ANNEXURE A

KNYSNA
Municipality Munisipaliteit uMasipala

Monthly and Quarterly Budget Statement

(Sections 71 and 52 of the MFMA)

Prepared in terms of the Local Government:
Municipal Finance Management Act (No 56 of 2003);
Municipal Budget and Reporting Regulations; and
Government Gazette 32141, dated 17 April 2009.

June 2023

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PART 1: IN-YEAR REPORT

1. LEGAL CONTEXT

1.1 Monthly Budget Statement

Section 71 of the Municipal Finance Management Act (MFMA) determines that:

"(1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month –

(a) Actual revenue, per revenue source;

(b) Actual borrowings;

(c) Actual expenditure, per vote;

(d) Actual capital expenditure, per vote

(e) The amount of any allocations received;

(f) Actual expenditure on those allocations, excluding expenditure on –

(i) Its share of the local government equitable share; and

(ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) When necessary, an explanation of –

(i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) Any material variances from the service delivery and budget implementation plan; and

(iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

(2) The statement must include –

(a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).

(3) The amounts reflected in the statement must in each case be compared with

the corresponding amounts budgeted for in the municipality's approved budget.

(4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1)(e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets, per municipality and per municipal entity.

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter".

1.2 Quarterly Budget Statement

Section 52 of the MFMA determines that:

"The mayor of a municipality –

(a) must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

(c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) *must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor."*

1.3 Responsibility of the Executive Mayor

Section 54 of the MFMA determines that:

"(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must –

(a) Consider the statement or report;

(b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) Issue any appropriate instructions to the accounting officer to ensure –

(i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) That spending of funds and revenue collection proceed in accordance with the budget;

(e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) In the case of a section 72 report, submit the report to the council by 31 January of each year.

(2) If the municipality faces any serious financial problems, the mayor must –

(a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include –

(i) Steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

(ii) The tabling of an adjustments budget; or

(iii) Steps in terms of Chapter 13; and

(b) Alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly".

EXECUTIVE MAYOR'S REPORT

2.1 In-Year Report: Monthly Budget Statement

2.1.1 This report represents the Section 71 MFMA monthly budget statement and Section 52 quarterly budget statement for the month ending 30 June 2023, and reflects the implementation of the budget and the financial state of affairs of the Municipality.

2.1.2 I hereby wish to submit a report to the Mayoral Committee on the implementation of the budget and the financial state of affairs of the Municipality as at the end of June 2023.

2.1.3 Further to the above, Section 54(1) of the MFMA determines that the Executive Mayor must consider the Section 71 report submitted by the Accounting Officer and assess whether the Municipality's approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP), and if necessary issue appropriate instructions to the Accounting Officer.

2.2 Overall Financial Status of the Municipality

2.2.1 Important to note is that this is not the final results for the 2022/2023 financial year. Year-end transactions are currently being processed and will be included in the Draft Annual Financial Statements to be submitted to the Auditor-General of South Africa on 31 August 2023.

2.2.2 As at 30 June 2023, the Commitments still <u>exceed</u> the Cash and Cash Equivalents. The cashflow position remains a critical concern.

2.2.3 The Integrated Human Settlements Grant expenditure of R 17.4 million needs to be recovered from the Department of Human Settlements. The Integrated Human Settlements Directorate has been requested to provide a detailed report to the next S80 Finance Committee meeting which will detail the prospects of full recovery. Note that expenditure already incurred which cannot be recovered from the Department of Human Settlements will unfortunately have to be absorbed by the Municipality. This has been the case for several years. Proper controls therefore need to be implemented to ensure that a repeat of this is avoided.

The Municipality has demonstrated the inability to afford to continuously subsidise the housing function <u>that is a functional area of concurrent national and provincial legislative competence in terms of Schedule 4A of the Constitution of the Republic of</u>

South Africa. Council is therefore urged to consider whether the continuation of the provision of Housing is feasible, affordable and of benefit to the Municipality.

2.2.4 The collection of outstanding debt and the recovery of all unpaid grants is critical and thus requires priority. A major contributor to the decreased levels of performance (billings and collections) is the high vacancy rate within the Income Department. This is currently receiving urgent attention.

Aggressive debt collection strategies have been implemented. Measures currently in practice and measures still to be implemented will be detailed in a separate item to be submitted to the next S80 Finance Committee meeting.

2.2.5 The electricity loadshedding crisis has had a severe impact on the municipal revenue base. Furthermore, infrastructure not designed to accommodate such a high frequency of Eskom switching has been affected. Repairs / replacement / maintenance of affected infrastructure has had a profound impact on both service delivery and the cashflow.

2.2.6 Due to various contributing factors, the DBSA Revenue Enhancement project completion date has been extended to 30 September 2023. The service provider has been requested to present an update at the next S80 Finance Committee meeting and the Audit Committee meeting.

2.2.7 Strict expenditure control must be applied to ensure that unauthorised expenditure is avoided, and that there is no abuse of municipal funds. Unauthorised, Irregular and Fruitless and Wasteful Expenditure must be prevented. It has become quite evident and apparent that Cost Control and Cost Reduction is not receiving adequate attention. Directorates are encouraged to develop and implement appropriate and effective Cost Cutting Measures with immediate effect. Furthermore, the approved Cost Containment Policy must be fully implemented.

2.2.8 Spending on non-core municipal functions must be decreased in an attempt to reduce the strain on both the budget and the cashflow.

2.3 Recommendations

(a) That Council notes the Section 71 monthly budget statement and Section 52 quarterly budget statement as at 30 June 2023.

(b) That Council notes that the Section 71 monthly budget statement and Section 52 budget statement as at 30 June 2023 will be published on the municipal website.

CLLR AUBREY TSENGWA
EXECUTIVE MAYOR
DATE: 14 July 2023

2. ACCOUNTING OFFICER'S REPORT

3.1 Introduction

3.1.1 In accordance with Section 71(1) of the Municipal Finance Management Act (MFMA), I submit the required statement on the state of Knysna Municipality's budget reflecting the financial information for the month ending June 2023.

3.1.2 Section 52(d) of the MFMA requires from the Executive Mayor to submit a quarterly report to Council on the implementation of the approved budget. The report relates to the quarter ending 30 June 2023.

3.1.3 Section 54(1) of the MFMA requires from the Mayor of a municipality to take certain actions, if needed, following receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

3.1.4 The Municipality is currently in the process of preparing the Annual Financial Statements (AFS) for the 2022/2023 financial year, which is due for submission to the Auditor-General of South Africa by 31 August 2023. Financial information contained in this report is therefore provisional and subject to significant changes once all year-end processes have been finalised.

3.1.5 The financial performance of the operating and capital budget for the 2022/2023 financial year, and an overview of the financial position of the Municipality, is provided below.

3.2 Financial Performance Overview

3.2.1 Year-to-date actual operating revenue (Row 15 in Table 1 below) of R 1.0 billion compared to the year-to-date budgeted operating revenue of R 1.1 billion results in a negative variance of R 69.8 million or -6.5% (capital grants excluded). It should be noted that due to the GRAP Standards and the GRAP accrual principles to be applied, the figures contained in the table below are subject to multiple year-end adjustments. Variances of a material value in nature in the operating revenue budget are presented with appropriate comments in the table below.

Table 1: Variances between Year-to-Date Actual and Year-to-Date Budget

Row Number	Description	Original Budget	Adjusted Budget (Including Virements)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %	Reasons for Material Variance (D - E)
Column Reference	A	B	C	D	E	F	G	H
1	Property Rates	261,551,911	258,519,581	258,427,088	258,519,581	-92,493	0.0%	
2	Electricity Revenue	354,321,348	334,298,958	309,994,847	334,298,958	-24,304,111	-7.3%	The load-shedding has a significant impact on the declined electricity revenue and expenditure from budget estimate.
3	Water Revenue	74,586,025	77,566,954	78,274,221	77,566,954	707,267	0.9%	
4	Sanitation Revenue	29,310,910	29,310,910	29,240,130	29,310,910	-70,780	-0.2%	
5	Refuse Revenue	27,831,817	27,831,817	28,465,924	27,831,817	634,107	2.3%	
6	Rental Revenue	5,444,020	6,588,929	5,886,078	6,588,929	-702,851	-10.7%	
7	Interest on Investments	2,046,273	1,734,370	2,014,372	1,734,370	280,002	16.1%	
8	Interest on Debtors	19,321,626	28,114,235	30,016,359	28,114,235	1,902,124	6.8%	
9	Fines Revenue	119,059,010	119,059,010	89,064,076	119,059,010	-29,994,934	-25.2%	Variace factors contributed to the declined fines revenue eg. shortage of staff, faulty speeding cameras, vandalised cameras.
10	Licences Revenue	1,698,285	1,698,285	1,449,129	1,698,285	-249,156	-14.7%	
11	Agency Services	3,829,743	3,829,743	4,085,718	3,829,743	255,975	6.7%	
12	Operating Grants	154,945,913	134,673,734	156,873,340	134,673,734	22,199,606	16.5%	The variance between operating transfers and other revenue is the housing operating Grant. The Budget was moved to construction revenue. The actuals will be transferred accordinlgy. The correction will be done as part of our year-end journals.
13	Other Revenue	7,862,155	54,555,512	14,147,495	54,555,512	-40,408,017	-74.1%	
14	Gains on Disposal of PPE	250,000	2,104,759	2,166,555	2,104,759	61,796	2.9%	
15	**Total Revenue (Capital Grants Excluded)**	**1,062,059,036**	**1,079,886,797**	**1,010,105,332**	**1,079,886,797**	**-69,781,465**	**-6.5%**	

3.2.2 Year-to-date actual operating expenditure (Row 27 in Table 1 below) of R 916.8 million compared to the year-to-date budgeted operating expenditure of R 1.1 billion results in a positive variance of R 164.2 million. It should be noted that due to the GRAP Standards and the GRAP accrual principles to be applied, the figures contained in the table below are subject to multiple year-end adjustments. Variances of a material value in nature in the operating expenditure budget are presented with appropriate comments in the table below.

Table 1: Variances between Year-to-Date Actual and Year-to-Date Budget

Row Number	Description	Original Budget	Adjusted Budget (Including Virements)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %	Reasons for Material Variance (D - E)
Column Reference	A	B	C	D	E	F	G	H
16	Employee Related Costs	299,851,209	289,715,808	287,863,867	289,715,808	1,851,941	0.6%	
17	Remuneration of Councillors	9,749,165	9,749,165	9,787,112	9,749,165	-37,947	-0.4%	
18	Bad Debt Provision	148,240,813	144,850,952	55,600,952	144,850,952	89,250,000	61.6%	Bad debt provision final figures for fines can only be determined after the fines revenue has been calculated with the payment percentage. The same must still be done with bad debt provision for property rates and consumer debtors.
19	Depreciation	43,687,538	43,687,538	43,687,563	43,687,538	-25	0.0%	
20	Finance Charges	28,846,141	28,346,140	28,427,635	28,346,140	-81,495	-0.3%	
21	Bulk Purchases	262,156,491	256,505,491	208,704,249	256,505,491	47,801,242	18.6%	The load-shedding has a significant impact on the declined electricity revenue and expenditure from budget estimate. Furthermore the accrual for the June 2023 electricity account amounting to R30 million still needs to be processed.
22	Other Materials	38,783,549	46,475,724	51,988,218	46,475,724	-5,512,494	-11.9%	Main contributors is the Fuel and Oil Costs that significently went high.
23	Contracted Services	166,577,351	190,035,645	167,702,228	190,035,645	22,333,417	11.8%	The overspending is as a result of the Legal Costs, Internal audit costs, Housing Grant funded projects, GAAP Security Costs, Electricity Service Vendor cost, Water and Sewer contractors.
24	Transfers and Subsidies	1,916,506	3,145,124	1,668,952	3,145,124	1,476,172	46.9%	
25	Other Expenditure	61,466,236	67,324,634	60,141,932	67,324,634	7,182,702	10.7%	Underspending reflected under IT on Microsoft cost and the hire charges on the electricity MV trucks.
26	Loss on Disposal of PPE	0	0	1,221,132	0	0	0.0%	
27	**Total Operating Expenditure**	**1,061,274,999**	**1,079,836,221**	**916,793,840**	**1,079,836,221**	**164,263,513**	**15.2%**	

3.2.3 The year-to-date actual operating revenue compared to the year-to-date actual operating expenditure results in an operating surplus of R 93.3 million compared to a budgeted operating surplus of R 50.6 thousand (capital grants excluded) (Row 28 in Table 1 below).

3.2.4 The year-to-date actual operating surplus (capital grants included) of R 127.6 million (Row 31 in Table 1 below) is subject to the finalising of all year-end transactions.

Table 1: Variances between Year-to-Date Actual and Year-to-Date Budget

Row Number	Description	Original Budget	Adjusted Budget (Including Virements)	Year-to-Date Actual	Year-to-Date Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %	Reasons for Material Variance (D - E)
Column Reference	A	B	C	D	E	F	G	H
15	Total Revenue (Capital Grants Excluded)	1,062,059,036	1,079,886,797	1,010,105,332	1,079,886,797	-69,781,465	-6.5%	
27	Total Operating Expenditure	1,061,274,999	1,079,836,221	916,793,840	1,079,836,221	164,263,513	15.2%	
28	Operating Surplus/(Deficit)	784,037	50,576	93,311,492	50,576	94,482,048	186812.0%	
29	Capital Grants	46,468,087	46,307,174	34,245,538	46,307,174	-12,061,636	-26.0%	The underspending of the Housing Grant and the Loadshedding Relief Grant contributed to the negative variance.
30	Public Contributions	0	0	0	0	0	0.0%	
31	Surplus/(Deficit) for the Year	47,252,124	46,357,750	127,557,030	46,357,750	82,420,412	177.8%	

3.2.5 <u>Revenue Enhancement Project Status</u>

The Revenue Enhancement Project entails the development and implementation of a Revenue Enhancement Programme (REP) for Knysna Municipality within an eighteen (18) month period, however due to various reasons has the project been extended till end September Table 2 below details the project milestones to date:

Table 2: Revenue Enhancement Milestones			
Milestone	Project Milestone Description	Status	Envised End Date
1	Inception meeting and development of Project Implementation Plan (PIP) informed by the scope of work to determine roll out of work package	Completed	N/a
2	Existing situation / (AS-IS) assessment highlighting the areas that need to be considered for the improvement of the situation and Stakeholder engagement	Completed	N/a
3	Tariff structure review and restructuring thereof and ascertain how tariffs are based in respect of land usage, zoning and tariffs levied to different customer categories	Completed	N/a
4	2 251 x Electricity & Water meters Audit, metering management & land use/ zoning (Desktop audit on all stands and physical verification on 10% of the stands)	Completed	N/a
5	22 509 x Customer Data Quality and Consumer Management, Integrating geo-spatial information with billing systems and financial information. (Data cleansing report)	Completed	N/a
6	Development of best practice procedures & staffing requirements to enhance customer care and operations processes	Completed	N/a
7	Implementation of the low hanging fruits/initiatives quick wins (within budget) and transfer of skills to the relevant municipal officials	In Progress	2023/08/31
8	Identification and prioritisation of the interventions/ projects for the short term, medium to long term	In Progress	2023/08/31
9	Final Revenue Enhancement Programme report with findings and Presentation of the report to the Municipal Council		2023/09/30

3.2.6 Overtime

The year-to-date actual Overtime expenditure (Row 9 in Table 3 below) equates to R 18.3 million compared to the year-to-date budget of R 16.2 million resulting in over-expenditure of R2.1 million.

Table 3: Overtime									
Row Number	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Original Budget 2022/2023	Adjusted Budget 2022/2023	Actual June 2023	YTD Budget 2022/2023	YTD Actual 2022/2023	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	0	4,978	0	0	0	0	0	0
2	Corporate Services	90,749	162,478	142,500	193,200	26,785	193,200	190,877	2,323
3	Financial Services	63,050	58,470	25,000	122,018	9,572	122,018	96,974	25,044
4	Planning and Development	14,355	44,580	1,000,000	51,603	0	51,603	35,863	15,740
5	Integrated Human Settlements	1,949	24,103	0	22,888	8,653	22,888	40,834	-17,946
6	Community Services	10,878,939	9,414,187	2,800,000	7,829,428	685,429	7,829,428	8,664,292	-834,864
7	Electrical Services	1,225,393	1,557,015	941,637	1,715,761	250,496	1,715,761	1,978,723	-262,962
8	Technical Services	7,198,173	7,088,695	2,680,863	6,305,286	859,687	6,305,286	7,335,761	-1,030,475
9	Grand Total	19,472,609	18,354,507	7,590,000	16,240,184	1,840,620	16,240,184	18,343,324	-2,103,140

3.2.7 Standby

The year-to-date actual Standby expenditure (Row 9 in Table 4 below) equates to

R 6.0 million compared to the year-to-date budget of R 4.4 million resulting in over-expenditure of R1.7 million.

Table 4: Standby Allowance									
Row Number	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Original Budget 2022/2023	Adjusted Budget 2022/2023	Actual June 2023	YTD Budget 2022/2023	YTD Actual 2022/2023	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	0	0	0	0	0	0	0	0
2	Corporate Services	194,774	187,924	152,000	214,000	16,963	214,000	182,157	31,843
3	Financial Services	99,633	116,329	120,000	170,000	9,058	170,000	152,718	17,282
4	Planning and Development	0	0	0	0	0	0	0	0
5	Integrated Human Settlements	0	0	0	0	0	0	0	0
6	Community Services	1,360,904	1,582,999	580,000	1,098,808	128,507	1,098,808	1,733,951	-635,143
7	Electrical Services	908,440	916,804	770,000	793,123	145,179	793,123	1,130,285	-337,162
8	Technical Services	2,760,161	2,887,134	440,000	2,077,667	318,268	2,077,667	2,826,944	-749,277
9	Grand Total	5,323,912	5,691,190	2,062,000	4,353,598	617,975	4,353,598	6,026,055	-1,672,457

It is imperative that the Overtime / Standby Project initiated by the Finance Directorate be implemented as soon as possible, as the program has been designed to enhance management control and accountability, with the ultimate aim of reducing Overtime / Standby costs.

3.2.8 Use of Consultants per Directorate

The table below depicts the year-to-date Use of Consultants per Directorate.

Table 5: Use of Consultants per Directorate									
Row Number	Directorate	Expenditure 2020/2021	Expenditure 2021/2022	Original Budget 2022/2023	Adjusted Budget 2022/2023	Actual June 2023	YTD Budget 2022/2023	YTD Actual 2022/2023	Variance (G-H)
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	270,000	150,000	0	0	0	0	5,211,904	-5,211,904
2	Corporate Services	5,090,579	4,540,688	4,545,217	5,496,500	704,267	5,496,500	3,821,082	1,675,418
3	Financial Services	10,480,437	3,791,019	6,427,106	4,279,470	1,045,177	4,279,470	1,180,204	3,099,266
4	Planning and Development	816,380	1,401,449	5,175,479	2,008,622	616,363	2,008,622	2,328,089	-319,467
5	Integrated Human Settlements	4,988,330	1,129,751	1,050,000	2,483,504	948,937	2,483,504	377,394	2,106,110
6	Community Services	172,354	299,625	653,229	468,579	35,563	468,579	0	468,579
7	Electrical Services	17,250	224,427	291,407	92,000	0	92,000	2,897,265	-2,805,265
8	Technical Services	383,593	2,897,026	4,628,641	3,343,311	133,953	3,343,311	2,763,312	579,999
9	Grand Total	22,218,922	14,433,986	22,771,079	18,171,986	3,484,260	18,171,986	18,579,249	-407,263

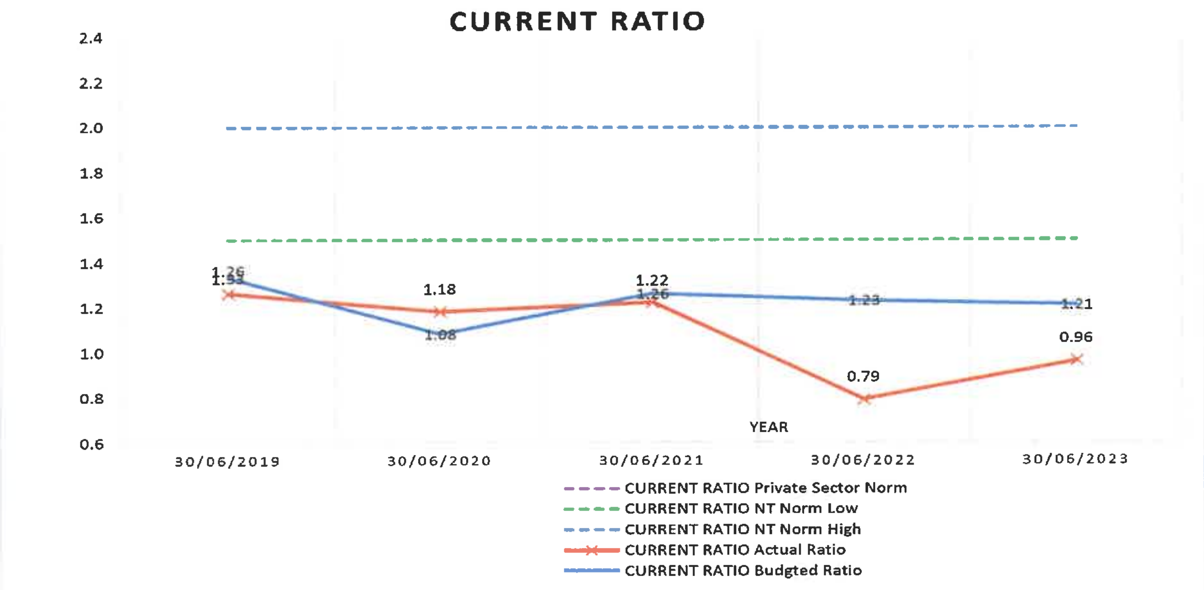
The use of external consultants has been extensively highlighted by the Auditor-General. It is imperative that a Skills Audit on internal staff be conducted, taking into consideration signed Job Descriptions, Qualifications and Experience. It is unacceptable to pay both internal staff and external consultants to perform tasks which should be performed by internal staff.

3.3 Financial Position Overview

3.3.1 <u>Current Ratio (0.96 : 1)</u>

The Current Ratio as at 30 June 2023 equates to 0.96 : 1 compared to the National Treasury norm of 1.5 – 2 : 1, and a budgeted current ratio of 1.13 : 1. It should be noted that due to the GRAP Accounting principles to be applied, the ratio will possibly change.

The actual current ratio is based on current assets of R 218.1 million and current liabilities of R 228.1 million.

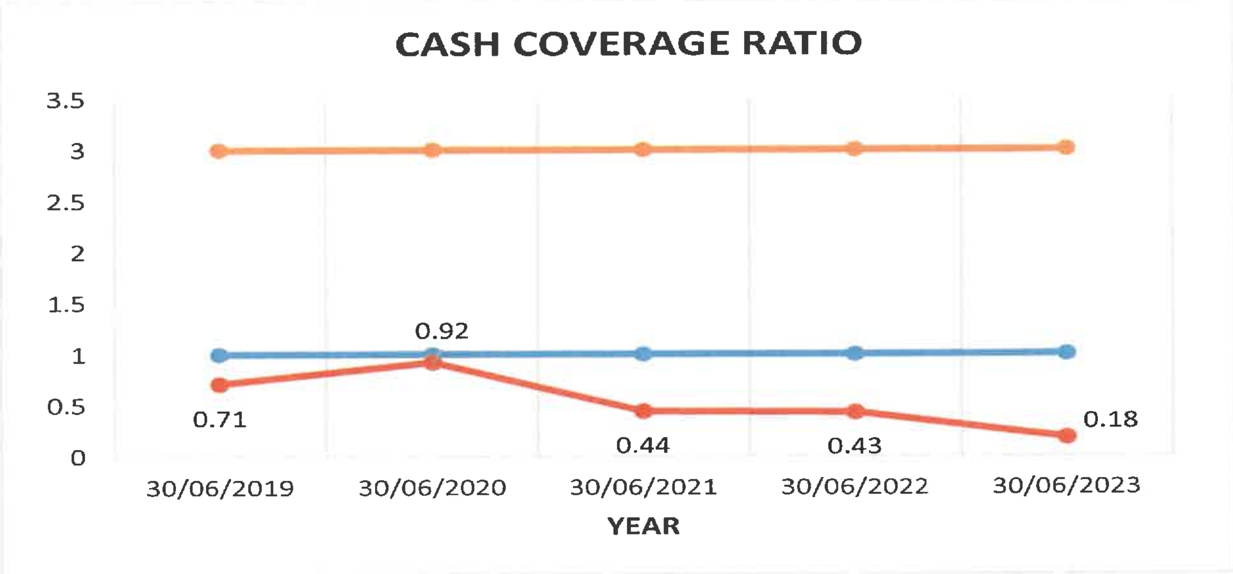


It is of material concern that the current ratio is below the NT Norm, and also the budgeted ratio.

<u>Urgent and immediate intervention is required to ensure that a realistic and achievable financial turnaround strategy is developed and implemented with immediate effect.</u>

3.3.2 Cash/Cost Coverage Ratio (0.18 months)

The Cash Coverage Ratio as at 30 June 2023 equates to 0.18 months compared to the National Treasury norm of 1 – 3 months. It should be noted that due to the GRAP Accounting principles to be applied, the ratio will possibly change.



It should be highlighted that most Creditors could not be paid at the end of June 2023. The poor cashflow position was temporarily relieved following the receipt of the Equitable Share Grant in July 2023, resulting in most Creditors thereafter being paid.

The Municipality will commence with the SCM process to source the external loans for the 2023/2024 financial year in the next week. It is envisaged that the Municipality may experience more cashflow challenges in November and December 2023. It may therefore become necessary to consider acquiring an overdraft facility.

3.3.3 Cash and Cash Equivalents (R 20.4 million)

Cash and Cash Equivalents (Row 3 in Table 6 below) equates to R 20.4 million as at 30 June 2023.

The total actual cash balance in the primary bank accounts (as per the Nedbank and Standard Bank Statements) equates to R 19.9 million as at 30 June 2023. This cash was reserved to pay Eskom and interest bearing Creditors at the beginning of July 2023.

The Municipality does not have a Capital Replacement Reserve and does not envisage the creation thereof in the short to medium term. It is therefore critical for debt collection and the recovery of unpaid grants to receive immediate priority.

3.3.4 Current Investments (R 19.2 thousand)

Investments (Row 2 in Table 6 below) equates to R 19.2 thousand at the end of June 2023.

Table 6: Cash and Cash Equivalents versus Commitments					
Row Number	Description	April 2023	May 2023	June 2023	Movement (C to D)
Column Reference	A	B	C	D	E
1	Cash at Bank	58,085,007	33,570,370	20,338,434	-13,231,936
2	Investments - Current	19,016	19,140	19,267	127
3	**Total Cash and Cash Equivalents**	**58,104,023**	**33,589,510**	**20,357,701**	**-13,231,809**
4	Unspent Conditional Transfers and Grants	31,502,704	19,803,177	8,270,604	-11,532,573
5	Unspent Conditional Public Contributions	0	0	0	0
6	VAT Payable to SARS	0	1,095,347	0	-1,095,347
7	Unspent External Loans	30,414,692	24,046,074	34,900,168	10,854,094
8	Payables from Exchange Transactions	16,187,848	18,088,500	25,360,656	7,272,156
9	**Total Commitments**	**78,105,244**	**63,033,098**	**68,531,428**	**5,498,330**
10	**Surplus / (Shortfall)**	**-20,001,221**	**-29,443,588**	**-48,173,727**	**-18,730,139**

It is exceptionally concerning that as a result of the current financial distress, Unspent Grants cannot be backed by cash in the Investments Portfolio of the Municipality.

3.3.4 Cash Commitments (R 68.5 million)

Total commitments (Row 9 in Table 6 above) increased by R 5.5 million during the month under review from R 63.0 million at the end of May 2023 to R 68.5 million at the end of June 2023. Commitments exceed the cash and cash equivalents at the end of June 2023 by R 48.1 million (Row 10 in Table 6 above), thereby resulting in a shortfall.

The shortfall of R 48.2 million is additional proof that the Municipality is facing a financial crisis.

3.3.5 Unpaid Conditional Grants (R 17.7 million)

Unpaid conditional grants (Row 4 in Table 7 below) reflects a total balance of R 17.7 million at the end of June 2023.

It is evident from the reported financial information that all housing expenditure have not been claimed and that all claims have not been paid by the Department of Human Settlements. This needs to be addressed by the Municipality as the Municipality is currently funding housing expenditure with own cash reserves.

Table 7: Unpaid Conditional Grants

Row Number	Description	Opening Balance	Receipts	Expenditure	Closing Balance
Column Reference	A	B	C	D	F
1	Integrated Human Settlements Grant	4,747,392	-11,163,126	23,876,831	17,461,097
2	Maintenance of Proclaimed Roads	77,054	0	80,000	157,054
3	Food Security Grant	-1,000,000	0	1,044,828	44,828
4	**Total**	**3,824,446**	**-11,163,126**	**25,001,659**	**17,662,979**

It is crucial for the Municipality to ascertain the extent to which un/underfunded mandates will allowed, as this has a detrimental impact on the cashflow of the Municipality.

3.3.6 Unspent Conditional Grants (R 8.3 million)

Unspent conditional grants (Row 19 in Table 8 below) reflects a total balance of R 8.3 million as at 30 June 2023. To avoid future Roll-Over Grant applications being rejected, Directorates are to ensure full spending of their respective grants by 30 June 2023.

A Roll-Over Adjustments Budget will be tabled in Council by 25 August 2023. Roll-Over Grant applications will be submitted to the relevant Treasuries and Departments by 31 August 2023. The outcomes of these applications are expected by 30 November 2023. The Municipality must therefore decide whether to wait for approval / non-approval prior to continuing with the projects as there may be potential financial risks / losses should the grant applications be rejected.

Furthermore, of critical importance, is that the MFMA Budget Circular 123 (dated 03 March 2023 states:

> *"No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period*

exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months."

The Municipality is therefore cautioned in this regard and should attempt to appoint CFO as soon as possible.

Table 8: Unspent Conditional Grants

Row Number	Description	Directorate	Opening Balance	Receipts	Expenditure	Repayment of Unspent	Closing Balance
Column Reference	A	B	C	D	E	F	G
1	Municipal Infrastructure Grant	Technical Services	155,005	29,714,000	-27,797,693	-155,005	1,916,307
2	Library Services Grant	Community Services	0	10,659,000	-10,659,000	0	0
3	Municipal Electricity Master Plan	Electrical Services	490,000	0	0	-490,000	0
4	Expanded Public Works Program	Planning and Development	0	1,044,000	-1,051,000	0	-7,000
5	Neighbourhood Development Partnership Grant	Technical Services	2,524,386	5,000,000	-2,750,169	-2,524,386	2,249,831
6	Energy Efficiency Demand Side Management Grant	Electrical Services	56,884	0	0	0	56,884
7	WC Disaster Management Grant	Community Services	3,795	0	0	-3,795	0
8	Water Services Infrastructure Grant	Technical Services	771,161	0	0	-771,161	0
9	Nedbank: SMME Incubator Program	Planning and Development	236,676	0	-156,425	0	80,252
10	Public Employment Support Grant	Planning and Development	893,232	0	-755,733	0	137,498
11	District Grant Security Camera	Community Services	120,000	0	0	0	120,000
12	Finance Management Grant Capacity Building Grant	Financial Services	38,273	0	0	0	38,273
13	Integrated National Electrification Programme	Electrical Services	0	10,730,000	-10,018,403	0	711,597
14	Finance Management Grant	Financial Services	0	1,721,000	-1,615,166	0	105,834
15	Community Development Workers Grant	Corporate Services	0	56,000	-38,431	0	17,569
16	Emergency Loadshedding	Electrical Services	0	2,400,000	0	0	2,400,000
17	Financial Management Capability Grant	Financial Services	0	550,000	-106,440	0	443,560
18	Total		5,289,412	61,874,000	-54,948,461	-3,944,347	8,270,604

3.3.7 Approved Grants

In comparison with the total approved Grants of R222.1 million, R34.6 million remains uncollected as at 30 June 2023 (Row 20 in Table 9 below).

Directorates are to ensure timeous receipt of all Grants due to the Municipality.

Table 9: Approved Grants

Row Number	Description	Directorate	Approved Grant Amount (Original Budget)	Approved Grant Amount (RollOver Budget)	Approved Grant Amount (Adjustment Budget)	Total Approved Grants (C+D)	Grants Received	Uncollected Grant Amount (F-G)
Column Reference	A	B	C	D	E	F	G	H
1	Equitable Share	All	111,170,000	0	0	111,170,000	111,170,000	0
2	Municipal Infrastructure Grant	Technical Services	39,114,000	0	-9,400,000	29,714,000	29,714,000	0
3	Municipal Electricity Master Plan	Electrical Services	0	0	0	0	0	0
4	Expanded Public Works Program	Planning and Development	1,044,000	0	0	1,044,000	1,044,000	0
5	Neighbourhood Development Partnership Grant	Technical Services	5,000,000	0	0	5,000,000	5,000,000	0
6	Energy Efficiency Demand Side Management Grant	Electrical Services	0	0	0	0	0	0
7	Water Services Infrastructure Grant	Technical Services	0	0	0	0	0	0
8	Integrated National Electrification Programme	Electrical Services	10,730,000	0	0	10,730,000	10,730,000	0
9	Finance Management Grant	Financial Services	1,721,000	0	0	1,721,000	1,721,000	0
10	Library Services Grant	Community Services	10,659,000	0	0	10,659,000	10,659,000	0
11	Community Development Workers Grant	Corporate Services	56,000	0	0	56,000	56,000	0
12	Human Settlements Development Grant	Planning and Development	21,840,000	0	24,893,000	46,733,000	12,347,977	34,385,023
13	Maintenance and Construction of Transport Infrastructure Grant	Technical Services	80,000	0	0	80,000	0	80,000
14	Nedbank: SMME Incubator Program	Planning and Development	0	236,676	0	236,676	236,676	0
15	Public Employment Support Grant	Planning and Development	0	893,232	0	893,232	893,232	0
16	District Grant: Security Camera	Community Services	0	120,000	0	120,000	120,000	0
17	Food Security Grant	Corporate Services	0	1,000,000	0	1,000,000	1,000,000	0
18	Disaster and Emergency Services	Electrical Services	0	0	2,400,000	2,400,000	2,400,000	0
19	Financial Management Capability Grant	Financial Services	0	0	550,000	550,000	550,000	0
20	Total		201,414,000	2,249,908	18,443,000	222,106,908	187,641,885	34,465,023

Here again, it is evident that the Human Settlements Grant is a major contributor to the Municipality's cashflow challenges, as own cash is used upfront to accommodate expenditure, which is not fully / timeously reimbursed by the Department of Human Settlements.

3.3.8 Unapproved Rollover Grants

Specific Roll-over Grant applications have been rejected by both National Treasury and Provincial Treasury. A total of R 3.5 million was deducted from the Equitable

Share received during December 2022. A detailed breakdown is presented in Table 10 below.

The Municipality is yet to repay the R4.7 million unapproved Roll-Over Grant in relation to the Title Deed Restoration Project.

Table 10: Unapproved Roll-Over Grants					
Row Number	Description	Directorate	Unspent Balance as at 30 June 2022	Repayment of Unspent	Closing Balance
Column Reference	A	B	C	D	E
1	Title Deed Restoration Grant	Integrated Human Settlements	4,724,758	0	4,724,758
2	Neighbourhood Development Partnership Grant	Technical Services	2,524,386	-2,524,386	0
3	Municipal Infrastructure Grant	Technical Services	155,005	-155,005	0
4	Water Services Infrastructure Grant	Technical Services	771,161	-771,161	0
5	Total		8,175,310	-3,450,552	4,724,758

3.3.9 Payables from Exchange Transactions (R 25.4 million)

Payables from Exchange Transactions (Row 3 in Table 11 below) increased by R 7.3 million during the month under review from R 18.1 million at the end of May 2023 to R 25.4 million at the end of June 2023.

Table 11: Payables from Exchange Transactions					
Row Number	Description	April 2023	May 2023	June 2023	Movement (C to D)
Column Reference	A	B	C	D	E
1	Trade Payables	4,399,566	5,633,970	13,113,599	7,479,629
2	Retentions	11,788,282	12,454,530	12,247,057	-207,473
3	Total	16,187,848	18,088,500	25,360,656	7,272,156

Here again, proof that multiple Creditors could not be paid at year-end, as a result of limited cashflow.

3.3.10 External Borrowings (R 360.8 million)

External Borrowings equate to R 360.8 million (Row 6 in Table 12 below), and are taken up to fund capital expenditure only.

Table 12: External Borrowings					
Row Number	Description	April 2023	May 2023	June 2023	Movement (C to D)
Column Reference	A	B	C	D	E
1	Opening Balance	360,870,015	360,408,376	360,408,376	0
2	New Loans Acquired	0	0	18,792,445	18,792,445
3	Interest Capitalised	415,727	0	14,265,554	14,265,554
4	Repayments	-877,366	0	-32,812,346	-32,812,346
5	Adjustments	0	0	165,325	165,325
6	**Closing Balance**	**360,408,376**	**360,408,376**	**360,819,354**	**245,653**
7	**Budgeted Operating Revenue (Conditional Operating Grants excluded) =**			1,056,383,063	
8	**Gearing Ratio =**			**34.2%**	

External borrowings as a percentage of budgeted operating revenue (conditional operating grants excluded) equates to a gearing ratio of 34.2% which is below the National Treasury benchmark of 45%. The gearing ratio of 34.2% will however be recalculated with finalisation of the Annual Financial Statements based on actual operating revenue (conditional operating grants excluded).

Important to note that although the ratio suggests that there is capacity to accommodate more loans, the cashflow of the municipality does not support this. The Municipality is therefore limited to acquire only the budgeted loan amounts.

3.3.9 Consumer Debtors (R 372.7 million)

Total outstanding debtors of R 372.7 million as at 30 June 2023 (Row 7 in Table 13 below) is presented by both Income Source and by Customer Group.

Debtors over 90 days of R 298.1 million or 80.0% of the total outstanding debt includes R 100.2 million or 33.6% owed by Organs of State and Businesses.

The total outstanding debtors have decreased by R 8.6 million from R 381.3 million at 31 May 2023 to R 372.7 million at 30 June 2023.

The Municipality is exhausting all internal capabilities in an attempt to recover outstanding debt prior to handing over to debt collection firms. There are several vacant positions in the Income Department, thereby preventing the department from optimally functioning. Priority should be given to filling these posts, which are in fact fully budgeted for.

The Municipality will continue to disconnect/restrict services where possible. The Municipal Manager is negotiating settlements with various businesses in an attempt to recover long outstanding debt.

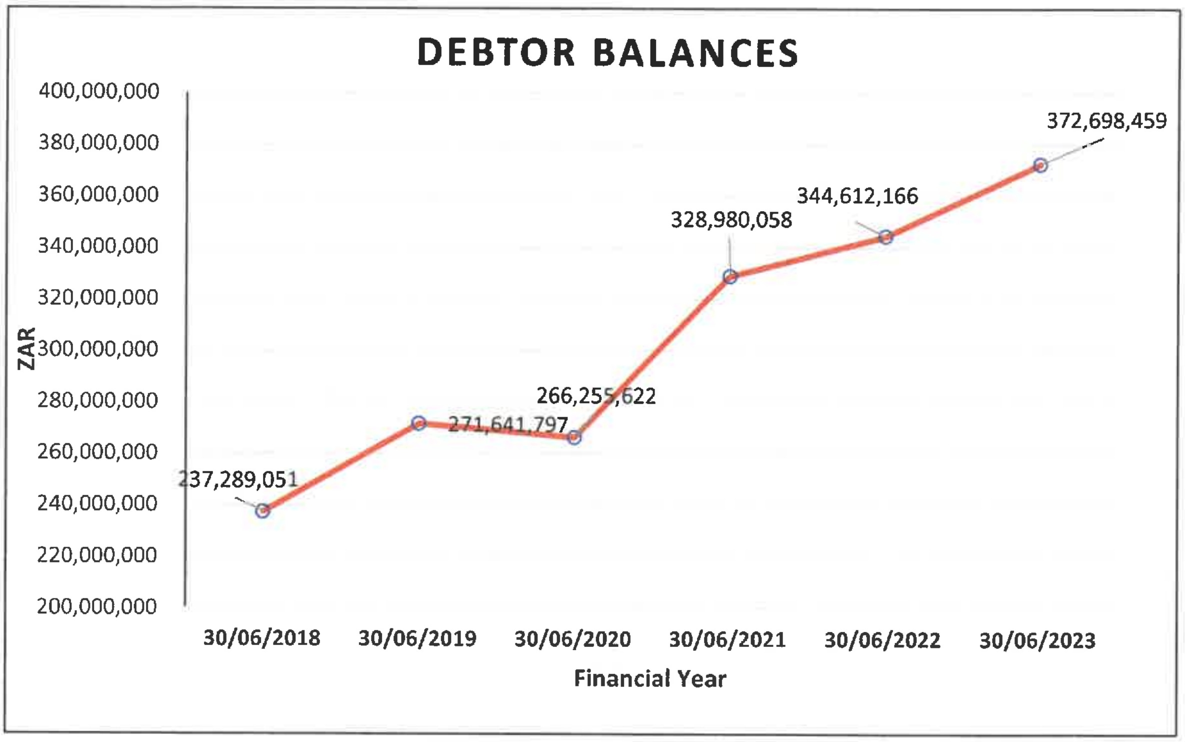
Table 13: Debtors Age Analysis						
By Income Source						
Row Number	Description	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Outstanding Debtors
Column Reference	A	B	C	D	E	F
1	Water	6,343,238	2,705,983	2,589,230	53,375,262	65,013,713
2	Electricity	16,529,718	5,549,596	3,072,572	52,208,409	77,360,295
3	Property Rates	17,140,136	6,340,562	3,561,243	79,312,348	106,354,289
4	Sanitation	2,592,617	1,373,674	1,099,131	58,830,332	63,895,754
5	Refuse	2,408,148	1,237,941	950,542	50,949,768	55,546,399
6	Other	566,711	294,804	251,696	3,414,798	4,528,009
7	**Grand Total**	**45,580,568**	**17,502,560**	**11,524,414**	**298,090,917**	**372,698,459**
8	**% of Total Outstanding Debtors =**	**12.2%**	**4.7%**	**3.1%**	**80.0%**	**100.0%**
By Customer Group						
Row Number	Description	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Outstanding Debtors
Column Reference	A	B	C	D	E	F
9	Organs of State	1,736,864	642,057	432,934	4,730,041	7,541,896
10	Commercial	15,548,187	6,042,654	4,444,016	95,468,572	121,503,429
11	Households	28,295,517	10,817,849	6,647,464	197,892,304	243,653,134
12	**Grand Total**	**45,580,568**	**17,502,560**	**11,524,414**	**298,090,917**	**372,698,459**
13	**% of Total Outstanding Debtors =**	**12.2%**	**4.7%**	**3.1%**	**80.0%**	**100.0%**

Below is a graphical representation of the year-on-year outstanding debtor balances. It is clearly evident that the outstanding debtor balances have significantly increased year-on-year.

The Municipality is currently evaluating bids for debt collection services. It is expected that this would contribute substantially to a decreased debtors book in the medium to long-term.

With a full staff complement, in addition to securing debt collection services, it is a fair assumption that the debtors book could easily reduce to approximately R 275 million.

Council is also requested to strongly consider a bulk bad debt write-off of long outstanding / irrecoverable debt.



3.3.10 Debtors Collection Rate (93.5%)

The overall Debtors Collection Rate as at 30 June 2023 equates to 93.5% (Row 14 in Table 14 below), compared to the National Treasury norm of 95%.

Table 14: Debtor Collection Rate

Row Number	Month	Annual / Monthly Billing	Payments Received	% Revenue Collected	Year-to-Date Billing	Year-to-Date Payments Received	Year-to-Date % Revenue Collected	% Increase in Payment Rate
Column Reference	A	B	C	D	E	F	G	H
1	July 2022(Annual)	136,724,321	40,927,564	24.3%	168,513,207	40,927,564	24.3%	24.3%
2	July 2022 (Monthly)	31,788,886						
3	August 2022 (Monthly)	46,022,226	83,027,633	180.4%	214,535,433	123,955,197	57.8%	33.5%
4	September 2022 (Monthly)	46,757,225	64,497,473	137.9%	261,292,658	188,452,670	72.1%	14.3%
5	October 2022 (Monthly)	45,506,499	56,396,425	123.9%	306,799,157	244,849,095	79.8%	7.7%
6	November 2022 (Monthly)	45,286,180	47,563,815	105.0%	352,085,338	292,412,910	83.1%	3.2%
7	December 2022 (Monthly)	47,988,834	42,357,897	88.3%	400,074,171	334,770,807	83.7%	0.6%
8	January 2023 (Monthly)	45,426,516	51,457,380	113.3%	445,500,687	386,228,187	86.7%	3.0%
9	February 2023 (Monthly)	42,795,774	46,460,257	108.6%	488,296,462	432,688,444	88.6%	1.9%
10	March 2023 (Monthly)	44,876,767	52,167,687	116.2%	533,173,229	484,856,131	90.9%	2.3%
11	April 2023 (Monthly)	47,837,397	42,448,550	88.7%	581,010,625	527,304,681	90.8%	-0.2%
12	May 2023 (Monthly)	45,151,416	44,093,450	97.7%	626,162,041	571,398,131	91.3%	0.5%
13	June 2023 (Monthly)	41,907,593	53,222,185	127.0%	668,069,634	624,620,316	93.5%	2.2%
14	**Totals**	**668,069,634**	**624,620,316**	**93.5%**	**668,069,634**	**624,620,316**	**93.5%**	**2.2%**

3.3.11 Capital Expenditure per Directorate (81.2%)

The year-to-date actual capital expenditure of R 91.9 million (Row 9 in Table 15 below) equates to 81.2% (Row 10 in Table 15 below) of the capital expenditure budget of R 113.2 million. Commitments of R 16.7 million (14.8%) and the year-to-date actual capital expenditure in total equates to R 108.6 million or 96.0% of the capital expenditure budget.

Table 15 Capital Expenditure per Directorate

Row Number	Directorate	Original Budget (OB)	Adjustments Budget (AB)	Year-to-Date Budget	Year-to-Date Actual Expenditure	Commitments	Year-to-Date Actual Expenditure and Commitments	Actual Expenditure and Commitments as a % of AB	Available Funds
Column Reference	A	B	C	D	E	F	G	H	I
1	Executive and Council	350,000	11,955	11,955	11,955	0	11,955	100.0%	0
2	Corporate Services	2,839,700	3,078,596	3,078,596	1,186,781	10,000	1,196,781	38.9%	1,881,815
3	Financial Services	445,000	4,000	4,000	362,526	0	362,526	9063.2%	-358,526
4	Planning and Development	524,550	216,631	216,631	200,417	3,940	204,357	94.3%	12,274
5	Integrated Human Settlements	2,012,445	7,005,445	7,005,445	1,504,713	276	1,504,989	21.5%	5,500,456
6	Community Services	18,370,217	10,967,534	10,967,534	9,016,380	1,675,120	10,691,500	97.5%	276,034
7	Electrical Services	16,810,435	23,214,624	23,214,624	20,130,091	2,733,613	22,863,704	98.5%	350,920
8	Technical Services	76,221,934	68,658,441	68,658,441	59,485,056	12,312,572	71,797,628	104.6%	-3,139,187
9	Grand Total	117,574,281	113,157,226	113,157,226	91,897,919	16,735,521	108,633,440	96.0%	4,523,786
10				% of Adjusted Budget =	81.2%	14.8%	96.0%		4.0%

3.3.12 Capital Expenditure per Funding Source 81.2%)

Table 16 below depicts the same financial information contained in Table 15 above however, Table 16 categorises the capital expenditure by funding source.

Table 16: Capital Expenditure per Funding Source

Row Number	Funding Source	Original Budget (OB)	Adjustments Budget (AB)	Year-to-Date Budget	Year-to-Date Actual Expenditure	Commitments	Year-to-Date Actual Expenditure and Commitments	Actual Expenditure and Commitments as a % of AB	Available Funds
Column Reference	A	B	C	D	E	F	G	H	I
1	National Government Grants	46,468,086	38,294,174	38,294,174	35,761,610	7,321,071	43,082,681	112.5%	-4,788,507
2	Provincial Government Grant	0	7,893,000	7,893,000	2,086,840	0	2,086,840	26.4%	5,806,160
3	District Municipality Grant	0	120,000	120,000	0	0	0	0.0%	120,000
4	Borrowings	65,352,445	61,640,038	61,640,038	50,049,284	8,669,210	58,718,494	95.3%	2,921,544
5	Internally Generated Funds	5,753,750	5,210,014	5,210,014	4,000,185	745,240	4,745,425	91.1%	464,589
6	Grand Total	117,574,281	113,157,226	113,157,226	91,897,919	16,735,521	108,633,440	96.0%	4,523,786
7				% of Adjusted Budget =	81.2%	14.8%	96.0%		4.0%

The year-to-date actual and committed capital expenditure is funded by National and Provincial Government grants of 112.5% and 26.4%; external borrowings of 95.3%; and, internally generated funds of 91.1%.

Year-to-date actual capital expenditure of R 91.9 million (81.2%) and capital commitments of R 16.7 million (14.8%) of the capital expenditure budget results in available funds of R 4.5 million (4.0%), which should have been spent by 30 June 2023.

3.4 Cost Containment

During recent years, National Treasury highlighted the extent of the wastage of public resources on unnecessary expenditure. In an attempt to promote good governance and the management of municipal finances, National Treasury gazetted Cost Containment Regulations to ensure that municipal resources are used effectively, efficiently and economically. As per the Regulation, municipalities are required to implement cost saving measures, and to provide a quarterly report thereon to Council.

Table 17 below presents the budget, expenditure and savings realised on the cost containment categories of expenditure to be reported on as per the National Treasury Cost Containment Regulations.

Table 17: Cost Containment

Row Number	Expenditure Measures	Approved Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	Year-to-Date Expenditure	% of Approved Budget	Available Budgeted Expenditure
Column Reference	A	B	C	D	E	F	G	H	I
1	Use of Consultants	19,820,332	2,898,340	3,440,322	3,020,838	6,456,438	15,815,938	79.8%	4,004,394
2	Vehicles used for political office-bearers	0	0	0	0	0	0	0.0%	0
3	Travel and Subsistence	1,442,962	140,595	216,358	192,271	274,535	823,758	57.1%	619,204
4	Domestic Accommodation	311,585	60,649	25,858	53,634	71,245	211,386	67.8%	100,199
5	Sponsorships, Events and Catering	1,126,400	94,500	164,500	170,038	73,388	502,426	44.6%	623,974
6	Communication	181,710	825	53,196	98,151	24,040	176,212	97.0%	5,498
7	Other related expenditure items	0	0	0	0	0	0	0	0
8	**Totals**	**22,882,989**	**3,194,909**	**3,900,234**	**3,534,931**	**6,899,645**	**17,529,719**	**76.6%**	**5,353,270**

3.5 Remedial or Corrective Steps

a) Strengthen Debt Collection and Credit Control processes;
b) Conversion of all conventional meters to prepaid meters;
c) Amendments to the Debt Collection and Credit Control policies;
d) Implementation of Revenue Enhancement strategies recommended by DBSA;
e) Traffic Fines Service Provider to improve performance;
f) Development and implementation of drastic cost reduction measures

g) Strict expenditure control;
h) Closely monitor and manage the performance of Service Providers / Contractors;
i) Ascertain the level of dependency on external Consultants;
j) Improve Cashflow Management to ensure long-term financial sustainability;
k) Human Settlements Department to ensure claims are processed timeously and all uncollected Grants settled immediately;
l) Approve a functional and cost-effective organogram;
m) Review and approval of the Overtime and Standby Policy:
n) Implementation of the Overtime and Standby Project;
o) Implementation of Shift Systems; and
p) Approve fully funded, realistic and credible Budgets.

3.6 Conclusion

There is an immediate need for an effective financial turnaround strategy to address cashflow issues of the Municipality. Council approved the 2023/2024 budget which includes a Recovery Plan. This plan sets out the measures the Municipality will implement in order to achieve a funded budget. The plan will furthermore include timeframes and targets which will be monitored on a monthly basis by relevant structures within the Municipality. The recovery plan focusses on cost containment, improved cash flow, revenue enhancement, as well as creditors payment rate to ensure that fixed obligations are met.

The effect of economic factors e.g. electricity loadshedding, increase of the repo rate, increase in petrol price etc., with the associated impact on the Municipality, should also be taken into consideration when ascertaining contributors to the weakened cashflow.

OMBALI PHINEAS SEBOLA
MUNICIPAL MANAGER
DATE: 14 JULY 2023

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, **Ombali Phineas Sebola** the Acting Municipal Manager of Knysna Municipality, hereby certify that -

X	The monthly budget statement
X	The quarterly report on the implementation of the budget and financial state of affairs of the municipality
	The mid-year budget and performance assessment

for the month and quarter, June the 2022/2023 financial year has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

OMBALI PHINEAS SEBOLA
MUNICIPAL MANAGER
DATE:

PART 2: IN-YEAR BUDGET STATEMENT SCHEDULES

Table C1: Monthly Budget Statement Summary

WC048 Knysna - Table C1 Monthly Budget Statement Summary - M12 June

Description	2021/22	Budget Year 2022/23							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	248,030	261,552	258,520	15,058	258,427	258,520	(92)	-0%	258,520
Service charges	433,081	486,050	469,009	37,682	445,975	469,009	(23,034)	-5%	469,009
Investment revenue	1,982	2,046	1,734	197	2,014	1,734	280	16%	1,734
Transfers and subsidies	119,119	154,946	134,674	6,582	156,873	134,674	22,200	16%	134,674
Other own revenue	165,657	157,465	215,950	13,208	146,815	215,950	(69,135)	-32%	215,950
Total Revenue (excluding capital transfers and contributions)	**967,869**	**1,062,059**	**1,079,887**	**72,727**	**1,010,105**	**1,079,887**	**(69,781)**	**-6%**	**1,079,887**
Employee costs	287,942	299,851	289,716	25,953	287,864	289,716	(1,852)	-1%	289,716
Remuneration of Councillors	9,401	9,749	9,749	774	9,787	9,749	38	0%	9,749
Depreciation & asset impairment	56,420	43,688	43,688	–	43,688	43,688	0	0%	43,688
Finance charges	28,726	28,846	28,346	14,270	28,428	28,346	81	0%	28,346
Inventory consumed and bulk purchases	284,217	300,940	302,981	22,064	260,692	302,981	(42,289)	-14%	302,981
Transfers and subsidies	1,939	1,917	3,145	213	1,669	3,145	(1,476)	-47%	3,145
Other expenditure	362,611	376,284	402,211	28,468	284,666	402,211	(117,545)	-29%	402,211
Total Expenditure	**1,031,255**	**1,061,275**	**1,079,836**	**91,743**	**916,794**	**1,079,836**	**(163,042)**	**-15%**	**1,079,836**
Surplus/(Deficit)	**(63,386)**	**784**	**51**	**(19,015)**	**93,311**	**51**	**93,261**	**184398%**	**51**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	40,015	46,468	46,307	8,972	34,246	46,307	(12,062)	-26%	46,307
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	222	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**	**81,199**	**175%**	**46,358**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**	**81,199**	**175%**	**46,358**
Capital expenditure & funds sources									
Capital expenditure	–	**117,574**	**113,157**	**19,507**	**91,898**	**113,157**	**(21,259)**	**-19%**	**113,157**
Capital transfers recognised	–	46,468	46,307	11,145	38,016	46,307	(8,292)	-18%	46,307
Borrowing	–	61,190	61,640	7,771	49,882	61,640	(11,758)	-19%	61,640
Internally generated funds	–	9,916	5,210	591	4,000	5,210	(1,210)	-23%	5,210
Total sources of capital funds	–	**117,574**	**113,157**	**19,507**	**91,898**	**113,157**	**(21,259)**	**-19%**	**113,157**
Financial position									
Total current assets	207,815	300,236	211,029		218,116				211,029
Total non current assets	1,503,436	1,620,963	1,572,906		1,583,365				1,572,906
Total current liabilities	277,593	239,234	271,657		228,143				271,657
Total non current liabilities	421,025	475,956	447,752		434,436				447,752
Community wealth/Equity	**1,038,213**	**1,206,009**	**1,066,955**		**1,013,773**				**1,066,955**
Cash flows									
Net cash from (used) operating	152,802	88,230	59,276	19,808	258,775	59,276	(199,499)	-337%	59,276
Net cash from (used) investing	(112,438)	(117,324)	(111,052)	(15,604)	(91,314)	(111,052)	(19,738)	18%	(111,052)
Net cash from (used) financing	(35,043)	26,325	(34,865)	(18,414)	(44,515)	(34,865)	9,651	-28%	(34,865)
Cash/cash equivalents at the month/year end	**40,524**	**22,613**	**17,850**	**(13,232)**	**20,358**	**17,850**	**(2,508)**	**-14%**	**15,624**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	45,581	17,503	11,524	10,945	10,070	8,294	97,354	171,428	372,698
Creditors Age Analysis									
Total Creditors	12,247	–	–	–	–	–	–	–	12,247

Table C2: Financial Performance (Standard Classification)

WC048 Knysna - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**288,631**	**297,736**	**301,279**	**15,352**	**297,932**	**301,279**	(3,346)	-1%	**301,279**
Executive and council		10,221	4,366	6,221	(1,787)	4,422	6,221	(1,799)	-29%	6,221
Finance and administration		278,410	293,370	295,058	17,139	293,511	295,058	(1,547)	-1%	295,058
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**135,410**	**154,802**	**179,613**	**13,261**	**126,612**	**179,613**	(53,002)	-30%	**179,613**
Community and social services		12,733	12,292	12,251	104	12,026	12,251	(225)	-2%	12,251
Sport and recreation		1,276	1,464	1,295	226	1,460	1,295	165	13%	1,295
Public safety		96,249	119,156	119,281	8,926	89,193	119,281	(30,088)	-25%	119,281
Housing		25,150	21,890	46,786	4,005	23,933	46,786	(22,853)	-49%	46,786
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**24,054**	**21,587**	**24,157**	**2,606**	**22,486**	**24,157**	(1,670)	-7%	**24,157**
Planning and development		10,860	11,022	10,147	1,768	10,793	10,147	646	6%	10,147
Road transport		12,986	10,565	13,117	710	10,938	13,117	(2,179)	-17%	13,117
Environmental protection		207	–	893	127	756	893	(137)	-15%	893
Trading services		**560,011**	**634,401**	**621,145**	**50,481**	**597,320**	**621,145**	(23,825)	-4%	**621,145**
Energy sources		329,886	388,147	370,423	32,961	347,603	370,423	(22,820)	-6%	370,423
Water management		112,524	109,508	118,714	5,866	117,387	118,714	(1,327)	-1%	118,714
Waste water management		70,848	87,572	81,845	9,267	80,761	81,845	(1,084)	-1%	81,845
Waste management		46,753	49,175	50,163	2,387	51,569	50,163	1,406	3%	50,163
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,008,105**	**1,108,527**	**1,126,194**	**81,699**	**1,044,351**	**1,126,194**	**(81,843)**	**-7%**	**1,126,194**
Expenditure - Functional										
Governance and administration		**176,989**	**200,325**	**188,165**	**18,062**	**176,409**	**188,165**	(11,756)	-6%	**188,165**
Executive and council		30,482	30,732	23,916	2,934	16,910	23,916	(7,007)	-29%	23,916
Finance and administration		142,623	165,375	159,640	14,634	155,599	159,640	(4,042)	-3%	159,640
Internal audit		3,884	4,218	4,608	493	3,901	4,608	(707)	-15%	4,608
Community and public safety		**238,717**	**236,194**	**268,810**	**16,748**	**161,956**	**268,810**	(106,854)	-40%	**268,810**
Community and social services		16,093	17,501	22,149	2,338	21,802	22,149	(347)	-2%	22,149
Sport and recreation		22,143	22,940	23,659	1,659	24,140	23,659	481	2%	23,659
Public safety		153,895	152,492	157,896	5,266	68,028	157,896	(89,868)	-57%	157,896
Housing		46,586	43,262	65,106	7,485	47,985	65,106	(17,121)	-26%	65,106
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**76,439**	**87,703**	**79,103**	**8,035**	**74,669**	**79,103**	(4,435)	-6%	**79,103**
Planning and development		35,350	44,021	38,380	3,494	35,733	38,380	(2,646)	-7%	38,380
Road transport		36,481	37,020	33,714	4,002	32,817	33,714	(897)	-3%	33,714
Environmental protection		4,608	6,662	7,010	540	6,119	7,010	(891)	-13%	7,010
Trading services		**531,809**	**537,053**	**543,758**	**48,898**	**503,760**	**543,758**	(39,997)	-7%	**543,758**
Energy sources		308,251	339,324	336,779	27,832	290,650	336,779	(46,129)	-14%	336,779
Water management		88,720	73,560	83,717	9,841	91,512	83,717	7,795	9%	83,717
Waste water management		77,836	77,748	77,564	7,467	75,385	77,564	(2,179)	-3%	77,564
Waste management		57,001	46,421	45,697	3,759	46,213	45,697	516	1%	45,697
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**1,023,954**	**1,061,275**	**1,079,836**	**91,743**	**916,794**	**1,079,836**	**(163,042)**	**-15%**	**1,079,836**
Surplus/ (Deficit) for the year		**(15,849)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**	**81,199**	**175%**	**46,358**

Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)

WC048 Knysna - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (1: IE)		5,292	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES (2: IE)		–	–	660	–	–	660	(660)	-100.0%	660
Vote 3 - COMMUNITY SERVICES (3: IE)		21,384	–	1,633	652	3,010	1,633	1,377	84.4%	1,633
Vote 4 - FINANCIAL SERVICES (4: IE)		–	–	55	1	56	55	1	1.4%	55
Vote 5 - OPERATING SERVICES (5: IE)		11,671	–	8,410	448	3,024	8,410	(5,387)	-64.0%	8,410
Vote 6 - (6: IE)		–	–	–	–	–	–	–		–
Vote 7 - 1. Executive AND Council (7: IE)		5,079	4,366	6,221	(1,787)	4,422	6,221	(1,799)	-28.9%	6,221
Vote 8 - 2. Corporate (8: IE)		3,581	4,165	5,929	352	6,093	5,929	164	2.8%	5,929
Vote 9 - 3. Finance (9: IE)		274,656	274,017	273,226	16,773	272,024	273,226	(1,202)	-0.4%	273,226
Vote 10 - (10: IE)		–	–	–	–	–	–	–		–
Vote 11 - 5. Planning (11: IE)		6,216	4,698	5,942	773	6,872	5,942	930	15.6%	5,942
Vote 12 - 6. Community (12: IE)		160,464	202,760	202,031	11,245	171,740	202,031	(30,291)	-15.0%	202,031
Vote 13 - 7. Electricity (13: IE)		325,405	388,147	370,423	32,961	347,603	370,423	(22,820)	-6.2%	370,423
Vote 14 - 8. Technical (14: IE)		190,590	208,484	204,878	16,300	205,602	204,878	724	0.4%	204,878
Vote 15 - 9. Housing Services (16: IE)		3,766	21,890	46,786	3,982	23,906	46,786	(22,880)	-48.9%	46,786
Total Revenue by Vote	2	**1,008,105**	**1,108,527**	**1,126,194**	**81,699**	**1,044,351**	**1,126,194**	**(81,843)**	**-7.3%**	**1,126,194**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (1: IE)		297	–	300	15	297	300	(2)	-0.8%	300
Vote 2 - CORPORATE SERVICES (2: IE)		20	–	31	21	81	31	50	160.5%	31
Vote 3 - COMMUNITY SERVICES (3: IE)		1	–	5,246	445	2,099	5,246	(3,147)	-60.0%	5,246
Vote 4 - FINANCIAL SERVICES (4: IE)		–	–	92	10	34	92	(59)	-63.7%	92
Vote 5 - OPERATING SERVICES (5: IE)		8	–	32	18	79	32	47	146.0%	32
Vote 6 - (6: IE)		–	–	–	–	–	–	–		–
Vote 7 - 1. Executive AND Council (7: IE)		38,020	39,687	33,086	3,691	24,821	33,086	(8,265)	-25.0%	33,086
Vote 8 - 2. Corporate (8: IE)		56,813	61,230	63,139	6,557	60,267	63,139	(2,871)	-4.5%	63,139
Vote 9 - 3. Finance (9: IE)		70,622	82,114	79,884	6,772	79,618	79,884	(266)	-0.3%	79,884
Vote 10 - (10: IE)		–	–	–	–	–	–	–		–
Vote 11 - 5. Planning (11: IE)		24,582	31,389	29,520	2,784	26,572	29,520	(2,948)	-10.0%	29,520
Vote 12 - 6. Community (12: IE)		265,282	261,936	262,657	14,104	174,683	262,657	(87,974)	-33.5%	262,657
Vote 13 - 7. Electricity (13: IE)		311,251	342,861	340,706	28,189	293,986	340,706	(46,720)	-13.7%	340,706
Vote 14 - 8. Technical (14: IE)		210,474	198,797	203,946	21,968	206,815	203,946	2,869	1.4%	203,946
Vote 15 - 9. Housing Services (16: IE)		46,586	43,262	61,197	7,168	47,441	61,197	(13,756)	-22.5%	61,197
Total Expenditure by Vote	2	**1,023,954**	**1,061,275**	**1,079,836**	**91,743**	**916,794**	**1,079,836**	**(163,042)**	**-15.1%**	**1,079,836**
Surplus/ (Deficit) for the year	2	**(15,849)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**	**81,199**	**175.2%**	**46,358**

Table C4: Financial Performance (Revenue and Expenditure)

WC048 Knysna - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		248,030	261,552	258,520	15,058	258,427	258,520	(92)	0%	258,520
Service charges - electricity revenue		308,181	354,321	334,299	28,957	309,995	334,299	(24,304)	-7%	334,299
Service charges - water revenue		71,814	74,586	77,567	5,180	78,274	77,567	707	1%	77,567
Service charges - sanitation revenue		28,092	29,311	29,311	1,840	29,240	29,311	(71)	0%	29,311
Service charges - refuse revenue		24,994	27,832	27,832	1,704	28,466	27,832	634	2%	27,832
Rental of facilities and equipment		4,799	5,444	6,589	361	5,886	6,589	(703)	-11%	6,589
Interest earned - external investments		1,982	2,046	1,734	197	2,014	1,734	280	16%	1,734
Interest earned - outstanding debtors		19,453	19,322	28,114	2,531	30,016	28,114	1,902	7%	28,114
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		96,385	119,059	119,059	8,883	89,064	119,059	(29,995)	-25%	119,059
Licences and permits		1,466	1,698	1,698	118	1,449	1,698	(249)	-15%	1,698
Agency services		3,997	3,830	3,830	434	4,086	3,830	256	7%	3,830
Transfers and subsidies		119,119	154,946	134,674	6,582	156,873	134,674	22,200	16%	134,674
Other revenue		38,987	7,862	54,556	880	14,147	54,556	(40,408)	-74%	54,556
Gains		570	250	2,105	0	2,167	2,105	62	3%	2,105
Total Revenue (excluding capital transfers and contributions)		**967,869**	**1,062,059**	**1,079,887**	**72,727**	**1,010,105**	**1,079,887**	**(69,781)**	**-6%**	**1,079,887**
Expenditure By Type										
Employee related costs		287,942	299,851	289,716	25,953	287,864	289,716	(1,852)	-1%	289,716
Remuneration of councillors		9,401	9,749	9,749	774	9,787	9,749	38	0%	9,749
Debt impairment		146,709	148,241	144,851	3,898	55,601	144,851	(89,250)	-62%	144,851
Depreciation & asset impairment		56,420	43,688	43,688	–	43,688	43,688	0	0%	43,688
Finance charges		28,726	28,846	28,346	14,270	28,428	28,346	81	0%	28,346
Bulk purchases - electricity		240,866	262,156	256,505	16,617	208,704	256,505	(47,801)	-19%	256,505
Inventory consumed		43,351	38,784	46,476	5,447	51,988	46,476	5,512	12%	46,476
Contracted services		156,429	166,577	190,036	18,255	167,702	190,036	(22,333)	-12%	190,036
Transfers and subsidies		1,939	1,917	3,145	213	1,669	3,145	(1,476)	-47%	3,145
Other expenditure		56,257	61,466	67,325	6,315	60,142	67,325	(7,183)	-11%	67,325
Losses		3,216	–	–	–	1,221	–	1,221	#DIV/0!	–
Total Expenditure		**1,031,255**	**1,061,275**	**1,079,836**	**91,743**	**916,794**	**1,079,836**	**(163,042)**	**-15%**	**1,079,836**
Surplus/(Deficit)		**(63,386)**	**784**	**51**	**(19,015)**	**93,311**	**51**	**93,261**	**2**	**51**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		40,015	46,468	46,307	8,972	34,246	46,307	(12,062)	(0)	46,307
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		222	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**			**46,358**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**			**46,358**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**			**46,358**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(23,150)**	**47,252**	**46,358**	**(10,043)**	**127,557**	**46,358**			**46,358**

Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)

WC048 Knysna - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description R thousands	Ref 1	2021/22 Audited Outcome	Budget Year 2022/23 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
		–	–	9,530	3,318	9,004	9,530	(527)	-6%	9,530
		–	350	12	–	12	12	–		12
		–	2,840	3,079	187	1,187	3,079	(1,892)	-61%	3,079
		–	445	4	3	363	4	359	8963%	4
		–	525	217	–	200	217	(16)	-7%	217
		–	18,370	9,453	577	7,705	9,453	(1,748)	-18%	9,453
		–	16,810	21,685	3,592	19,008	21,685	(2,677)	-12%	21,685
		–	76,222	65,978	11,830	54,420	65,978	(11,559)	-18%	65,978
		–	2,012	3,200	–	–	3,200	(3,200)	-100%	3,200
Total Capital single-year expenditure	4	–	117,574	113,157	19,507	91,898	113,157	**(21,259)**	**-19%**	113,157
Total Capital Expenditure		–	**117,574**	**113,157**	**19,507**	**91,898**	**113,157**	**(21,259)**	**-19%**	**113,157**
Capital Expenditure - Functional Classification										
Governance and administration		–	**3,659**	**5,343**	**190**	**3,579**	**5,343**	(1,763)	-33%	**5,343**
Executive and council		–	100	12	–	12	12	–		12
Finance and administration		–	3,559	5,331	190	3,567	5,331	(1,763)	-33%	5,331
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**16,783**	**13,005**	**783**	**5,553**	**13,005**	(7,452)	-57%	**13,005**
Community and social services		–	1,200	1,937	–	1,753	1,937	(184)	-10%	1,937
Sport and recreation		–	9,765	400	52	275	400	(125)	-31%	400
Public safety		–	3,805	3,663	525	2,021	3,663	(1,642)	-45%	3,663
Housing		–	2,012	7,005	205	1,505	7,005	(5,501)	-79%	7,005
Health		–	–	–	–	–	–	–		–
Economic and environmental services		–	**33,585**	**40,371**	**8,678**	**40,171**	**40,371**	(200)	0%	**40,371**
Planning and development		–	500	500	143	277	500	(223)	-45%	500
Road transport		–	32,585	39,856	8,535	39,884	39,856	28	0%	39,856
Environmental protection		–	500	15	–	11	15	(4)	-27%	15
Trading services		–	**63,547**	**54,438**	**9,856**	**42,594**	**54,438**	(11,844)	-22%	**54,438**
Energy sources		–	16,810	21,215	3,842	18,312	21,215	(2,903)	-14%	21,215
Water management		–	20,800	15,687	4,508	11,029	15,687	(4,658)	-30%	15,687
Waste water management		–	22,337	12,569	1,507	8,285	12,569	(4,284)	-34%	12,569
Waste management		–	3,600	4,968	–	4,968	4,968	(0)	0%	4,968
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	–	**117,574**	**113,157**	**19,507**	**91,898**	**113,157**	**(21,259)**	**-19%**	**113,157**
Funded by:										
National Government		–	46,468	38,294	9,058	35,929	38,294	(2,365)	-6%	38,294
Provincial Government		–	–	7,893	2,087	2,087	7,893	(5,806)	-74%	7,893
District Municipality		–	–	120	–	–	120	(120)	-100%	120
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		–	–	–	–	–	–	–		–
Transfers recognised - capital		–	**46,468**	**46,307**	**11,145**	**38,016**	**46,307**	**(8,292)**	**-18%**	**46,307**
Borrowing	6	–	61,190	61,640	7,771	49,882	61,640	(11,758)	-19%	61,640
Internally generated funds		–	9,916	5,210	591	4,000	5,210	(1,210)	-23%	5,210
Total Capital Funding		–	**117,574**	**113,157**	**19,507**	**91,898**	**113,157**	**(21,259)**	**-19%**	**113,157**

Table C6: Financial Position

WC048 Knysna - Table C6 Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2021/22	Budget Year 2022/23			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		33,903	7,824	9,002	20,338	9,002
Call investment deposits		6,621	14,789	6,621	19	6,621
Consumer debtors		115,180	130,892	143,294	115,802	143,294
Other debtors		38,290	133,019	38,290	70,439	38,290
Current portion of long-term receivables		4	4	4	4	4
Inventory		13,818	13,709	13,818	11,513	13,818
Total current assets		**207,815**	**300,236**	**211,029**	**218,116**	**211,029**
Non current assets						
Long-term receivables		2,450	2,318	2,450	2,450	2,450
Investments		2,742	4,108	2,742	2,929	2,742
Investment property		68,760	69,521	68,640	68,760	68,640
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,411,969	1,527,016	1,481,572	1,491,711	1,481,572
Biological		–	500	–	–	–
Intangible		80	64	67	80	67
Other non-current assets		17,435	17,435	17,435	17,435	17,435
Total non current assets		**1,503,436**	**1,620,963**	**1,572,906**	**1,583,365**	**1,572,906**
TOTAL ASSETS		**1,711,252**	**1,921,199**	**1,783,935**	**1,801,481**	**1,783,935**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		51,448	36,992	51,046	51,046	51,046
Consumer deposits		14,573	13,509	14,573	14,928	14,573
Trade and other payables		173,232	152,949	167,698	120,174	167,698
Provisions		38,340	35,784	38,340	41,995	38,340
Total current liabilities		**277,593**	**239,234**	**271,657**	**228,143**	**271,657**
Non current liabilities						
Borrowing		291,659	333,269	318,387	311,417	318,387
Provisions		129,365	142,687	129,365	123,019	129,365
Total non current liabilities		**421,025**	**475,956**	**447,752**	**434,436**	**447,752**
TOTAL LIABILITIES		**698,618**	**715,190**	**719,409**	**662,580**	**719,409**
NET ASSETS	2	**1,012,634**	**1,206,009**	**1,064,526**	**1,138,901**	**1,064,526**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,012,634	1,206,009	1,064,526	1,138,901	1,064,526
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,012,634**	**1,206,009**	**1,064,526**	**1,138,901**	**1,064,526**

Table C7: Cash Flow

WC048 Knysna - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		226,398	240,363	232,061	15,355	237,376	232,061	5,315	2%	232,061
Service charges		284,789	470,484	440,414	28,019	311,691	440,414	(128,723)	-29%	440,414
Other revenue		27,515	30,554	95,853	1,702	24,838	95,853	(71,015)	-74%	95,853
Transfers and Subsidies - Operational		75,558	154,946	134,754	114	109,684	134,754	(25,070)	-19%	134,754
Transfers and Subsidies - Capital		581	46,468	46,307	–	–	46,307	(46,307)	-100%	46,307
Interest		1,366	2,046	1,734	–	493	1,734	(1,242)	-72%	1,734
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(486,481)	(825,868)	(859,806)	(39,541)	(453,604)	(859,806)	(406,202)	47%	(859,806)
Finance charges		23,287	(28,846)	(28,346)	14,266	28,403	(28,346)	(56,750)	200%	(28,346)
Transfers and Grants		(212)	(1,917)	(3,695)	(106)	(106)	(3,695)	(3,589)	97%	(3,695)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**152,802**	**88,230**	**59,276**	**19,808**	**258,775**	**59,276**	**(199,499)**	**-337%**	**59,276**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		4	250	2,105	0	2,105	2,105	0	0%	2,105
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(112,442)	(117,574)	(113,157)	(15,604)	(93,419)	(113,157)	(19,738)	17%	(113,157)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(112,438)**	**(117,324)**	**(111,052)**	**(15,604)**	**(91,314)**	**(111,052)**	**(19,738)**	**18%**	**(111,052)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	61,190	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(1,925)	–	–	(32)	(886)	–	(886)	#DIV/0!	–
Payments										
Repayment of borrowing		(33,118)	(34,865)	(34,865)	(18,381)	(43,629)	(34,865)	8,765	-25%	(34,865)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(35,043)**	**26,325**	**(34,865)**	**(18,414)**	**(44,515)**	**(34,865)**	**9,651**	**-28%**	**(34,865)**
NET INCREASE/ (DECREASE) IN CASH HELD		**5,321**	**(2,768)**	**(86,641)**	**(14,209)**	**122,946**	**(86,641)**			**(86,641)**
Cash/cash equivalents at beginning:		35,203	25,381	104,490	977	(102,589)	104,490			(102,589)
Cash/cash equivalents at month/year end:		40,524	22,613	17,850	(13,232)	20,358	17,850			15,624

Supporting Table SC3: Debtors Age Analysis

WC048 Knysna - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2022/23											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,343	2,706	2,589	1,950	1,852	2,010	22,038	25,525	65,014	53,375	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	16,530	5,550	3,073	2,702	3,484	2,148	13,966	29,908	77,360	52,208	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	17,140	6,341	3,561	2,969	2,483	2,236	28,535	43,088	106,354	79,312	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	2,593	1,374	1,099	1,041	986	919	17,400	38,485	63,896	58,830	–	–
Receivables from Exchange Transactions - Waste Management	1600	2,408	1,238	951	907	848	780	14,282	34,133	55,546	50,950	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	386	149	96	139	41	51	442	6,954	8,257	7,626	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	180	146	155	1,237	375	150	691	(6,665)	(3,729)	(4,212)	–	–
Total By Income Source	**2000**	**45,581**	**17,503**	**11,524**	**10,945**	**10,070**	**8,294**	**97,354**	**171,428**	**372,698**	**298,091**	**–**	**–**
2021/22 - totals only		42,511	15,132	9,611	8,361	17,671	6,188	90,801	154,337	344,612	277,358	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	1,737	642	433	341	342	214	2,404	1,430	7,542	4,730	–	–
Commercial	2300	15,548	6,043	4,444	3,964	3,792	3,627	32,827	51,258	121,503	95,469	–	–
Households	2400	28,296	10,818	6,647	6,639	5,936	4,454	62,123	118,740	243,653	197,892	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**45,581**	**17,503**	**11,524**	**10,945**	**10,070**	**8,294**	**97,354**	**171,428**	**372,698**	**298,091**	**–**	**–**

Supporting Table SC4: Creditors Age Analysis

WC048 Knysna - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description R thousands	NT Code	Budget Year 2022/23									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	27	–	–	–	–	–	–	–	27	6,503
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repay ments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	12,220	–	–	–	–	–	–	–	12,220	18,011
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**12,247**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**12,247**	**24,514**

Supporting Table SC5: Investment Portfolio

WC048 Knysna - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ›	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Nedbank - Business (Ringfenced_WSIG)	03/7881173637/02	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	(0)	–	–	–	(0)
Nedbank - Business (Ringfenced_MIG)	03/7881042702/17	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	(0)	–	–	–	(0)
Nedbank - Business (Ringfenced_NDPG)	03/7881085932/03	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	(0)	–	–	–	(0)
Investec - (Ceded to DBSA)	021941-500	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	2,910	19	–	–	2,929
Investec - (Own Funds)	021941-503	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	19	0	–	–	19
Investec - (Own Funds)	021941-501	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	0	0	–	–	0
Nedbank - Various PT/NT GRANTS	03/7881531940/54	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	(0)	–	–	–	(0)
Standard Bank - MIG2021/22	288567420-029	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	–	–	–	–	–
Standard Bank - NDPG 2021/22	288567420-030	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	0	–		–	0
Standard Bank - PESG	288567420-031	Call	Call Deposit	Call Deposit	Fixed	4.65%	0	0	Call Deposit	–	–	–	–	–
Municipality sub-total										2,929		–	–	2,949
TOTAL INVESTMENTS AND INTEREST	2									2,929		–	–	2,949

Supporting Table SC6: Transfers and Grant Receipts

WC048 Knysna - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		107,725	122,311	121,199	2,182	120,159	121,199	(1,040)	-0.9%	121,199
Equitable Share		98,572	111,170	111,170	–	111,172	111,170	2	0.0%	111,170
Expanded Public Works Programme Integrated Grant		1,118	1,044	1,158	121	1,051	1,158	(107)	-9.2%	1,158
Integrated National Electrification Programme Grant		–	1,400	1,400	297	1,307	1,400	(93)	-6.6%	1,400
Local Government Financial Management Grant		1,550	1,721	1,721	631	1,615	1,721	(106)	-6.1%	1,721
Municipal Infrastructure Grant		4,270	6,324	5,098	1,123	4,655	5,098	(443)	-8.7%	5,098
Neighbourhood Development Partnership Grant		975	652	652	10	359	652	(293)	-45.0%	652
Water Services Infrastructure Grant		1,240	–	–	–	–	–	–		–
Provincial Government:		10,984	32,635	11,345	4,094	34,747	11,345	23,402	206.3%	11,345
Grant Income - W C P A		10,773	32,635	10,795	3,987	34,640	10,795	23,845	220.9%	10,795
Grant Income - WCPA(FMCBG)		212	–	550	106	106	550	(444)	-80.6%	550
Ignite Hosting Fees		–	–	–	–	–	–	–		–
District Municipality:		207	–	1,893	255	1,811	1,893	(82)	-4.3%	1,893
Grant - W C P A		–	–	–	–	10	–	10	#DIV/0!	–
Grant Income - EDEN District(Food security)		–	–	1,000	128	1,045	1,000	45	4.5%	1,000
Grant Income - WCPA (Public Employment Support Grant)		207	–	893	127	756	893	(137)	-15.4%	893
Other grant providers:		203	–	237	52	156	237	(80)	-33.9%	237
Product		203	–	237	52	156	237	(80)	-33.9%	237
Total Operating Transfers and Grants	5	119,119	154,946	134,674	6,582	156,873	134,674	22,200	16.5%	134,674
Capital Transfers and Grants										
National Government:		35,570	46,468	38,294	8,972	34,246	38,294	(4,049)	-10.6%	38,294
Integrated National Electrification Programme Grant		–	9,330	9,330	1,979	8,712	9,330	(619)	-6.6%	9,330
Municipal Infrastructure Grant		20,635	32,790	24,616	6,929	23,142	24,616	(1,473)	-6.0%	24,616
Neighbourhood Development Partnership Grant		6,501	4,348	4,348	64	2,391	4,348	(1,956)	-45.0%	4,348
Water Services Infrastructure Grant		8,435	–	–	–	–	–	–		–
Provincial Government:		4,044	–	7,893	–	–	7,893	(7,893)	-100.0%	7,893
Capital Grant - Load-Shedding Relief(WCPA)		–	–	313	–	–	313	(313)	-100.0%	313
Capital Grant WCPA		4,044	–	5,493	–	–	5,493	(5,493)	-100.0%	5,493
VAT Capital Grant - Load-Shedding Relief(WCPA)		–	–	2,087	–	–	2,087	(2,087)	-100.0%	2,087
District Municipality:		–	–	120	–	–	120	(120)	-100.0%	120
Grant Income - EDEN District(Safety Initiative (CCTV))		–	–	120	–	–	120	(120)	-100.0%	120
Total Capital Transfers and Grants	5	39,615	46,468	46,307	8,972	34,246	46,307	(12,062)	-26.0%	46,307
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	158,734	201,414	180,981	15,555	191,119	180,981	10,138	5.6%	180,981

Supporting Table SC7(1): Transfers and Grant Expenditure

WC048 Knysna - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		29,422	35,742	36,496	5,057	36,542	36,496	46	0.1%	36,496
Equitable Share		24,843	31,021	32,211	4,094	31,796	32,211	(415)	-1.3%	32,211
Expanded Public Works Programme Integrated Grant		1,178	1,044	1,158	138	1,051	1,158	(107)	-9.2%	1,158
Local Government Financial Management Grant		1,550	1,721	1,721	668	1,725	1,721	4	0.2%	1,721
Municipal Infrastructure Grant		1,851	1,956	1,406	156	1,970	1,406	564	40.1%	1,406
Provincial Government:		39,421	23,556	40,487	4,930	32,400	40,487	(8,087)	-20.0%	40,487
Allowance: Acting		75	–	13	–	119	13	106	812.6%	13
Bonuses		72	–	–	150	150	–	150	#DIV/0!	–
Buildings		251	10	10	–	–	10	(10)	-100.0%	10
Fuel and Oil		115	155	125	12	128	125	4	3.0%	125
Fuel Management Rental Fee		4	4	4	0	3	4	(0)	-8.7%	4
Grant - W C P A		15,785	10,648	10,667	995	12,643	10,667	1,976	18.5%	10,667
Grant - W C P A (Bloemfontein)		347	–	–	–	–	–	–		–
Grant - W C P A (Ethembeni 180)		10,436	4,290	11,185	1,419	7,279	11,185	(3,906)	-34.9%	11,185
Grant - W C P A (FMSG)		–	–	–	–	–	–	–		–
Grant - W C P A (Happy Valley 95)		5,271	3,250	6,809	1,355	4,775	6,809	(2,034)	-29.9%	6,809
Grant - W C P A (Hlalani 273)		4,923	5,200	10,781	871	6,547	10,781	(4,234)	-39.3%	10,781
Grant - W C P A (Hornlee 395)		196	–	–	–	–	–	–		–
Grant - W C P A (Qolweni)		1,717	–	–	–	–	–	–		–
Grant - WCPA (Disaster)		–	–	–	–	–	–	–		–
Grant - WCPA (Public Employment Support Grant)		229	–	893	127	756	893	(137)	-15.4%	893
Grant - WCPA(FMCBG)		212	–	550	106	106	550	(444)	-80.7%	550
Greater Knysna Food Security Forum		–	–	1,000	128	1,045	1,000	45	4.5%	1,000
Grant - WCPA(WhiteLocation		–	9,100	–	26	4,703	–	4,703	#DIV/0!	–
Grant- WCPA (Flenters 23)		–	–	3,365	–	–	3,365	(3,365)	-100.0%	3,365
Grant-WCPA (Forensic Investigation)		150	–	–	–	–	–	–		–
Insurance 3rd Party		–	4	4	–	–	4	(4)	-100.0%	4
Project		–	1,339	–	–	–	–	–		–
Temp/Casual Staff		10	18	–	–	–	–	–		–
Temp/Casual Staff UIF		1	1	1	–	–	1	(1)	-100.0%	1
Title Deeds Restoration		–	–	–	–	–	–	–		–
Greater Knysna Food Security Forum		–	–	1,000	128	1,045	1,000	45	4.5%	1,000
Product		203	–	237	52	185	237	(52)	-21.8%	237
Total operating expenditure of Transfers and Grants:		69,054	59,298	77,533	10,093	69,048	77,533	(8,485)	-10.9%	77,533
Capital expenditure of Transfers and Grants										
National Government:		–	46,468	38,294	9,058	35,929	38,294	(2,365)	-6.2%	38,294
Integrated National Electrification Programme Grant		–	9,330	9,330	2,134	9,330	9,330	(0)	0.0%	9,330
Municipal Infrastructure Grant		–	32,790	24,616	6,799	24,146	24,616	(470)	-1.9%	24,616
Neighbourhood Development Partnership Grant		–	4,348	4,348	125	2,452	4,348	(1,896)	-43.6%	4,348
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		–	–	7,436	2,087	2,087	7,436	(5,349)	-71.9%	7,436
Emergency Municipal Load-Shedding Relief Grant		–	–	2,400	2,087	2,087	2,400	(313)	-13.0%	2,400
Ethembeni		–	–	720	–	–	720	(720)	-100.0%	720
Happy Valley		–	–	396	–	–	396	(396)	-100.0%	396
Hlalani		–	–	720	–	–	720	(720)	-100.0%	720
Hornlee Infill - Informal Settlements Upgrading Partnership Grar		–	–	–	–	–	–	–		–
Knysna Vision(1393) UISP		–	–	3,200	–	–	3,200	(3,200)	-100.0%	3,200
Safety Fence: Damsebos and Concordia		–	–	–	–	–	–	–		–
Safety Fence: Happy valley		–	–	–	–	–	–	–		–
Safety Fence: Hlalani		–	–	–	–	–	–	–		–
Safety Fence: Qolweni		–	–	–	–	–	–	–		–
Sedgefield Infill - Informal Settlements Upgrading Partnership Grant		–	–	–	–	–	–	–		–
Sedgefield ISSP (200)		–	–	–	–	–	–	–		–
CCTV camera Project - Safety Initiative		–	–	120	–	–	120	(120)	-100.0%	120
Total capital expenditure of Transfers and Grants		–	46,468	45,730	11,145	38,016	45,730	(7,715)	-16.9%	45,730
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		69,054	105,766	123,263	21,238	107,064	123,263	(16,199)	-13.1%	123,263

Supporting Table SC7(2): Expenditure against Approved Roll-overs

WC048 Knysna - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M12 June

Description	Ref	Budget Year 2022/23				
R thousands		Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance %
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		–	–	–	–	
Equitable Share					–	
					–	
					–	
					–	
					–	
					–	
					–	
Provincial Government:		–	–	–	–	
Grant Income - W C P A					–	
					–	
					–	
					–	
					–	
District Municipality:		–	–	–	–	
					–	
Grant - W C P A					–	
Other grant providers:		–	–	–	–	
					–	
Product					–	
Total operating expenditure of Approved Roll-overs		–	–	–	–	
Capital expenditure of Approved Roll-overs						
National Government:		–	–	–	–	
Integrated National Electrification Programme Grant					–	
					–	
					–	
					–	
					–	
					–	
Provincial Government:		–	–	–	–	
					–	
					–	
District Municipality:		–	–	–	–	
					–	
					–	
Other grant providers:		–	–	–	–	
					–	
					–	
Total capital expenditure of Approved Roll-overs		–	–	–	–	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		–	–	–	–	

Supporting Table SC8: Councillor and Staff Benefits

WC048 Knysna - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration R thousands	Ref	2021/22 Audited Outcome	Budget Year 2022/23 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7,284	7,885	7,831	616	7,894	7,831	64	1%	7,831
Pension and UIF Contributions		463	427	664	54	613	664	(51)	-8%	664
Medical Aid Contributions		147	167	109	12	108	109	(0)	0%	109
Motor Vehicle Allowance		346	184	235	20	249	235	14	6%	235
Cellphone Allowance		691	641	526	40	521	526	(5)	-1%	526
Other benefits and allowances		136	66	27	–	16	27	(11)	-40%	27
Sub Total - Councillors		9,067	9,370	9,391	742	9,402	9,391	11	0%	9,391
% increase	4		3.3%	3.6%						3.6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2,692	4,577	5,319	236	5,076	5,319	(243)	-5%	5,319
Pension and UIF Contributions		319	620	290	28	295	290	5	2%	290
Medical Aid Contributions		107	161	60	5	60	60	–		60
Performance Bonus		(559)	396	328	–	328	328	–		328
Motor Vehicle Allowance		389	646	537	39	522	537	(15)	-3%	537
Cellphone Allowance		13	15	5	1	5	5	–		5
Housing Allowances		4	72	–	–	–	–	–		–
Other benefits and allowances		80	518	54	5	94	54	39	72%	54
Sub Total - Senior Managers of Municipality		3,045	7,004	6,593	314	6,379	6,593	(214)	-3%	6,593
% increase	4		130.0%	116.5%						116.5%
Other Municipal Staff										
Basic Salaries and Wages		160,139	180,382	169,225	14,250	170,105	169,225	879	1%	169,225
Pension and UIF Contributions		29,296	32,806	30,780	2,540	30,583	30,780	(198)	-1%	30,780
Medical Aid Contributions		12,631	15,285	13,308	1,111	13,126	13,308	(182)	-1%	13,308
Overtime		28,850	14,639	25,543	2,806	28,452	25,543	2,908	11%	25,543
Performance Bonus		13,273	13,985	13,206	150	13,320	13,206	114	1%	13,206
Motor Vehicle Allowance		7,721	7,583	7,661	1,061	7,958	7,661	297	4%	7,661
Housing Allowances		2,622	2,974	2,418	300	2,469	2,418	51	2%	2,418
Other benefits and allowances		15,841	6,922	9,512	875	10,197	9,512	685	7%	9,512
Payments in lieu of leave		(902)	3,726	1,714	2,546	5,275	1,714	3,561	208%	1,714
Long service awards		1,389	2,744	1,744	–	–	1,744	(1,744)	-100%	1,744
Post-retirement benefit obligations	2	14,037	11,802	8,010	–	–	8,010	(8,010)	-100%	8,010
Sub Total - Other Municipal Staff		284,896	292,847	283,123	25,638	281,485	283,123	(1,638)	-1%	283,123
% increase	4		2.8%	-0.6%						-0.6%
Total Parent Municipality		297,008	309,221	299,106	26,695	297,266	299,106	(1,841)	-1%	299,106
TOTAL SALARY, ALLOWANCES & BENEFITS		297,008	309,221	299,106	26,695	297,266	299,106	(1,841)	-1%	299,106
% increase	4		4.1%	0.7%						0.7%
TOTAL MANAGERS AND STAFF		287,942	299,851	289,716	25,953	287,864	289,716	(1,852)	-1%	289,716

Supporting Table SC9: Monthly targets for Cash Receipts and Payments

WC048 Knysna - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

Description	Ref	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year	Budget Year
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	2022/23	+1 2023/24	+2 2024/25
Cash Receipts By Source																
Property rates		12,712	43,618	28,842	20,585	18,045	14,758	18,998	15,945	17,580	14,876	16,063	15,058	–	–	300,162
Service charges - electricity revenue		14,757	18,240	18,216	20,987	14,682	15,243	14,141	17,871	16,380	13,517	15,204	28,796	–	–	417,917
Service charges - water revenue		4,012	6,589	5,429	4,898	5,019	4,449	5,596	7,821	5,858	4,891	5,451	5,099	–	–	82,779
Service charges - sanitation revenue		1,286	3,293	2,520	1,891	1,730	1,638	3,305	1,731	1,716	1,519	1,642	1,828	–	1,091,243	29,303
Service charges - refuse		1,277	3,876	2,671	1,987	1,983	1,573	1,931	1,706	1,848	1,541	1,757	1,699	–	–	28,583
Rental of facilities and equipment		480	1,032	309	286	422	474	273	368	248	265	201	361	–	–	6,688
Interest earned - external investments		94	149	100	150	–	–	–	–	–	–	–	197	–	1,826	1,916
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	2,531	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		38	17	15	13	12	5	1	2	3	4	0	8,412	–	–	32,000
Licences and permits		135	117	117	119	125	76	125	130	145	99	125	118	–	–	1,887
Agency services		110	120	137	141	141	113	131	123	142	110	158	434	–	–	4,230
Transfers and Subsidies - Operational		43,100	2	57	17	2	33,034	5	3	33,340	1	10	6,327	–	–	179,630
Other revenue		1,448	1,380	1,137	1,114	1,609	969	3,266	1,399	1,190	1,348	1,072	864	–	–	12,249
Cash Receipts by Source		**79,449**	**78,431**	**59,550**	**52,188**	**43,769**	**72,331**	**47,773**	**47,099**	**78,450**	**38,170**	**41,682**	**71,725**	**–**	**1,093,069**	**1,097,343**
Other Cash Flows by Source													–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5,739	2,342	3,072	3,000	–	5,000	16,724	–	–	–	–	8,972	–	–	71,574
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	382	–	–	–	–	–	1,723	–	–	–	(613)	–	–	500
Short term loans		–	–	–	–	–	–	20,000	46,560	–	–	–	260	–	–	21,592
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–	260	–	–	–
Increase (decrease) in consumer deposits		1,851	(82)	(45)	(178)	(76)	(23)	(62)	(90)	(101)	(18)	(106)	260	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	260	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	260	–	–	–
Total Cash Receipts by Source		**87,039**	**81,073**	**62,577**	**55,010**	**43,693**	**77,308**	**84,434**	**95,292**	**78,349**	**38,152**	**41,577**	**81,383**	**–**	**1,093,069**	**1,191,009**

Cash Payments by Type												–			
Employee related costs	21,966	22,448	19,526	22,432	35,742	23,092	22,679	18,611	22,093	21,200	25,156	25,629	299,465	315,640	336,829
Remuneration of councillors	803	1,174	425	798	798	831	753	753	807	762	792	765	–	–	–
Interest paid	306	687	444	–	3	11,196	638	348	2	(416)	3	14,261	28,346	31,848	35,409
Bulk purchases - Electricity	–	–	–	16,324	–	–	16,374	16,358	15,163	16,739	15,588	–	256,505	293,304	332,300
Acquisitions - water & other inventory	–	–	–	1,626	–	–	2,159	799	2,475	2,252	1,051	–	46,842	–	55,878
Contracted services	4,219	13,927	13,299	11,897	19,662	11,542	16,934	13,596	17,593	14,986	11,957	18,007	189,938	185,406	194,866
Grants and subsidies paid - other municipalities	4	104	24	–	174	191	–	–	–	–	–	260	–	–	–
Grants and subsidies paid - other	39	38	72	–	45	13	–	–	–	–	–	213	2,145	–	–
General expenses	1,725	9,351	5,299	4,238	10,742	2,186	6,770	4,256	3,648	3,283	3,419	6,287	67,056	73,456	78,154
Cash Payments by Type	**30,540**	**42,472**	**33,995**	**57,315**	**62,225**	**46,211**	**66,307**	**54,722**	**61,779**	**58,807**	**57,967**	**60,001**	**890,298**	**899,655**	**1,033,436**
Other Cash Flows/Payments by Type															
Capital assets	8,588	3,796	6,618	3,878	6,609	8,301	13,179	7,600	4,585	8,015	14,032	19,507	–	–	121,754
Repayment of borrowing	788	1,751	436	–	–	31,770	1,019	1,209	–	462	–	32,812	34,865	39,361	41,447
Other Cash Flows/Payments	50,600	50,635	(7,742)	23,526	(32,950)	(3,169)	(4,123)	19,120	(6,222)	(24,562)	(5,908)	(17,706)	–	–	–
Total Cash Payments by Type	**90,517**	**98,654**	**33,308**	**84,720**	**35,884**	**83,113**	**76,381**	**82,650**	**60,143**	**42,721**	**66,091**	**94,615**	**925,162**	**939,015**	**1,196,637**
NET INCREASE/(DECREASE) IN CASH HELD	**(3,478)**	**(17,581)**	**29,269**	**(29,710)**	**7,809**	**(5,805)**	**8,053**	**12,642**	**18,206**	**(4,569)**	**(24,515)**	**(13,232)**	**(925,162)**	**154,054**	**(5,628)**
Cash/cash equivalents at the month/year beginning:	43,267	39,789	22,208	51,477	21,767	29,576	23,771	31,824	44,467	62,673	58,104	33,590	43,267	(881,896)	(727,842)
Cash/cash equivalents at the month/year end:	39,789	22,208	51,477	21,767	29,576	23,771	31,824	44,467	62,673	58,104	33,590	20,358	(881,896)	(727,842)	(733,470)

Supporting Table SC13(a): Capital Expenditure on New Assets

WC048 Knysna - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	21,780	26,955	6,322	21,613	26,955	5,343	19.8%	26,955
Roads Infrastructure		–	1,250	1,050	73	1,108	1,050	(58)	-5.5%	1,050
Roads		–	200	–	–	–	–	–		–
Capital Spares		–	1,050	1,050	73	1,108	1,050	(58)	-5.5%	1,050
Electrical Infrastructure		–	12,080	19,055	3,644	16,505	19,055	2,551	13.4%	19,055
MV Networks		–	1,000	5,645	1,181	4,380	5,645	1,266	22.4%	5,645
LV Networks		–	11,080	13,410	2,462	12,125	13,410	1,285	9.6%	13,410
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	8,150	6,396	2,555	3,910	6,396	2,486	38.9%	6,396
Dams and Weirs		–	–	149	78	125	149	25	16.7%	149
Water Treatment Works		–	750	650	–	522	650	128	19.7%	650
Distribution Points		–	150	250	16	81	250	169	67.6%	250
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		–	7,250	5,346	2,462	3,182	5,346	2,164	40.5%	5,346
Rail Infrastructure		–	–	154	–	40	154	114	73.8%	154
Drainage Collection		–	–	154	–	40	154	114	73.8%	154
Information and Communication Infrastructure		–	300	300	50	50	300	250	83.2%	300
Data Centres		–	300	300	50	50	300	250	83.2%	300
Community Assets		–	1,600	1,600	–	626	1,600	974	60.8%	1,600
Community Facilities		–	1,600	1,600	–	626	1,600	974	60.8%	1,600
Fire/Ambulance Stations		–	1,000	1,000	–	110	1,000	890	89.0%	1,000
Cemeteries/Crematoria		–	600	600	–	516	600	84	13.9%	600
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Other assets		–	2,012	7,005	205	1,505	7,005	5,501	78.5%	7,005
Operational Buildings		–	–	–	–	–	–	–		–
Housing		–	2,012	7,005	205	1,505	7,005	5,501	78.5%	7,005
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	2,012	7,005	205	1,505	7,005	5,501	78.5%	7,005
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	–	–	–	–	–	–		–
Computer Equipment		–	350	314	137	294	314	19	6.1%	314
Computer Equipment		–	350	314	137	294	314	19	6.1%	314
Furniture and Office Equipment		–	565	447	3	380	447	67	15.0%	447
Furniture and Office Equipment		–	565	447	3	380	447	67	15.0%	447
Machinery and Equipment		–	2,840	4,078	347	2,000	3,958	1,957	49.5%	4,078
Machinery and Equipment		–	2,840	4,078	347	2,000	3,958	1,957	49.5%	4,078
Transport Assets		–	6,560	6,841	373	6,538	6,841	303	4.4%	6,841
Transport Assets		–	6,560	6,841	373	6,538	6,841	303	4.4%	6,841
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	–	35,707	47,240	7,388	32,957	47,120	14,163	30.1%	47,240

Supporting Table SC13(b): Capital Expenditure on Renewal of Existing Assets

WC048 Knysna - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	25,135	25,328	3,154	19,033	19,806	773	3.9%	25,328
Roads Infrastructure		–	20,685	22,048	2,916	16,870	16,526	(344)	-2.1%	22,048
Roads		–	20,685	22,048	2,916	16,870	16,526	(344)	-2.1%	22,048
Water Supply Infrastructure		–	1,350	1,100	238	803	1,100	297	27.0%	1,100
Water Treatment Works		–	400	400	6	166	400	234	58.4%	400
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	950	700	231	636	700	64	9.1%	700
Sanitation Infrastructure		–	1,100	1,100	–	298	1,100	802	72.9%	1,100
Pump Station		–	–	–	–	–	–	–		–
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	1,100	1,100	–	298	1,100	802	72.9%	1,100
Solid Waste Infrastructure		–	2,000	1,080	–	1,062	1,080	18	1.6%	1,080
Capital Spares		–	2,000	1,080	–	1,062	1,080	18	1.6%	1,080
Community Assets		–	2,650	2,150	–	1,946	2,150	204	9.5%	2,150
Community Facilities		–	500	–	–	–	–	–		–
Nature Reserves		–	500	–	–	–	–	–		–
Sport and Recreation Facilities		–	2,150	2,150	–	1,946	2,150	204	9.5%	2,150
Capital Spares		–	2,150	2,150	–	1,946	2,150	204	9.5%	2,150
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Other assets		–	–	700	–	560	780	220	28.2%	700
Housing		–	–	700	–	560	780	220	28.2%	700
Staff Housing		–	–	700	–	560	780	220	28.2%	700
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing as	1	–	27,785	28,178	3,154	21,538	22,736	1,198	5.3%	28,178

Supporting Table SC13(c): Expenditure on Repairs & Maintenance

WC048 Knysna - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		40,758	42,629	44,417	2,381	45,045	44,417	(628)	-1.4%	44,417
Roads Infrastructure		6,541	6,430	4,676	725	3,673	4,676	1,003	21.4%	4,676
Roads		6,541	6,412	4,657	713	3,661	4,657	996	21.4%	4,657
Capital Spares		–	18	18	12	12	18	6	34.3%	18
Storm water Infrastructure		2,033	2,522	842	–	826	842	16	1.9%	842
Drainage Collection		–	510	24	–	70	24	(46)	-191.3%	24
Storm water Conveyance		2,033	2,012	818	–	756	818	62	7.6%	818
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		11,129	15,750	17,859	1,525	17,813	17,859	46	0.3%	17,859
Power Plants		–	–	–	–	–	–	–		–
HV Substations		1,777	3,000	1,500	191	2,151	1,500	(651)	-43.4%	1,500
HV Switching Station		108	126	626	–	129	626	497	79.3%	626
HV Transmission Conductors		1,717	2,351	2,000	13	1,998	2,000	2	0.1%	2,000
MV Networks		4,549	6,350	9,520	670	9,364	9,520	156	1.6%	9,520
LV Networks		2,977	3,923	4,213	652	4,170	4,213	42	1.0%	4,213
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		13,547	11,503	11,740	25	13,586	11,740	(1,845)	-15.7%	11,740
Water Treatment Works		10,327	9,150	9,788	24	11,618	9,788	(1,830)	-18.7%	9,788
Capital Spares		3,220	2,353	1,953	0	1,968	1,953	(15)	-0.8%	1,953
Sanitation Infrastructure		6,671	5,704	8,031	33	7,992	8,031	39	0.5%	8,031
Waste Water Treatment Works		6,671	5,704	8,031	33	7,992	8,031	39	0.5%	8,031
Solid Waste Infrastructure		838	719	1,269	73	1,156	1,269	113	8.9%	1,269
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		838	719	1,269	73	1,156	1,269	113	8.9%	1,269
Community Assets		2,503	4,157	5,123	308	4,766	5,123	356	7.0%	5,123
Community Facilities		1,678	3,086	3,751	224	3,431	3,751	321	8.5%	3,751
Halls		179	242	242	3	225	242	17	6.9%	242
Fire/Ambulance Stations		64	128	94	–	67	94	26	28.0%	94
Testing Stations		–	–	–	–	–	–	–		–
Museums		54	101	94	10	73	94	20	21.6%	94
Libraries		170	583	540	28	487	540	53	9.8%	540
Cemeteries/Crematoria		278	438	813	117	660	813	152	18.7%	813
Police		56	179	17	5	15	17	2	11.3%	17
Purls		–	–	–	–	–	–	–		–
Public Open Space		877	1,416	1,952	60	1,902	1,952	50	2.6%	1,952
Sport and Recreation Facilities		825	1,071	1,371	85	1,336	1,371	36	2.6%	1,371
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		825	1,071	1,371	85	1,336	1,371	36	2.6%	1,371
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Other assets		2,420	2,988	2,236	156	1,581	2,236	654	29.3%	2,236
Operational Buildings		1,489	2,178	1,166	41	605	1,166	560	48.1%	1,166
Municipal Offices		276	1,121	1,018	37	486	1,018	532	52.3%	1,018
Depots		1,214	1,058	148	3	120	148	28	19.0%	148
Capital Spares		–	–	–	–	–	–	–		–
Housing		931	810	1,070	115	976	1,070	94	8.8%	1,070
Staff Housing		680	800	1,060	115	976	1,060	84	7.9%	1,060
Social Housing		251	10	10	–	–	10	10	100.0%	10
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–

Intangible Assets		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		4	159	37	–	14	37	23	62.6%	37
Furniture and Office Equipment		4	159	37	–	14	37	23	62.6%	37
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		6,458	4,903	6,108	777	5,991	6,108	118	1.9%	6,108
Transport Assets		6,458	4,903	6,108	777	5,991	6,108	118	1.9%	6,108
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	52,143	54,836	57,920	3,622	57,397	57,920	523	0.9%	57,920

Supporting Table SC13(d): Depreciation

WC048 Knysna - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Depreciation by Asset Class/Sub-class										
Infrastructure		**38,798**	**33,167**	**34,956**	**–**	**34,956**	**34,956**	**(0)**	**0.0%**	**34,956**
Roads Infrastructure		5,221	6,260	4,058	–	4,058	4,058	0	0.0%	4,058
Roads		5,221	6,260	4,058	–	4,058	4,058	0	0.0%	4,058
Storm water Infrastructure		901	595	771	–	771	771	0	0.0%	771
Drainage Collection		901	587	771	–	771	771	0	0.0%	771
Storm water Conveyance		–	8	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		7,875	6,838	10,385	–	10,385	10,385	–		10,385
Power Plants		6	149	1	–	1	1	–		1
HV Substations		7,869	6,689	10,384	–	10,384	10,384	–		10,384
Water Supply Infrastructure		16,851	12,176	12,334	–	12,334	12,334	0	0.0%	12,334
Pump Stations		–	209	10	–	10	10	(0)	0.0%	10
Water Treatment Works		–	5,462	208	–	208	208	0	0.0%	208
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		16,851	6,506	12,116	–	12,116	12,116	0	0.0%	12,116
Sanitation Infrastructure		5,991	5,217	5,801	–	5,801	5,801	(0)	0.0%	5,801
Pump Station		28	402	1,035	–	1,035	1,035	0	0.0%	1,035
Reticulation		5,839	2,507	4,574	–	4,574	4,574	(0)	0.0%	4,574
Waste Water Treatment Works		79	2,250	166	–	166	166	–		166
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		44	57	25	–	25	25	(0)	-0.1%	25
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		1,859	1,955	1,528	–	1,528	1,528	(0)	0.0%	1,528
Landfill Sites		1,859	1,955	1,528	–	1,528	1,528	(0)	0.0%	1,528
Information and Communication Infrastructure		99	124	79	–	79	79	0	0.0%	79
Distribution Layers		99	124	79	–	79	79	0	0.0%	79
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		**2,638**	**2,214**	**2,238**	**–**	**2,238**	**2,238**	**0**	**0.0%**	**2,238**
Community Facilities		2,084	1,686	1,709	–	1,709	1,709	(0)	0.0%	1,709
Halls		68	75	475	–	475	475	(0)	0.0%	475
Centres		528	155	9	–	9	9	(0)	0.0%	9
Fire/Ambulance Stations		229	287	172	–	172	172	(0)	0.0%	172
Testing Stations		0	0	0	–	0	0	(0)	-2.0%	0
Museums		7	7	5	–	5	5	0	0.0%	5
Galleries		–	–	–	–	–	–	–		–
Theatres		1	1	1	–	1	1	0	0.2%	1
Libraries		649	554	486	–	486	486	0	0.0%	486
Cemeteries/Crematoria		23	44	23	–	23	23	–		23
Police		55	59	19	–	19	19	–		19
Purls		181	144	227	–	227	227	0	0.0%	227
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		8	8	8	–	8	8	–		8
Markets		–	–	–	–	–	–	–		–
Stalls		22	23	19	–	19	19	–		19
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		313	328	266	–	266	266	(0)	0.0%	266
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		554	528	528	–	528	528	0	0.0%	528
Indoor Facilities		1	9	–	–	–	–	–		–
Outdoor Facilities		553	519	528	–	528	528	0	0.0%	528
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–

Investment properties		145	155	120	–	120	120	(0)	0.0%	120
Revenue Generating		145	155	120	–	120	120	(0)	0.0%	120
Improved Property		145	155	120	–	120	120	(0)	0.0%	120
Unimproved Property		–	–	–	–	–	–	–		–
Non-revenue Generating		–	–	–	–	–	–	–		–
Improved Property		–	–	–	–	–	–	–		–
Unimproved Property		–	–	–	–	–	–	–		–
Other assets		619	719	561	–	561	561	0	0.0%	561
Operational Buildings		619	719	561	–	561	561	0	0.0%	561
Municipal Offices		619	719	561	–	561	561	0	0.0%	561
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		1,005	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		18	19	13	–	13	13	(0)	0.0%	13
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		18	19	13	–	13	13	(0)	0.0%	13
Water Rights		–	–	–	–	–	–	–		–
Effluent Licenses		–	–	–	–	–	–	–		–
Solid Waste Licenses		–	–	–	–	–	–	–		–
Computer Software and Applications		18	19	13	–	13	13	(0)	0.0%	13
Load Settlement Software Applications		–	–	–	–	–	–	–		–
Unspecified		–	–	–	–	–	–	–		–
Computer Equipment		1,773	1,556	930	–	930	930	(0)	0.0%	930
Computer Equipment		1,773	1,556	930	–	930	930	(0)	0.0%	930
Furniture and Office Equipment		682	1,254	1,054	–	1,054	1,054	0	0.0%	1,054
Furniture and Office Equipment		682	1,254	1,054	–	1,054	1,054	0	0.0%	1,054
Machinery and Equipment		722	864	542	–	542	542	(0)	0.0%	542
Machinery and Equipment		722	864	542	–	542	542	(0)	0.0%	542
Transport Assets		2,718	3,740	3,274	–	3,274	3,274	0	0.0%	3,274
Transport Assets		2,718	3,740	3,274	–	3,274	3,274	0	0.0%	3,274
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Depreciation	1	**48,114**	**43,688**	**43,688**	**–**	**43,688**	**43,688**	**(0)**	**0.0%**	**43,688**

Supporting Table SC13(e): Upgrading of Existing Assets

WC048 Knysna - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M12

Description	Ref	2021/22	Budget Year 2022/23							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	42,637	36,814	8,965	36,788	44,951	8,163	18.2%	36,814
Roads Infrastructure		–	11,250	17,809	5,618	23,014	26,815	3,801	14.2%	17,809
Roads		–	11,250	17,809	5,618	23,014	26,815	3,801	14.2%	17,809
Storm water Infrastructure		–	1,750	302	64	255	302	47	15.5%	302
Drainage Collection		–	1,750	302	64	255	302	47	15.5%	302
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	1,300	1,649	125	1,455	1,649	194	11.8%	1,649
MV Substations		–	–	349	125	190	349	159	45.7%	349
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		–	1,300	1,300	–	1,265	1,300	35	2.7%	1,300
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		–	11,000	8,191	1,715	6,317	8,191	1,874	22.9%	8,191
Dams and Weirs		–	1,500	1,500	977	1,303	1,500	197	13.1%	1,500
Water Treatment Works		–	2,000	1,191	–	887	1,191	304	25.5%	1,191
Bulk Mains		–	250	250	38	127	250	123	49.2%	250
Distribution		–	3,250	1,250	–	878	1,250	372	29.8%	1,250
Capital Spares		–	4,000	4,000	700	3,122	4,000	878	22.0%	4,000
Sanitation Infrastructure		–	17,337	8,863	1,443	5,746	7,994	2,247	28.1%	8,863
Pump Station		–	2,500	200	–	156	200	44	22.2%	200
Reticulation		–	14,337	8,413	1,443	5,450	7,544	2,093	27.7%	8,413
Waste Water Treatment Works		–	500	250	–	140	250	110	43.8%	250
Community Assets		–	10,065	489	–	420	6,048	5,627	93.0%	489
Community Facilities		–	500	489	–	420	489	69	14.0%	489
Halls		–	500	489	–	420	489	69	14.0%	489
Sport and Recreation Facilities		–	9,565	–	–	–	5,559	5,559	100.0%	–
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	9,565	–	–	–	5,559	5,559	100.0%	–
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Other assets		–	1,380	436	–	195	356	162	45.4%	436
Operational Buildings		–	1,380	436	–	195	356	162	45.4%	436
Municipal Offices		–	1,380	436	–	195	356	162	45.4%	436
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Servitudes		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Transport Assets		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on upgrading of existing	1	–	54,082	37,739	8,965	37,403	51,355	13,952	27.2%	37,739