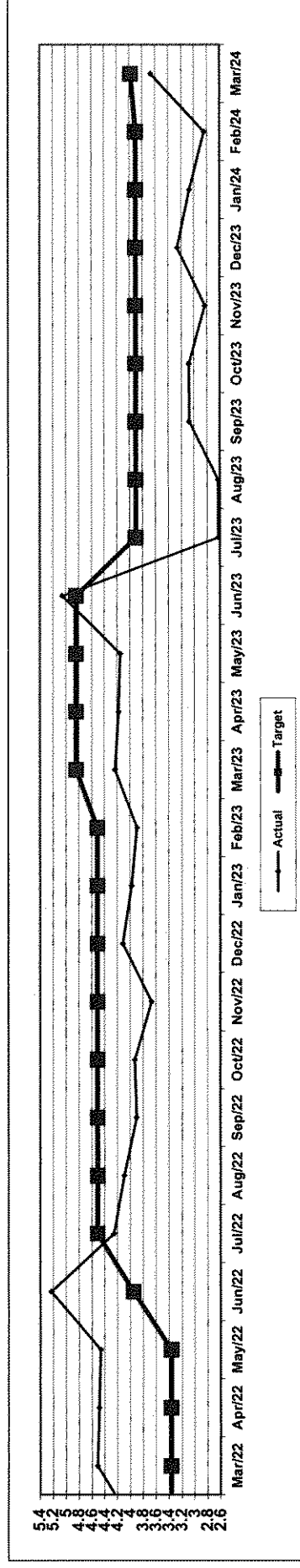
**Cash and Cash Equivalents – Unspent Conditional Grants – Overdraft – Unspent External Loan + Short Term Investments /Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provisions for Bad Debts, Impairment and Loss on the disposal of Assets):**

$$\frac{R5,015,775,998 - R820,302,071 - R86,434,219}{R1,120,238,213} = 3.67 \text{ months (110.04 days)}$$

The cost coverage ratio is 3.67 months. The monthly average projected budget operating payments for the period July 2023 to June 2024 was used as a basis for the calculation. The 2023/24 adjustments budget target is 3.99 months.

National Treasury has indicated that the cost coverage of 3 months should be the target.

Figure 11: Cost Coverage (months)



**6.6.3 Net Financial Liabilities**

This ratio indicates the extent to which total liabilities, from which current assets are subtracted, can be serviced from operating revenues.

The ratio is determined as follows:

## Annexure "A5"

### Total Liabilities – Current Assets x 100 Total Operating Revenue (Excluding Capital Items)

The ratio as at 31 March 2024 amounts to -11.66%.

Net Financial Liabilities Ratio	2019/20 2nd Adjustments budget	2020/21 Operating budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2021/22 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Adjustments Budget	March 2024
Total Liabilities	7,037,026,501	7,294,045,405	7,521,362,193	7,225,915,005	7,273,572,291	7,537,589,711	7,872,618,041	8,378,025,000	7,485,627,919	10,568,316,000	8,202,533,728
Less: Current Assets	5,421,068,883	5,455,686,919	6,288,466,533	6,320,549,421	7,047,421,892	7,924,465,307	7,866,463,151	7,145,112,000	9,800,216,716	9,285,496,000	9,479,227,790
Total	1,615,957,618	1,838,358,486	1,232,895,659	905,365,584	226,150,400	-386,875,596	6,154,890	1,232,913,000	-2,314,588,797	1,282,820,000	-1,276,694,062
Operating Revenue excl. recognised Capital	11,509,629,367	11,939,658,863	12,222,925,790	12,835,447,880	13,895,014,910	13,700,048,766	14,846,440,730	16,345,994,090	17,082,114,842	14,336,191,700	10,949,120,899
Ratio	14.04	15.40	10.09	7.05	1.63	-2.82	0.04	7.54	-13.55	8.95	-11.66

### 6.6.4 Asset Sustainability

This ratio indicates the extent to which the infrastructure (non-financial) assets managed by the Municipality are being replaced as they reach the end of their useful lives.

The ratio is determined as follows:

### Capital Expenditure in Replacement of Assets (Renewals) x100 Depreciation Expenditure

The ratio as of 31 March 2024 amounts to 26.13%.

Asset Sustainability Ratio	2019/20 2nd Adjustments budget	2020/21 Operating budget	2020/21 Adjustments budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Adjustments Budget	March 2024
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	331,751,310	319,751,000	555,920,846	362,026,084	157,766,420
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,295,759,160	1,294,092,330	993,760,191	999,906,540	603,878,295
Ratio	31.88	41.03	40.81	25.76	28.47	75.56	25.60	24.71	55.94	36.21	26.13

The ratio indicates that capital renewals, as compared to depreciation is lower than anticipated in the 2023/24 Adjustments Budget.

**6.6.5 Asset Preservation**

This ratio indicates the extent to which repairs and maintenance expenditure is incurred in relation to the useful lives of the assets.

The ratio is determined as follows:

$$\text{Operating Expenditure on Repairs \& Maintenance + Capital Expenditure on Renewals / Depreciation Expenditure} \times 100$$

The ratio as of 31 March 2024 amounts to 76.59%.

Asset Preservation Ratio	2019/20 2nd Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Adjustments Budget	March 2024
Operating Repairs and maintenance	454,913,720	477,612,894	464,474,380	497,619,120	494,040,490	381,773,007	594,068,360	578,635,000	419,908,727	683,507,710	304,718,184
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	331,751,310	319,751,000	555,920,846	362,026,084	157,766,420
Total	690,735,768	781,441,861	766,733,347	763,933,290	786,927,457	1,138,825,081	925,819,670	898,386,000	975,829,574	1,045,533,794	462,484,604
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,295,759,160	1,294,092,330	993,760,191	999,906,540	603,878,295
Ratio	93.39	105.52	103.53	73.90	75.72	113.66	71.45	69.42	98.20	104.56	76.59

The ratio is lower than anticipated in the 2023/24 Adjustments Budget.

**6.7 Other Indicators**

**6.7.1 Employee costs as a percentage of Total Operating Income**

This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the employment of human resources (refer figure 12).

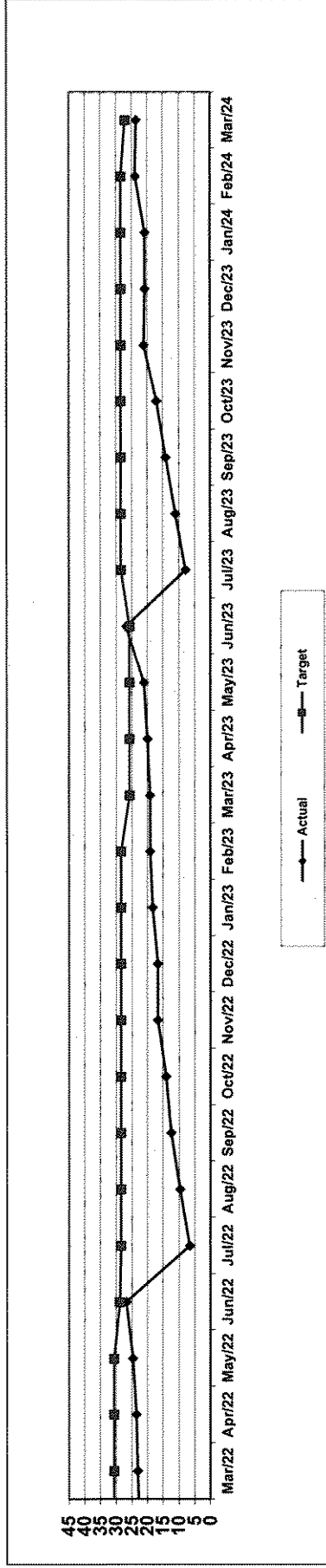
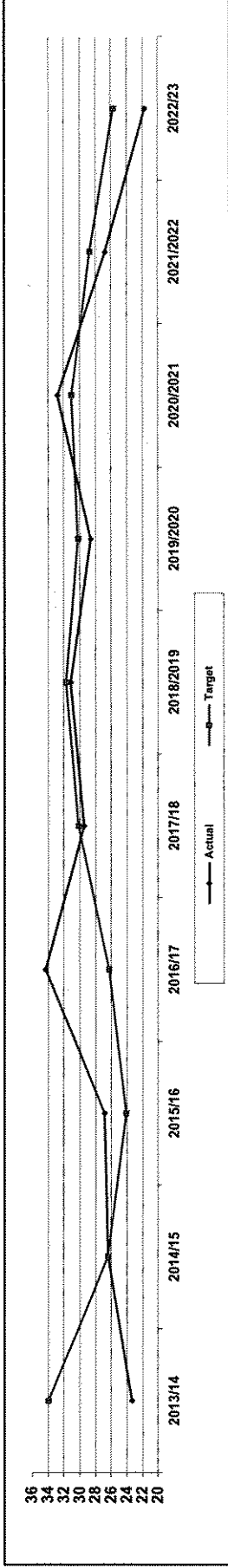
The ratio is determined as follows:

$$\text{Employee Costs to Date / Total Operating Revenue to Date}$$

The target has been set at 27.04% for the financial year. As of 31 March 2024, the actual personnel costs constituted 23.54% of the total operating income.

Figure 12: Personnel Cost as a % of Total Revenue

Annexure "A5"



**6.7.2 Repairs and Maintenance as a % of Total Operating Revenue**

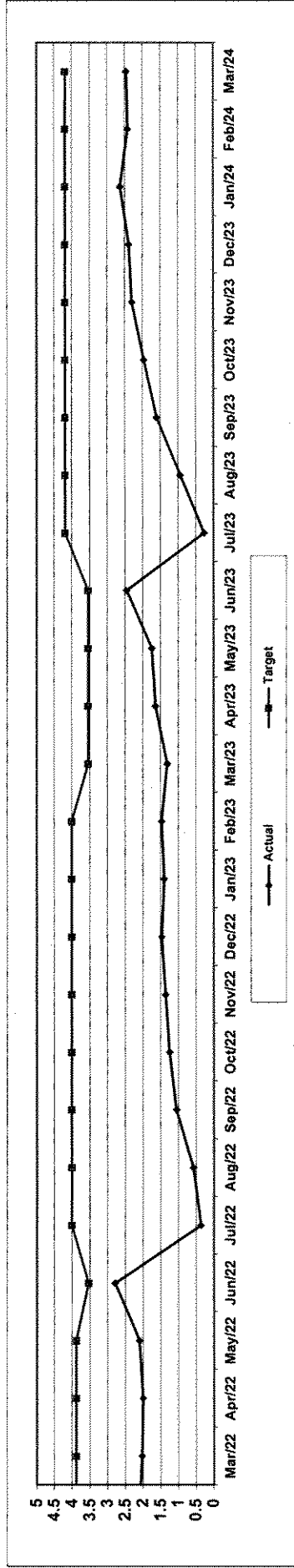
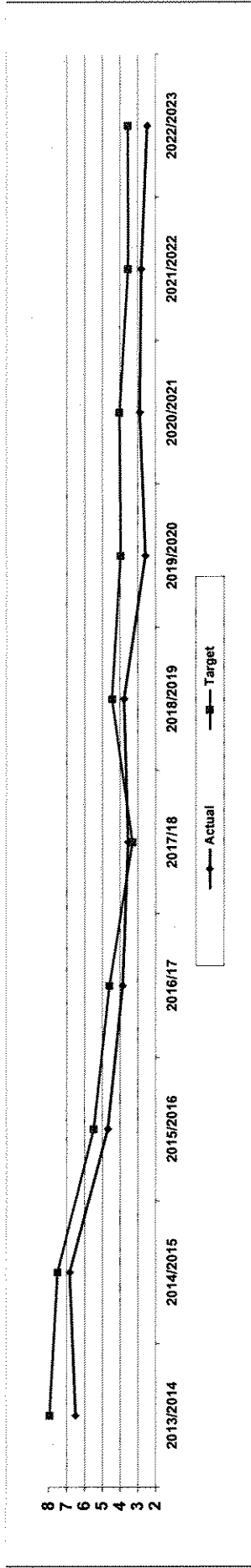
This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the repairs and maintenance of its assets (refer figure 13).

The ratio is determined as follows:

**Repairs and Maintenance expenditure to date / Total Operating Income to date**

The actual expenditure of 2.46% is below the 2023/24 adjustments budget target of 4.18%. Repairs and Maintenance of assets are undertaken on an on-going basis.

Figure 13: Repairs and Maintenance as a % of Total Operating Income



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

This ratio assesses the level of repairs and maintenance expenditure incurred, compared to the book value of PPE (refer figure 14).

The ratio is determined as follows:

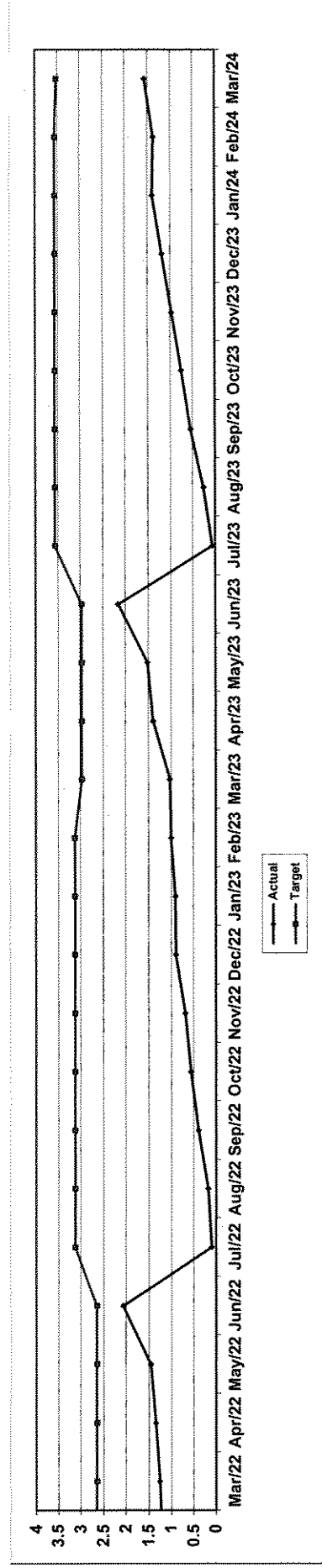
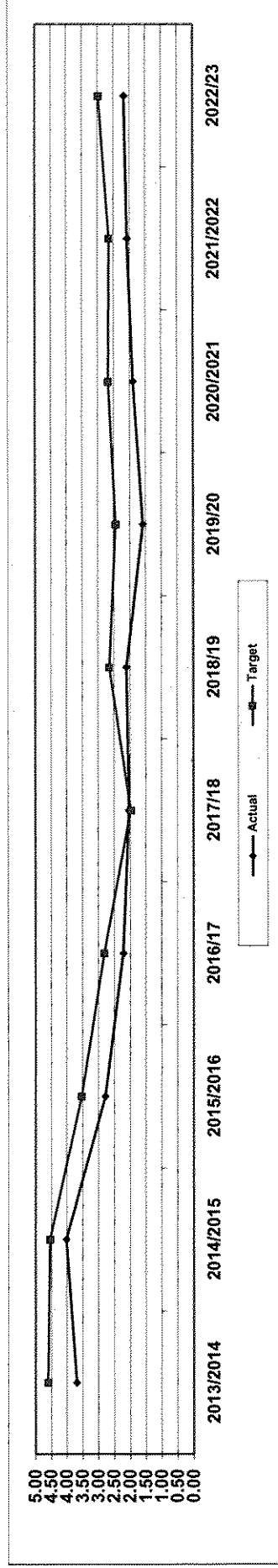
**Repairs and maintenance expenditure to date / Book value of PPE to date**

## Annexure "A5"

The repairs and maintenance expenditure incurred to date constitutes 1.56% of the book value of PPE, as at the end of March 2024, compared to the 2023/24 adjustments budget target of 3.52%. This indicates a relatively low level of repairs and maintenance expenditure, considering that significant backlogs currently exist. The expenditure levels are anticipated to increase in future, as the maintenance backlogs have now been determined.

It should be noted that new assets would not have an immediate effect on the repairs and maintenance component, as they do not generally deteriorate within the first few years.

Figure 14: Repairs and Maintenance as a % of the book value of (PPE)



### 6.7.4 Capital Budget Spending

This ratio assesses the level of actual capital spending compared to the budgeted capital expenditure (refer figure 15).

The ratio is determined as follows:

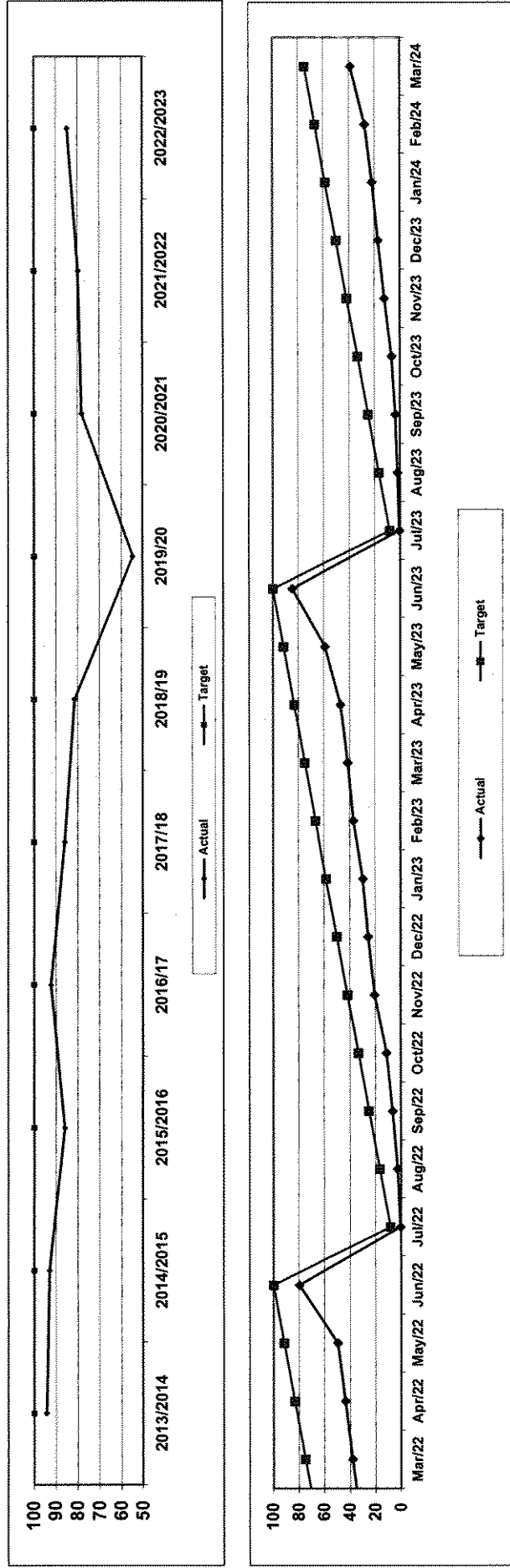
**Actual Capital spending to date / Approved Capital Budget**

The actual spending as at the end of March 2024 amounted to 38.72%.

The Budget Performance Monitoring Forum meets every two months, as opposed to previously meeting on a quarterly basis. The Executive Directors present their capital budgets at the Forum meetings by project, with detailed explanations in the event of under/overspending.

Monthly one-on-one sessions are held with Directorates, to identify problem areas early on in the process. These meetings are attended by the Chairperson of the Budget and Treasury Committee, the Portfolio Councillor and the Executive Director of the Directorate concerned and representatives from the Budget and Treasury Directorate.

Figure 15: Capital Budget Spending



## Annexure "A5"

### 6.7.5 Own Revenue Generation

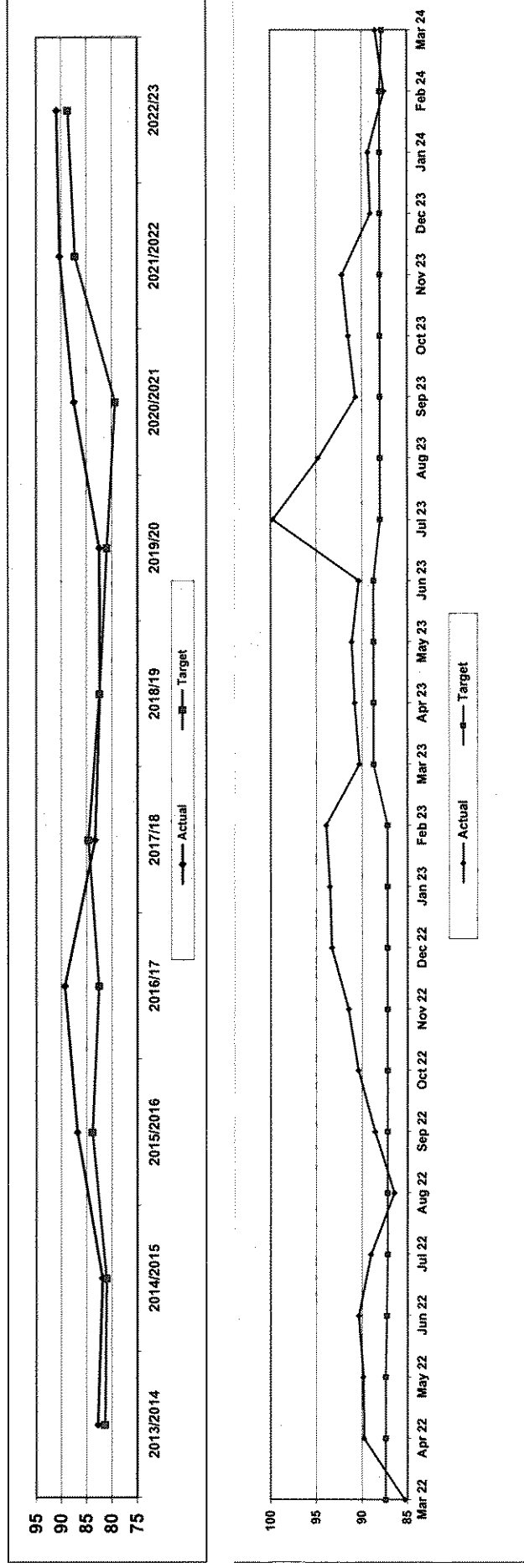
This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations (refer figure 16).

The ratio is determined as follows:

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

As at the end of March 2024, the Municipality's own revenue sources constituted 88.46% of its total Operating Income compared to the 2023/24 adjustments budget target of 87.71%. The Municipality is thus not fully reliant on the finances received from Provincial and National Government to support its day-to-day operations. The equitable share, for example greatly assists the Municipality to cover the ATTP subsidies. Although the Municipality would like to become sufficient by not having to rely on Government support via Grants and Subsidies it has become very clear that without increased Government funding the Municipality will not be able to meet its service delivery mandate from its limited revenue base.

Figure 16: Own Revenue Generation



**6.7.6 Reducing Electricity and Water Losses**

**6.7.6.1 Electricity Losses**

This ratio indicates the percentage of electricity losses incurred in relation to the number of electricity units purchased.

The ratio is determined as follows:

$$\frac{\text{Electricity units purchased} - \text{Electricity units sold}}{\text{Electricity units purchased}} \times 100$$

Total non-revenue electricity losses for the 2022/23 budget year were 25.90% (848,647,879Kw) or equivalent to R986.10 million up from R822.887 million or 22.66% for the 2021/22 financial year. The year-to-date non-revenue electricity losses for the 2023/24 budget year up to 29 February 2024 amounts to 28.80% (532,050,416Kw), or an equivalent of R695.962 million. It is evident that the current strategies to address electricity losses are not yielding positive results.

**6.7.6.2 Water Losses**

This ratio indicates the percentage of water losses incurred in relation to the number of water units purchased.

The ratio is determined as follows:

$$\frac{\text{Water units purchased} - \text{Water units sold}}{\text{Water units purchased}} \times 100$$

The Non-revenue Water Losses for the period July 2023 to February 2024 amount to 34.389 million kl or 46.92%. The cumulative Water losses for the period 01 July 2022 to 30 June 2023 amounts to 43.721 million kl or 43.14%.

It is evident that the current strategies implemented to address water losses are not yielding positive results. Water losses have increased materially over the last 5 financial years, including the 2023/24 financial year.