ANNEXURE A

KNYSNA
Municipality Munisipaliteit uMasipala

Monthly Budget Statement

(Section 71 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.

July 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 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."

2. 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 for the month ending 31 July 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 July 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 As at 31 July 2023, the Commitments still exceed the Cash and Cash Equivalents. The cashflow position remains a critical concern.

2.2.2 The Integrated Human Settlements Grant expenditure of R 20.9 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 which is a functional area of concurrent national and provincial legislative competence in terms of Schedule 4A of the Constitution of the Republic of South Africa. Council is therefore urged to urgently deliberate whether the continuation of the provision of Housing is feasible, affordable and of value to the Municipality.

2.2.3 The collection of outstanding consumer debt and the recovery of all unpaid grants are critical and therefore continues to receive priority. A major contributor to the decreased levels of performance (billings and collections) is the high vacancy rate within the Income Department. Despite numerous efforts by the Finance Directorate, none of these respective vacancies have, to date, been advertised.

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.

2.2.4 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.

2.2.5 Due to various contributing factors, the DBSA Revenue Enhancement project completion date has been extended to 30 September 2023. DBSA/Profmap will present a progress update at the next S80 Finance Committee meeting.

2.2.6 Strict expenditure control must be implemented 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.

2.2.7 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 the Executive Mayoral Committee notes the Section 71 monthly budget statement as at 31 July 2023.

(b) That the Executive Mayoral Committee notes that the Section 71 monthly budget statement as at 31 July 2023 will be published on the municipal website.

CLLR AUBREY TSENGWA
EXECUTIVE MAYOR

3. 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 July 2023.

3.1.2 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).

3.1.3 The financial performance of the operating and capital budget for the 2023/2024 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 18 in Table 1 below) of R 250.6 million compared to the year-to-date budgeted operating revenue of R 411.5 million results in a negative variance of R 160.9 million or -39.1% (capital grants excluded). 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
Exchange Revenue								
1	Service charges - Electricity	384,778,101	384,778,101	36,008,743	30,880,993	5,127,750	16.6%	The Load shedding impact was less in July compared to June month.
2	Service charges - Water	84,388,754	84,388,754	15,921,432	15,776,265	145,167	0.9%	
3	Service charges - Waste Water Management	30,864,387	30,864,387	11,275,592	11,418,756	-143,164	-1.3%	
4	Service charges - Waste management	30,029,458	30,029,458	11,845,714	11,853,145	-7,431	-0.1%	
5	Sale of Goods and Rendering of Services	39,358,519	39,358,519	1,819,094	499,135	1,319,959	264.4%	The monthly apportionment needs to be revised.
6	Agency services	4,032,719	4,032,719	120,256	280,812	-160,556	-57.2%	
7	Interest earned from Receivables	14,751,081	14,751,081	2,025,288	1,469,846	555,442	37.8%	
8	Interest from Current and Non Current Assets	1,826,291	1,826,291	226,262	133,219	93,043	69.8%	
9	Rental from Fixed Assets	6,938,143	6,938,143	1,149,573	1,098,002	51,571	4.7%	
10	Licence and permits	45,480	45,480	10,833	1,573	9,260	588.7%	
11	Operational Revenue	6,022,888	6,022,888	790,965	443,270	347,695	78.4%	
Non-Exchange Revenue								
12	Property rates	304,253,695	304,253,695	111,756,619	292,363,256	-180,606,637	-61.8%	The monthly apportionment needs to be revised.
13	Fines, penalties and forfeits	99,090,019	99,090,019	4,602,201	33,754	4,568,447	13534.5%	The monthly apportionment needs to be revised.
14	Licence and permits	1,742,814	1,742,814	113,596	132,956	-19,360	-14.6%	
15	Transfers and subsidies - Operational	150,239,391	150,239,391	52,207,460	44,562,440	7,645,020	17.2%	The monthly apportionment needs to be revised.
16	Interest	5,732,582	5,732,582	732,676	575,459	157,217	27.3%	
17	Gains on Disposal of PPE	500,000	500,000	0	0	0	#DIV/0!	
18	**Total Revenue (Capital Grants Excluded)**	**1,164,594,322**	**1,164,594,322**	**250,606,304**	**411,522,881**	**-160,916,577**	**-39.1%**	

3.2.2 Year-to-date actual operating expenditure (Row 32 in Table 1 below) of R 37.9 million compared to the year-to-date budgeted operating expenditure of R 42.9 million results in a positive variance of R 5.0 million. 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
19	Employee related costs	305,558,192	305,558,192	23,256,335	26,307,785	3,051,450	11.6%	Due to Casual staff salary payments not aligned to budget. Temp budget will be aligned in conjucion with HR
20	Remuneration of councillors	10,081,756	10,081,756	799,437	856,738	57,301	6.7%	
21	Bulk purchases - electricity	293,304,290	293,304,290	191,587	199,035	7,448	3.7%	
22	Other materials	54,053,315	53,943,315	486,655	1,449,202	962,547	66.4%	The variance is mainly as a result of the Fuel and Oil costs not in lign with the budget
23	Debt impairment	149,729,891	149,729,891	640,127	640,127	0	0.0%	
24	Depreciation and amortisation	49,118,855	49,118,855	4,093,257	4,093,257	0	0.0%	
25	Interest	31,848,485	31,848,485	414,539	305,693	-108,846	-35.6%	
26	Contracted services	185,406,105	185,096,105	1,897,534	6,472,525	4,574,991	70.7%	Mainly as a result of the Housing Grant Service Departments to submit revised Cash Flows.
27	Transfers and subsidies	1,457,448	1,457,448	4,800	8,000	3,200	40.0%	
28	Irrecoverable debts written off	1,783,929	1,783,929	0	148,660	148,660	100.0%	
29	Operational costs	73,456,092	73,876,092	6,067,681	2,374,814	-3,692,867	-155.5%	Mainly as a result of the Skills Development Levy payment processed in July, Sanitation Hire Charges for the Machinery and Equipment.
30	Losses on Disposal of Assets	0	0	0	0	0	#DIV/0!	
31	Other Losses	0	0	0	0	0	#DIV/0!	
32	**Total Operating Expenditure**	**1,155,798,358**	**1,155,798,358**	**37,851,952**	**42,855,836**	**5,003,884**	**11.7%**	

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 212.8 million compared to a budgeted operating surplus of R 368.7 million (capital grants excluded) (Row 33 in Table 1 below).

3.2.4 The year-to-date actual operating surplus (capital grants included) of R 213.1 million (Row 45 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
18	Total Revenue (Capital Grants Excluded)	1,164,594,322	1,164,594,322	250,606,304	411,522,881	-160,916,577	-39.1%	
32	Total Operating Expenditure	1,155,798,358	1,155,798,358	37,851,952	42,855,836	5,003,884	11.7%	
33	Operating Surplus/(Deficit)	8,795,964	8,795,964	212,754,352	368,667,045	-155,912,693	-42.3%	
34	Capital Grants	78,183,609	78,183,609	378,313	1,224,847	-846,534	-69.1%	The Variance is as a result of MIG projections
35	Public Contributions	0	0	0	0	0	0.0%	
46	Surplus/(Deficit) for the Year	86,979,573	86,979,573	213,132,665	369,891,892	-156,759,227	-42.4%	

3.2.5 Revenue Enhancement Project Status

The Revenue Enhancement Project entails the development and implementation of a Revenue Enhancement Programme for Knysna Municipality within an eighteen (18) month period, however due to various factors, the project has been extended until 30 September 2023.

Table 2 below details the (REP) milestones to date:

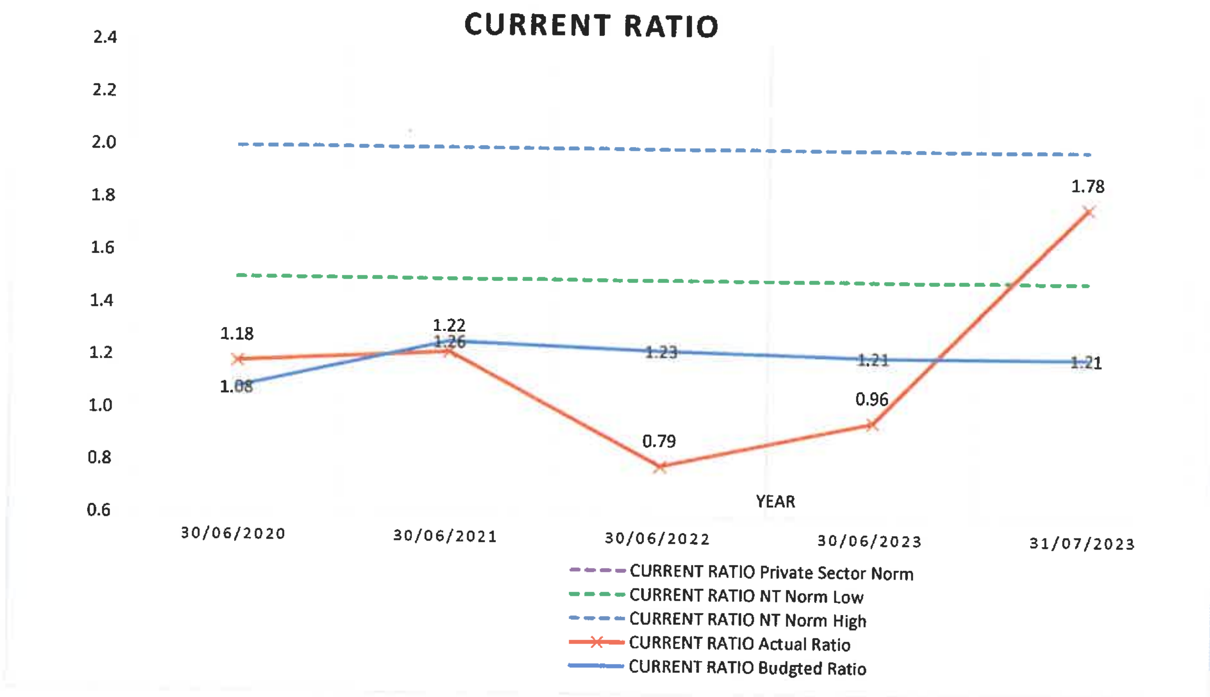
Table 2: Revenue Enhancement Milestones			
Milestone	Project Milestone Description	Status	Envised End Date
1	Inception meeting and development of Project Implementation Plan (PIP) informed by the scope of work to determine roll out of work package	Completed	N/a
2	Existing situation / (AS-IS) assessment 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	50% Completed	2023/08/31
8	Identification and prioritisation of the interventions/ projects for the short term, medium to long term	50% Completed	2023/08/31
9	Final Revenue Enhancement Programme report with findings and Presentation of the report to the Municipal Council	50% Completed	2023/09/30

3.3 Financial Position Overview

3.3.1 Current Ratio (1.78 : 1)

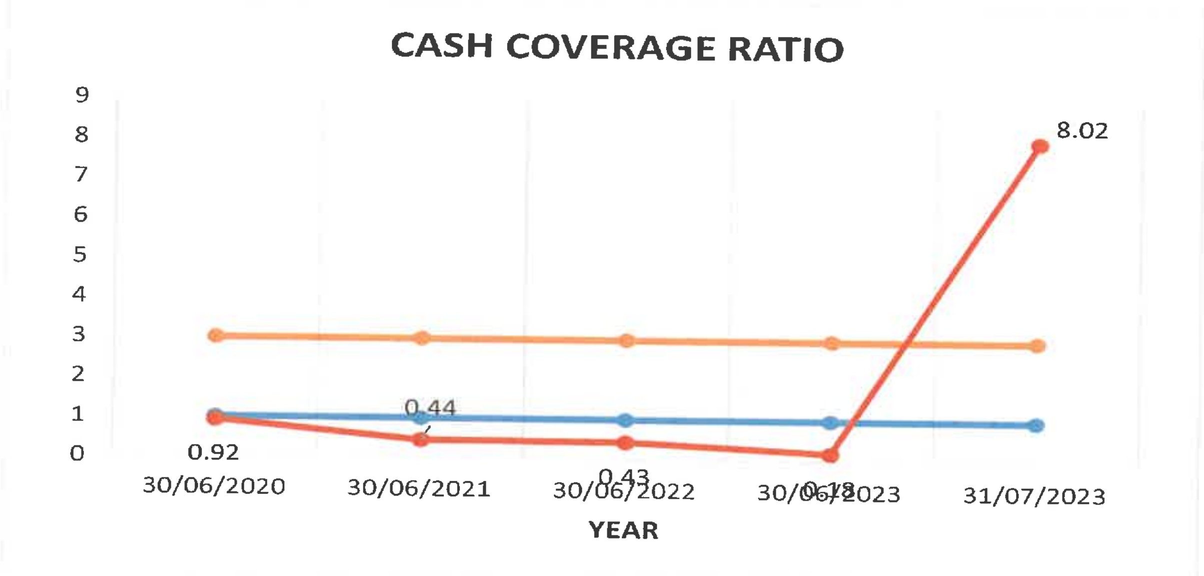
The Current Ratio as at 31 July 2023 equates to 1.78 : 1 compared to the National Treasury norm of 1.5 – 2 : 1, and a budgeted current ratio of 1.13 : 1. It should be noted that these figures are subject to change as the 2022/2023 Annual Financial Statements is still in the process of being finalised.

The actual current ratio is based on current assets of R 429.4 million and current liabilities of R 241.5 million. The increase in Current Assets is primarily due to the annual billing of property rates and services, which are expected to be paid by 30 September 2023.



3.3.2 Cash/Cost Coverage Ratio (8.02 months)

The Cash Coverage Ratio as at 31 July 2023 equates to 8.02 months compared to the National Treasury norm of 1 – 3 months. It should be noted that these figures are subject to change as the 2022/2023 Financial Statements are still underway.



The Municipality has commenced with the SCM process to source the external loans for the 2023/2024 financial year. In consideration of current spending practices, it is envisaged that the Municipality may experience more cashflow challenges in November and December 2023. It may therefore become necessary to consider accessing an overdraft facility, which Council has approved. The overdraft will only be applied for / accessed as and when required.

3.3.3 Cash and Cash Equivalents (R 52.8 million)

Cash and Cash Equivalents (Row 3 in Table 3 below) equates to R 52.8 million as at 31 July 2023.

The total actual cash balance in the primary bank account equates to R 50.6 million as at 31 July 2023.

The Municipality does not have a Capital Replacement Reserve and does not envisage the creation thereof in the short to medium term. Furthermore, the Municipality does not have any of the Unspent Grants ring-fenced (in Investments). It is therefore critical for debt collection, the recovery of unpaid grants, and the reduction of non-core expenditure to receive immediate priority.

3.3.4 Current Investments (R 19.4 thousand)

Investments (Row 2 in Table 3 below) equates to R 19.4 thousand at the end of July 2023.

Table 3: Cash and Cash Equivalents versus Commitments					
Row Number	**Description**	**May 2023**	**June 2023**	**July 2023**	**Movement (C to D)**
Column Reference	**A**	**B**	**C**	**D**	**E**
1	Cash at Bank	33,570,370	20,338,434	52,823,551	32,485,117
2	Investments - Current	19,140	19,267	19,399	132
3	**Total Cash and Cash Equivalents**	**33,589,510**	**20,357,701**	**52,842,950**	**32,485,249**
4	Unspent Conditional Transfers and Grants	19,803,177	8,270,604	30,695,860	22,425,256
5	Unspent Conditional Public Contributions	0	0	0	0
6	VAT Payable to SARS	1,095,347	0	1,144,269	1,144,269
7	Unspent External Loans	24,046,074	34,900,168	33,952,645	-947,523
8	Payables from Exchange Transactions	18,088,500	25,360,656	24,326,074	-1,034,582
9	**Total Commitments**	**63,033,098**	**68,531,428**	**90,118,848**	**21,587,421**
10	**Surplus / (Shortfall)**	**-29,443,588**	**-48,173,727**	**-37,275,898**	**10,897,828**

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. The Municipality is therefore at risk of having the Roll-Over Grant applications rejected.

3.3.4 Cash Commitments (R 90.1 million)

Total commitments (Row 9 in Table 3 above) increased by R 21.6 million during the month under review from R 68.5 million at the end of June 2023 to R 90.1 million at the end of July 2023. Commitments exceed the cash and cash equivalents at the end of July 2023 by R 37.3 million (Row 10 in Table 3 above), thereby resulting in a shortfall.

The shortfall of R 37.3 million is additional proof that the Municipality is facing an unprecedented financial crisis.

3.3.5 Unpaid Conditional Grants (R 21.3 million)

Unpaid conditional grants (Row 6 in Table 4 below) reflects a total balance of R 21.3 million at the end of July 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 4: Unpaid Conditional Grants					
Row Number	Description	Opening Balance	Receipts	Expenditure	Closing Balance
Column Reference	A	B	C	D	F
1	Integrated Human Settlements Grant	19,829,271	0	1,113,611	20,942,882
2	Maintenance of Proclaimed Roads	157,054	0	0	157,054
3	Finance Management Grant	0	0	36,664	36,664
4	Expanded Public Works Program	0	0	25,020	25,020
5	Water Services Infrastructure Grant	0	0	93,881	93,881
6	**Total**	**19,986,325**	**0**	**1,269,177**	**21,255,502**

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

3.3.6 Unspent Conditional Grants (R 30.7 million)

Unspent conditional grants (Row 10 in Table 5 below) reflects a total balance of R 30.7 million as at 31 July 2023. To avoid future Roll-Over Grant applications from being rejected, Directorates are to ensure full spending of their respective grants by 30 June 2024.

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 / operational / legal risks 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 a CFO as soon as possible.

Table 5: 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	1,916,307	10,844,000	-121,742	0	12,638,565
2	Library Services Grant	Community Services	0	3,267,185	-1,041,034	0	2,226,151
3	Neighbourhood Development Partnership Grant	Technical Services	2,095,553	0	-284,432	0	1,811,121
4	Energy Efficiency Demand Side Management Grant	Electrical Services	56,884	0	0	0	56,884
5	Nedbank: SMME Incubator Program	Planning and Development	51,702	0	0	0	51,702
6	Finance Management Grant Capacity Building Grant	Financial Services	38,273	0	0	0	38,273
7	Integrated National Electrification Programme	Electrical Services	36	13,000,000	0	0	13,000,036
8	Finance Management Capacity Grant	Financial Services	233,994	639,000	0	0	872,994
9	Emergency Loadshedding	Electrical Services	134	0	0	0	134
10	**Total**		**4,392,883**	**27,750,185**	**-1,447,208**	**0**	**30,695,860**

Of concern is that none of the grants received (Column D) have been invested. These grants are unfortunately cash funding non-grant related expenditure as well.

3.3.7 Payables from Exchange Transactions (R 24.3 million)

Payables from Exchange Transactions (Row 3 in Table 6 below) decreased by R 1.0 million during the month under review from R 25.4 million at the end of June 2023 to R 24.3 million at the end of July 2023.

Table 6: Payables from Exchange Transactions					
Row Number	Description	May 2023	June 2023	July 2023	Movement (C to D)
Column Reference	A	B	C	D	E
1	Trade Payables	5,633,970	13,113,599	11,010,803	-2,102,796
2	Retentions	12,454,530	12,247,057	13,315,271	1,068,214
3	**Total**	**18,088,500**	**25,360,656**	**24,326,074**	**-1,034,582**

Here again, proof that multiple Creditors could not be paid at year-end, as a result of limited cashflow. Non-timeous payments to Creditors will indefinitely continue until such time that outstanding debts (consumers and grants) are at acceptable collection levels.

3.3.8 External Borrowings (R 360.3 million)

External Borrowings equate to R 360.3 million (Row 6 in Table 7 below), and are taken up to fund capital expenditure only.

Table 7: External Borrowings					
Row Number	Description	May 2023	June 2023	July 2023	Movement (C to D)
Column Reference	A	B	C	D	E
1	Opening Balance	360,408,376	360,408,376	360,819,354	410,978
2	New Loans Acquired	0	18,792,445	0	-18,792,445
3	Interest Capitalised	0	14,265,554	414,540	-13,851,014
4	Repayments	0	-32,812,346	-977,244	31,835,102
5	Adjustments	0	165,325	0	-165,325
6	**Closing Balance**	**360,408,376**	**360,819,354**	**360,256,649**	**-397,380**
7	**Budgeted Operating Revenue (Conditional Operating Grants excluded) =**			1,136,712,931	
8	**Gearing Ratio =**			**31.7%**	

External borrowings as a percentage of <u>budgeted</u> operating revenue (conditional operating grants excluded) equates to a gearing ratio of 31.7% which is below the National Treasury benchmark of 45%.

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 508.2 million)

Total outstanding debtors of R 508.2 million as at 31 July 2023 (Row 7 in Table 8 below) is presented by both Income Source and by Customer Group.

Debtors over 90 days of R 300.3 million or 59.1% of the total outstanding debt includes R 97.9 million or 32.6% owed by Organs of State and Businesses.

The total outstanding debtors have increased by R 135.5 million from R 372.7 million at 30 June 2023 to R 508.2 million at 31 July 2023. The increase is mainly as a result of the Annual Debit raising which is due for collection by 30 September 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 7 of 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.

New corrective measure for long outstanding debt: The Municipality has commenced with identifying all consumers with arrear debt whom are still connected to conventional meters. It is intended to replace all these conventional meters with prepaid meters. This will undoubtedly assist in curbing spiralling debt.

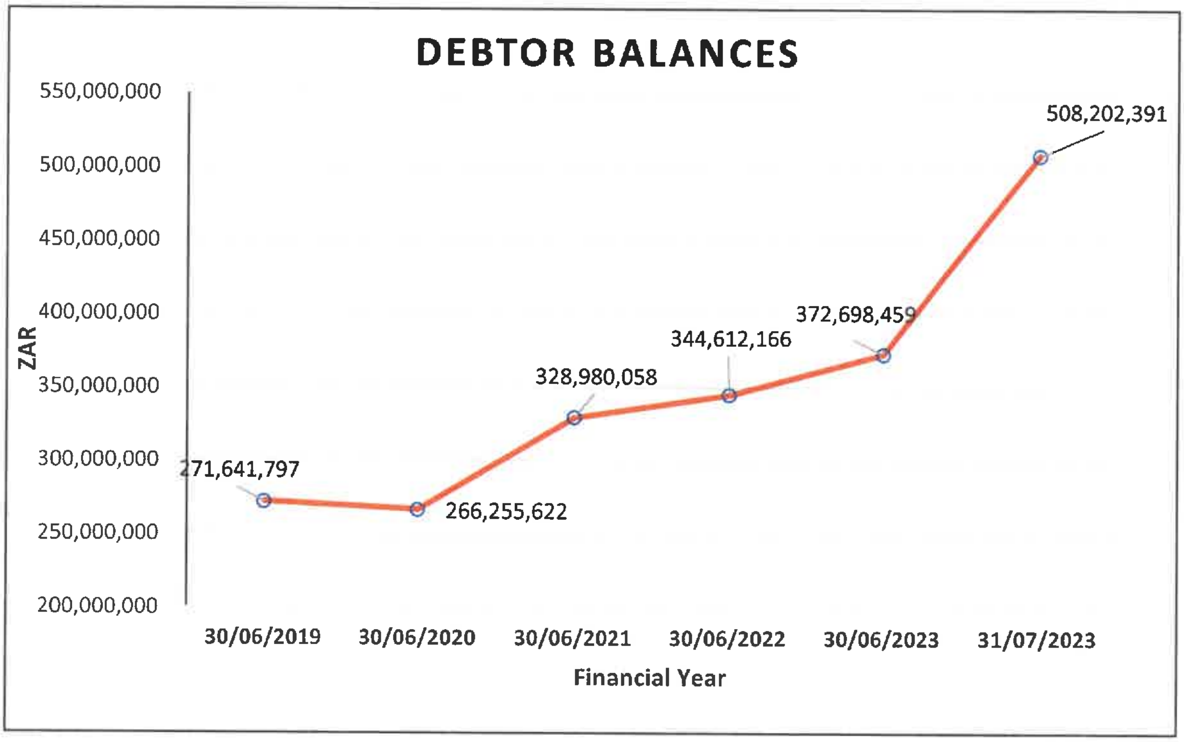
Table 8: Debtors Age Analysis						
By Income Source						
Row Number	Description	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total Outstanding Debtors
Column Reference	A	B	C	D	E	F
1	Water	18,281,098	2,888,612	2,024,572	54,859,477	78,053,759
2	Electricity	22,143,939	6,060,349	3,167,981	46,817,627	78,189,896
3	Property Rates	109,350,369	6,646,014	4,040,373	79,838,576	199,875,332
4	Sanitation	13,344,917	1,409,691	1,150,825	59,504,279	75,409,712
5	Refuse	13,247,966	1,273,570	993,215	51,224,155	66,738,906
6	Other	1,369,707	244,171	221,716	8,099,192	9,934,786
7	**Grand Total**	**177,737,996**	**18,522,407**	**11,598,682**	**300,343,306**	**508,202,391**
8	**% of Total Outstanding Debtors =**	**35.0%**	**3.6%**	**2.3%**	**59.1%**	**100.0%**
9	**Coucillors Debt**	**82,968**	**3,818**	**2,084**	**27,507**	**116,377**
10	**Staff Debt**	**332,490**	**25,829**	**18,729**	**932,867**	**1,309,915**
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
11	Organs of State	9,819,905	836,129	549,074	5,425,928	16,631,036
12	Commercial	36,981,684	6,269,293	4,397,186	92,441,833	140,089,996
13	Households	130,936,407	11,416,985	6,652,422	202,475,545	351,481,359
14	**Grand Total**	**177,737,996**	**18,522,407**	**11,598,682**	**300,343,306**	**508,202,391**
15	**% of Total Outstanding Debtors =**	**35.0%**	**3.6%**	**2.3%**	**59.1%**	**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. However, this will result in an increase in legal costs which is subsequently billed to the consumer, hence further spiralling the consumer debt.

With a full staff complement, in addition to securing debt collection services and converting conventional meters to prepaid meters, 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 <u>Debtors Collection Rate (24.1%)</u>

The overall Debtors Collection Rate as at 30 July 2023 equates to 24.1% (Row 14 in Table 9 below), compared to the National Treasury norm of 95%. This is as a result of the increased debtors balance due to the Annual Debit raising billing which is due for collection by 30 September 2023.

It should be noted that the figures contained in the Table below could be misleading as the matching principle is not applied (Part of Payments Received relate to prior year debts).

Table 9: 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 2023(Annual)	130,477,573	43,080,591	24.1%	178,505,740	43,080,591	24.1%	24.1%
2	July 2023 (Monthly)	48,028,167						
3	August 2023 (Monthly)							
4	September 2023 (Monthly)							
5	October 2023 (Monthly)							
6	November 2023 (Monthly)							
7	December 2023 (Monthly)							
8	January 2024 (Monthly)							
9	February 2024 (Monthly)							
10	March 2024 (Monthly)							
11	April 2024 (Monthly)							
12	May 2024 (Monthly)							
13	June 2024 (Monthly)							
14	Totals	178,505,740	43,080,591	24.1%	178,505,740	43,080,591	24.1%	24.1%

3.3.11 Capital Expenditure per Directorate (2.3%)

The year-to-date actual capital expenditure of R 2.5 million (Row 9 in Table 10 below) equates to 2.3% (Row 10 in Table 10 below) of the capital expenditure budget of R 110.7 million. Commitments of R 13.0 million (11.7%) and the year-to-date actual capital expenditure in total equates to R 15.5 million or 14.0% of the capital expenditure budget.

Table 10 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	0	0	0	0	0	0	0.0%	0
2	Corporate Services	200,000	200,000	0	0	0	0	0.0%	200,000
3	Financial Services	0	0	0	0	0	0	0.0%	0
4	Planning and Development	5,000	5,000	0	0	0	0	0.0%	5,000
5	Integrated Human Settlements	0	0	0	0	0	0	0.0%	0
6	Community Services	11,879,910	11,879,910	1,148,468	0	0	0	0.0%	11,879,910
7	Electrical Services	47,747,000	47,747,000	12,500	0	3,825,202	3,825,202	8.0%	43,921,798
8	Technical Services	50,906,699	50,906,699	6,410,834	2,525,385	9,167,124	11,692,509	23.0%	39,214,190
9	Grand Total	110,738,609	110,738,609	7,571,802	2,525,385	12,992,326	15,517,711	14.0%	95,220,898
10				% of Adjusted Budget =	2.3%	11.7%	14.0%		86.0%

3.3.12 Capital Expenditure per Funding Source 2.3%)

Table 11 below depicts the same financial information contained in Table 10 above hhowever, Table 11 categorises the capital expenditure by funding source.

Table 11: 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	78,183,609	78,183,609	6,605,139	1,941,642	12,486,324	14,427,966	18.5%	63,755,643
2	Borrowings	25,005,000	25,005,000	829,163	583,743	506,002	1,089,745	4.4%	23,915,255
3	Internally Generated Funds	7,550,000	7,550,000	137,500	0	0	0	0.0%	7,550,000
4	**Grand Total**	**110,738,609**	**110,738,609**	**7,571,802**	**2,525,385**	**12,992,326**	**15,517,711**	**14.0%**	**95,220,898**
5				**% of Adjusted Budget =**	**2.3%**	**11.7%**	**14.0%**		**86.0%**

The year-to-date actual and committed capital expenditure is funded by National Grants of 18.5%; external borrowings of 4.4%; and, internally generated funds of 0%.

Year-to-date actual capital expenditure of R 2.5 million (2.3%) and capital commitments of R 13.0 million (11.7%) of the capital expenditure budget results in available funds of R 95.2 million (86.0%).

3.4 Remedial or Corrective Steps

Remedial Actions				
Row Number	Action Description	Responsible Official	Completion Date	Status
Column Reference	A	B	C	C
1	Strengthen Debt Collection and Credit Control processes;	Director Financial Services	Ongoing	Ongoing
2	Conversion of all conventional meters to prepaid meters;	Director Infrastructure Services	To be confirmed	To be confirmed
3	Amendments to the Debt Collection and Credit Control policies;	Director Financial Services	2024/02/28	To be confirmed
4	Implementation of Revenue Enhancement strategies recommended by DBSA;	Director Financial Services	2023/09/30	To be confirmed
5	Traffic Fines Service Provider to improve performance;	Director Community Services	2024/06/30	Ongoing
6	Development and implementation of drastic cost reduction measures;	All Directorates	To be confirmed	To be confirmed
7	Strict expenditure control;	All Directorates	Ongoing	Ongoing
8	Closely monitor and manage the performance of Service Providers / Contractors;	All Directorates	Monthly	Ongoing
9	Ascertain the level of dependency on external Consultants;	All Directorates	To be confirmed	To be confirmed
10	Improve Cashflow Management to ensure long-term financial sustainability;	Director Financial Services	To be confirmed	To be confirmed
11	Human Settlements Department to ensure claims are processed timeously and all uncollected Grants settled immediately;	Director Integrated Human Settlements	To be confirmed	To be confirmed
12	Approve a functional and cost-effective organogram;	Director Corporate Service	To be confirmed	To be confirmed
13	Review and approval of the Overtime and Standby Policy;	Director Corporate Service	To be confirmed	To be confirmed
14	Implementation of the Overtime and Standby Project;	Director Corporate Service	To be confirmed	To be confirmed

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 focuses 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. load shedding, increase in 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.

The following expenditure will receive more attention and monitoring henceforth:

- Overtime
- Legal Fees
- Consulting Fees
- Rental Expense

OMBALI PHINEAS SEBOLA
MUNICIPAL MANAGER
DATE: 15 August 2023

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

X	The monthly budget statement
	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, ending July 2023 of the 2023/2024 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: 15 August 2023

PART 2: IN-YEAR BUDGET STATEMENT SCHEDULES

Table C1: Monthly Budget Statement Summary

WC048 Knysna - Table C1 Monthly Budget Statement Summary - M01 July

Description	2022/23	Budget Year 2023/24							
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	–	304,254	304,254	111,757	111,757	292,363	(180,607)	-62%	304,254
Service charges	440,441	530,061	530,061	75,051	75,051	69,929	5,122	7%	530,061
Investment revenue	2,014	–	–	–	–	–	–		–
Transfers and subsidies - Operational	2,014	1,826	1,826	226	226	133	93	70%	1,826
Other own revenue	303,794	328,454	328,454	63,572	63,572	49,097	14,475	29%	–
Total Revenue (excluding capital transfers and contributions)	**748,263**	**1,164,594**	**1,164,594**	**250,606**	**250,606**	**411,523**	**(160,917)**	**-39%**	**1,164,594**
Employee costs	282,862	305,558	305,558	23,256	23,256	26,308	(3,051)		305,558
Remuneration of Councillors	9,787	10,082	10,082	799	799	857	(57)		10,082
Depreciation and amortisation	0	49,119	49,119	4,093	4,093	4,093	–		49,119
Interest	30,368	31,848	31,848	415	415	306	109		31,848
Inventory consumed and bulk purchases	293,190	347,358	347,248	678	678	1,648	(970)		347,248
Transfers and subsidies	1,934	1,457	1,457	5	5	8	(3)	-40%	1,457
Other expenditure	308,449	410,376	410,486	8,605	8,605	9,636	(1,031)	-11%	410,486
Total Expenditure	**926,590**	**1,155,798**	**1,155,798**	**37,852**	**37,852**	**42,856**	**(5,004)**	**-12%**	**1,155,798**
Surplus/(Deficit)	**(178,326)**	**8,796**	**8,796**	**212,754**	**212,754**	**368,667**	**(155,913)**	**-42%**	**8,796**
Transfers and subsidies - capital (monetary	37,518	78,184	78,184	378	378	1,225	(847)	-69%	78,184
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**	**(156,759)**	**-42%**	**86,980**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**	**(156,759)**	**-42%**	**86,980**
Capital expenditure & funds sources									
Capital expenditure	**95,593**	**110,739**	**110,739**	**97,926**	**97,926**	**7,572**	**90,354**	**1193%**	**110,739**
Capital transfers recognised	38,261	78,184	78,184	40,205	40,205	6,605	33,600	509%	78,184
Borrowing	53,318	25,005	25,005	50,863	50,863	829	50,034	6034%	25,005
Internally generated funds	**4,013**	**7,550**	**7,550**	**6,857**	**6,857**	**138**	**6,720**	**4887%**	**7,550**
Total sources of capital funds	**95,593**	**110,739**	**110,739**	**97,926**	**97,926**	**7,572**	**90,354**	**1193%**	**110,739**
Financial position									
Total current assets	218,863	212,740	212,740		429,364				212,740
Total non current assets	1,598,073	1,562,309	1,562,309		1,600,406				1,562,309
Total current liabilities	283,464	271,657	271,657		241,505				271,657
Total non current liabilities	436,527	398,563	398,563		437,286				398,563
Community wealth/Equity	**1,018,632**	**1,107,577**	**1,107,577**		**1,140,795**				**1,107,577**
Cash flows									
Net cash from (used) operating	262,883	120,525	191,957	63,532	63,532	376,182	312,650	83%	191,957
Net cash from (used) investing	(91,314)	(110,239)	–	(8,810)	(8,810)	–	8,810	#DIV/0!	–
Net cash from (used) financing	(43,629)	(39,361)	(39,361)	(563)	(563)	(3,454)	(2,891)	84%	(39,361)
Cash/cash equivalents at the month/year end	**20,358**	**24,321**	**24,321**	**52,843**	**52,843**	**403,880**	**351,037**	**87%**	–

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	177,738	18,522	11,599	9,890	9,761	9,158	65,181	206,353	508,202
Creditors Age Analysis									
Total Creditors	11,011	–	–	–	–	–	–	–	11,011

Table C2: Financial Performance (Standard Classification)

WC048 Knysna - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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		**299,874**	**343,953**	**343,953**	**122,395**	**122,395**	**302,181**	(179,786)	-59%	**343,953**
Executive and council		3,612	5,280	5,280	1,957	1,957	1,574	383	24%	5,280
Finance and administration		296,262	338,673	338,673	120,438	120,438	300,607	(180,168)	-60%	338,673
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**129,100**	**149,493**	**149,493**	**6,983**	**6,983**	**1,232**	5,751	467%	**149,493**
Community and social services		12,026	12,506	12,506	1,108	1,108	1,085	23	2%	12,506
Sport and recreation		1,460	1,361	1,361	144	144	107	37	34%	1,361
Public safety		89,313	101,891	101,891	4,609	4,609	36	4,573	12782%	101,891
Housing		26,301	33,735	33,735	1,121	1,121	3	1,118	32250%	33,735
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**22,799**	**31,089**	**31,089**	**1,105**	**1,105**	**806**	299	37%	**31,089**
Planning and development		10,814	10,193	10,193	560	560	393	168	43%	10,193
Road transport		11,091	20,896	20,896	545	545	414	131	32%	20,896
Environmental protection		893	–	–	–	–	–	–		–
Trading services		**594,897**	**718,242**	**718,242**	**120,502**	**120,502**	**108,529**	11,973	11%	**718,242**
Energy sources		342,780	463,884	463,884	49,875	49,875	39,288	10,587	27%	463,884
Water management		119,787	123,185	123,185	30,227	30,227	28,499	1,728	6%	123,185
Waste water management		80,761	80,172	80,172	20,764	20,764	21,496	(732)	-3%	80,172
Waste management		51,569	51,001	51,001	19,635	19,635	19,246	389	2%	51,001
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,046,670**	**1,242,778**	**1,242,778**	**250,985**	**250,985**	**412,748**	**(161,763)**	**-39%**	**1,242,778**
Expenditure - Functional										
Governance and administration		**176,721**	**212,982**	**212,982**	**14,024**	**14,024**	**10,000**	4,024	40%	**212,982**
Executive and council		16,775	31,154	31,154	1,115	1,115	1,140	(25)	-2%	31,154
Finance and administration		155,862	176,823	176,768	12,540	12,540	8,603	3,937	46%	176,768
Internal audit		4,084	5,005	5,060	369	369	257	112	44%	5,060
Community and public safety		**165,470**	**235,472**	**235,472**	**7,833**	**7,833**	**13,039**	(5,206)	-40%	**235,472**
Community and social services		20,762	17,169	17,169	1,594	1,594	1,263	331	26%	17,169
Sport and recreation		23,119	23,962	23,962	1,090	1,090	1,652	(563)	-34%	23,962
Public safety		72,092	146,014	146,014	3,424	3,424	3,922	(497)	-13%	146,014
Housing		49,498	48,327	48,327	1,725	1,725	6,202	(4,477)	-72%	48,327
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**69,717**	**84,035**	**84,035**	**4,707**	**4,707**	**6,265**	(1,558)	-25%	**84,035**
Planning and development		35,212	40,063	40,063	2,414	2,414	2,559	(146)	-6%	40,063
Road transport		28,123	38,827	38,827	2,057	2,057	2,497	(440)	-18%	38,827
Environmental protection		6,381	5,146	5,146	236	236	1,208	(972)	-80%	5,146
Trading services		**514,682**	**623,309**	**623,309**	**11,289**	**11,289**	**13,552**	**(2,263)**	-17%	**623,309**
Energy sources		310,392	389,692	389,692	2,481	2,481	2,899	(419)	-14%	389,692
Water management		85,957	98,024	98,024	3,974	3,974	4,435	(461)	-10%	98,024
Waste water management		73,634	89,675	89,675	2,393	2,393	2,804	(411)	-15%	89,675
Waste management		44,699	45,918	45,918	2,441	2,441	3,413	(972)	-28%	45,918
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**926,590**	**1,155,798**	**1,155,798**	**37,852**	**37,852**	**42,856**	**(5,004)**	**-12%**	**1,155,798**
Surplus/ (Deficit) for the year		**120,081**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**	**(156,759)**	**-42%**	**86,980**

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) - M01 July

Vote Description	Ref	2022/23	Budget Year 2023/24							
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 (31: IE)		–	5,280	5,280	1,957	1,957	1,574	383	24.3%	5,280
Vote 2 - CORPORATE SERVICES (32: IE)		–	1,525	1,525	490	490	335	155	46.2%	1,525
Vote 3 - COMMUNITY SERVICES (33: IE)		3,130	169,392	169,392	13,100	13,100	7,568	5,531	73.1%	169,392
Vote 4 - FINANCIAL SERVICES (34: IE)		56	318,190	318,190	112,891	112,891	293,190	(180,299)	-61.5%	318,190
Vote 5 - OPERATING SERVICES (35: IE)		5,424	748,391	748,391	121,938	121,938	110,080	11,857	10.8%	748,391
Vote 6 - (50: IE)		–	–	–	–	–	–	–		–
Vote 7 - 1. Executive AND Council (110: IE)		3,612	–	–	–	–	–	–		–
Vote 8 - 2. Corporate (120: IE)		6,068	–	–	–	–	–	–		–
Vote 9 - 3. Finance (130: IE)		274,801	–	–	16	16	–	16	#DIV/0!	–
Vote 10 - (140: IE)		–	–	–	–	–	–	–		–
Vote 11 - 5. Planning (150: IE)		7,031	–	–	–	–	–	–		–
Vote 12 - 6. Community (160: IE)		171,739	–	–	13	13	–	13	#DIV/0!	–
Vote 13 - 7. Electricity (170: IE)		342,780	–	–	3	3	–	3	#DIV/0!	–
Vote 14 - 6. Community (180: IE)		205,756	–	–	577	577	–	577	#DIV/0!	–
Vote 15 - 8. Technical (180: IE)		26,274	–	–	–	–	–	–		–
Vote 16 - 9. Housing Services (190: IE)		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**1,046,670**	**1,242,778**	**1,242,778**	**250,985**	**250,985**	**412,748**	**(161,763)**	**-39.2%**	**1,242,778**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (31: IE)		297	39,146	39,091	1,510	1,510	1,491	19	1.3%	39,091
Vote 2 - CORPORATE SERVICES (32: IE)		82	40,408	40,408	1,774	1,774	(1,078)	2,852	-264.6%	40,408
Vote 3 - COMMUNITY SERVICES (33: IE)		2,064	257,990	257,880	8,957	8,957	14,652	(5,695)	-38.9%	257,880
Vote 4 - FINANCIAL SERVICES (34: IE)		34	107,051	107,051	5,858	5,858	7,379	(1,522)	-20.6%	107,051
Vote 5 - OPERATING SERVICES (35: IE)		79	711,203	711,203	16,217	16,217	20,246	(4,029)	-19.9%	711,203
Vote 6 - (50: IE)		–	–	–	–	–	–	–		–
Vote 7 - 1. Executive AND Council (110: IE)		24,850	–	55	126	126	55	71	128.3%	55
Vote 8 - 2. Corporate (120: IE)		61,148	–	–	2,670	2,670	–	2,670	#DIV/0!	–
Vote 9 - 3. Finance (130: IE)		79,317	–	–	69	69	–	69	#DIV/0!	–
Vote 10 - (140: IE)		–	–	–	–	–	–	–		–
Vote 11 - 5. Planning (150: IE)		26,675	–	–	22	22	–	22	#DIV/0!	–
Vote 12 - 6. Community (160: IE)		175,082	–	110	450	450	110	340	309.2%	110
Vote 13 - 7. Electricity (170: IE)		313,836	–	–	86	86	–	86	#DIV/0!	–
Vote 14 - 6. Community (180: IE)		194,174	–	–	114	114	–	114	#DIV/0!	–
Vote 15 - 8. Technical (180: IE)		48,953	–	–	–	–	–	–		–
Vote 16 - 9. Housing Services (190: IE)		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**926,590**	**1,155,798**	**1,155,798**	**37,852**	**37,852**	**42,856**	**(5,004)**	**-11.7%**	**1,155,798**
Surplus/ (Deficit) for the year	2	**120,081**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**	**(156,759)**	**-42.4%**	**86,980**

Table C4: Financial Performance (Revenue and Expenditure)

WC048 Knysna - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		304,460	384,778	384,778	36,009	36,009	30,881	5,128	17%	384,778
Service charges - Water		78,274	84,389	84,389	15,921	15,921	15,776	145	1%	84,389
Service charges - Waste Water Management		29,240	30,864	30,864	11,276	11,276	11,419	(143)	-1%	30,864
Service charges - Waste management		28,466	30,029	30,029	11,846	11,846	11,853	(7)	0%	30,029
Sale of Goods and Rendering of Services		6,236	39,359	39,359	1,819	1,819	499	1,320	264%	39,359
Agency services		4,086	4,033	4,033	120	120	281	(161)	-57%	4,033
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22,278	14,751	14,751	2,025	2,025	1,470	555	38%	14,751
Interest from Current and Non Current Assets		2,014	1,826	1,826	226	226	133			1,826
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		5,886	6,938	6,938	1,150	1,150	1,098	52	5%	6,938
Licence and permits		71	45	45	11	11	2	9	589%	45
Operational Revenue		7,912	6,023	6,023	791	791	443	348	78%	6,023
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		–	304,254	304,254	111,757	111,757	292,363	(180,607)	-62%	304,254
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		89,064	99,090	99,090	4,602	4,602	34	4,568		99,090
Licence and permits		1,377	1,743	1,743	114	114	133	(19)		1,743
Transfers and subsidies - Operational		159,804	150,239	150,239	52,207	52,207	44,562	7,645		150,239
Interest		7,738	5,733	5,733	733	733	575	157		5,733
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		2,105	500	500	–	–	–	–		500
Other Gains		(748)	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**748,263**	**1,164,594**	**1,164,594**	**250,606**	**250,606**	**411,523**	**(160,917)**	**-39%**	**1,164,594**
Expenditure By Type										
Employee related costs		282,862	305,558	305,558	23,256	23,256	26,308	(3,051)	-12%	305,558
Remuneration of councillors		9,787	10,082	10,082	799	799	857	(57)	-7%	10,082
Bulk purchases - electricity		238,307	293,304	293,304	192	192	199	(7)		293,304
Inventory consumed		54,883	54,053	53,943	487	487	1,449	(963)		53,943
Debt impairment		55,601	149,730	149,730	640	640	640	–		149,730
Depreciation and amortisation		0	49,119	49,119	4,093	4,093	4,093	–		49,119
Interest		30,368	31,848	31,848	415	415	306	109	36%	31,848
Contracted services		188,839	185,406	185,096	1,898	1,898	6,473	(4,575)	-71%	185,096
Transfers and subsidies		1,934	1,457	1,457	5	5	8	(3)	-40%	1,457
Irrecoverable debts written off		–	1,784	1,784	–	–	149	(149)		1,784
Operational costs		62,787	73,456	73,876	6,068	6,068	2,375	3,693	156%	73,876
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		1,221	–	–	–	–	–	–		–
Total Expenditure		**926,590**	**1,155,798**	**1,155,798**	**37,852**	**37,852**	**42,856**	**(5,004)**	**-12%**	**1,155,798**
Surplus/(Deficit)		**(178,326)**	**8,796**	**8,796**	**212,754**	**212,754**	**368,667**	**(155,913)**	**(0)**	**8,796**
Transfers and subsidies - capital (monetary allocations)		37,518	78,184	78,184	378	378	1,225	(847)	(0)	78,184
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**			**86,980**
Income Tax		–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**			**86,980**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**			**86,980**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(140,808)**	**86,980**	**86,980**	**213,133**	**213,133**	**369,892**			**86,980**

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) - M01 July

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 17 - CAPITAL SUSPENSE (28: CS)		–	–	–	–	–	–	–		–
Vote 18 - 1. Executive AND Council (110: CS)		–	–	–	–	–	–	–		–
Vote 19 - 2. Corporate (120: CS)		–	–	–	–	–	–	–		–
Vote 20 - 3. Finance (130: CS)		–	–	–	–	–	–	–		–
Vote 21 - 5. Planning (150: CS)		–	–	–	–	–	–	–		–
Vote 22 - 6. Community (160: CS)		–	–	–	–	–	–	–		–
Vote 23 - 7. Electricity (170: CS)		–	–	–	–	–	–	–		–
Vote 24 - 8. Technical (180: CS)		–	–	–	–	–	–	–		–
Vote 25 - 9. Housing Services (190: CS)		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 17 - CAPITAL SUSPENSE (28: CS)		9,124	110,739	110,739	97,926	97,926	7,572	90,354	1193%	110,739
Vote 18 - 1. Executive AND Council (110: CS)		12	–	–	–	–	–	–		–
Vote 19 - 2. Corporate (120: CS)		1,478	–	–	–	–	–	–		–
Vote 20 - 3. Finance (130: CS)		382	–	–	–	–	–	–		–
Vote 21 - 5. Planning (150: CS)		200	–	–	–	–	–	–		–
Vote 22 - 6. Community (160: CS)		7,586	–	–	–	–	–	–		–
Vote 23 - 7. Electricity (170: CS)		20,291	–	–	–	–	–	–		–
Vote 24 - 8. Technical (180: CS)		56,520	–	–	–	–	–	–		–
Vote 25 - 9. Housing Services (190: CS)		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	95,593	110,739	110,739	97,926	97,926	7,572	**90,354**	**1193%**	110,739
Total Capital Expenditure		**95,593**	**110,739**	**110,739**	**97,926**	**97,926**	**7,572**	**90,354**	**1193%**	**110,739**
Capital Expenditure - Functional Classification										
Governance and administration		**3,889**	**700**	**700**	**3,889**	**3,889**	–	3,889	#DIV/0!	**700**
Executive and council		12	–	–	12	12	–	12	#DIV/0!	–
Finance and administration		3,877	700	700	3,877	3,877	–	3,877	#DIV/0!	700
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**5,554**	**10,480**	**10,480**	**5,553**	**5,553**	**1,148**	4,404	383%	**10,480**
Community and social services		1,753	800	800	1,753	1,753	–	1,753	#DIV/0!	800
Sport and recreation		275	7,180	7,180	274	274	1,065	(791)	-74%	7,180
Public safety		2,021	2,500	2,500	2,021	2,021	83	1,937	2325%	2,500
Housing		1,505	–	–	1,505	1,505	–	1,505	#DIV/0!	–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**40,714**	**25,291**	**25,291**	**41,737**	**41,737**	**2,572**	39,165	1523%	**25,291**
Planning and development		371	150	150	314	314	–	314	#DIV/0!	150
Road transport		40,332	25,136	25,136	41,415	41,415	2,572	38,844	1510%	25,136
Environmental protection		11	5	5	8	8	–	8	#DIV/0!	5
Trading services		**45,435**	**74,267**	**74,267**	**46,746**	**46,746**	**3,852**	42,895	1114%	**74,267**
Energy sources		19,595	47,247	47,247	19,462	19,462	13	19,449	155593%	47,247
Water management		12,587	12,107	12,107	12,669	12,669	2,777	9,891	356%	12,107
Waste water management		8,285	13,514	13,514	9,649	9,649	1,062	8,586	808%	13,514
Waste management		4,968	1,400	1,400	4,968	4,968	–	4,968	#DIV/0!	1,400
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**95,593**	**110,739**	**110,739**	**97,926**	**97,926**	**7,572**	**90,354**	**1193%**	**110,739**
Funded by:										
National Government		36,055	78,184	78,184	37,999	37,999	6,605	31,393	475%	78,184
Provincial Government		2,087	–	–	2,087	2,087	–	2,087	#DIV/0!	–
District Municipality		120	–	–	120	120	–	120	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**38,261**	**78,184**	**78,184**	**40,205**	**40,205**	**6,605**	**33,600**	**509%**	**78,184**
Borrowing	6	53,318	25,005	25,005	50,863	50,863	829	50,034	6034%	25,005
Internally generated funds		4,013	7,550	7,550	6,857	6,857	138	6,720	4887%	7,550
Total Capital Funding		**95,593**	**110,739**	**110,739**	**97,926**	**97,926**	**7,572**	**90,354**	**1193%**	**110,739**

Table C6: Financial Position

WC048 Knysna - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2022/23	Budget Year 2023/24			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		20,358	24,321	24,321	52,843	24,321
Trade and other receivables from exchange transactions		77,405	71,456	71,456	127,984	71,456
Receivables from non-exchange transactions		90,844	80,145	80,145	227,035	80,145
Current portion of non-current receivables		4	4	4	4	4
Inventory		11,513	13,818	13,818	11,530	13,818
VAT		18,788	25,875	25,875	14,844	25,875
Other current assets		(49)	(2,878)	(2,878)	(4,876)	(2,878)
Total current assets		**218,863**	**212,740**	**212,740**	**429,364**	**212,740**
Non current assets						
Investments		–	–	–	–	–
Investment property		68,760	68,614	68,614	68,760	68,614
Property, plant and equipment		1,509,348	1,473,802	1,473,802	1,511,681	1,473,802
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		17,435	17,435	17,435	17,435	17,435
Intangible assets		80	8	8	80	8
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		(8)	(8)	(8)	(8)	(8)
Other non-current assets		2,458	2,458	2,458	2,458	2,458
Total non current assets		**1,598,073**	**1,562,309**	**1,562,309**	**1,600,406**	**1,562,309**
TOTAL ASSETS		**1,816,935**	**1,775,049**	**1,775,049**	**2,029,769**	**1,775,049**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		51,046	51,046	51,046	48,371	51,046
Consumer deposits		14,928	14,573	14,573	15,227	14,573
Trade and other payables from exchange transactions		201,755	174,123	174,123	124,809	174,123
Trade and other payables from non-exchange transactions		(22,675)	(5,344)	(5,344)	2,632	(5,344)
Provision		32,403	33,777	33,777	30,592	33,777
VAT		930	(1,082)	(1,082)	14,797	(1,082)
Other current liabilities		5,077	4,563	4,563	5,077	4,563
Total current liabilities		**283,464**	**271,657**	**271,657**	**241,505**	**271,657**
Non current liabilities						
Financial liabilities		311,417	273,206	273,206	312,779	273,206
Provision		125,110	125,357	125,357	124,507	125,357
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**436,527**	**398,563**	**398,563**	**437,286**	**398,563**
TOTAL LIABILITIES		**719,991**	**670,220**	**670,220**	**678,791**	**670,220**
NET ASSETS	2	**1,096,944**	**1,104,830**	**1,104,830**	**1,350,979**	**1,104,830**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,018,632	1,107,577	1,107,577	1,350,979	1,107,577
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1,018,632**	**1,107,577**	**1,107,577**	**1,350,979**	**1,107,577**

Table C7: Cash Flow

WC048 Knysna - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		237,376	290,007	–	1,458	1,458	–	1,458	#DIV/0!	–
Service charges		315,693	498,621	1,091,243	23,134	23,134	411,728	(388,594)	-94%	1,091,243
Other revenue		24,838	38,721	–	2,907	2,907	–	2,907	#DIV/0!	–
Transfers and Subsidies - Operational		109,684	167,773	–	68,238	68,238	–	68,238	#DIV/0!	–
Transfers and Subsidies - Capital		–	78,184	–	23,844	23,844	–	23,844	#DIV/0!	–
Interest		493	1,826	1,826	–	–	133	(133)	-100%	1,826
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(453,604)	(922,757)	(869,264)	(56,464)	(56,464)	(35,374)	21,090	-60%	(869,264)
Interest		28,403	(31,848)	(31,848)	415	415	(306)	(720)	236%	(31,848)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**262,883**	**120,525**	**191,957**	**63,532**	**63,532**	**376,182**	**312,650**	**83%**	**191,957**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		2,105	500	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(93,419)	(110,739)	–	(8,810)	(8,810)	–	8,810	#DIV/0!	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(91,314)**	**(110,239)**	**–**	**(8,810)**	**(8,810)**	**–**	**8,810**	**#DIV/0!**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(43,629)	(39,361)	(39,361)	(563)	(563)	(3,454)	(2,891)	84%	(39,361)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(43,629)**	**(39,361)**	**(39,361)**	**(563)**	**(563)**	**(3,454)**	**(2,891)**	**84%**	**(39,361)**
NET INCREASE/ (DECREASE) IN CASH HELD		**127,940**	**(29,074)**	**152,596**	**54,159**	**54,159**	**372,728**			**152,596**
Cash/cash equivalents at beginning:		(107,582)	53,395	(128,275)	(1,316)	(1,316)	(128,275)			(1,316)
Cash/cash equivalents at month/year end:		20,358	24,321	24,321	52,843	52,843	403,880			–

Supporting Table SC3: Debtors Age Analysis

WC048 Knysna - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2023/24											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	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	18,281	2,889	2,025	2,376	1,812	1,735	14,543	34,393	78,054	54,859	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	22,144	6,060	3,168	2,453	2,219	3,035	11,587	27,524	78,190	46,818	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	109,350	6,646	4,040	2,880	2,533	2,219	19,491	52,715	199,875	79,839	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	13,345	1,410	1,151	1,020	1,000	949	10,150	46,385	75,410	59,504	–	–
Receivables from Exchange Transactions - Waste Management	1600	13,248	1,274	993	875	863	813	8,239	40,435	66,739	51,224	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	437	105	79	86	133	41	431	7,007	8,317	7,697	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	933	139	143	200	1,201	367	740	(2,105)	1,618	402	–	–
Total By Income Source	**2000**	**177,738**	**18,522**	**11,599**	**9,890**	**9,761**	**9,158**	**65,181**	**206,353**	**508,202**	**300,343**	**–**	**–**
2022/23 - totals only		159,723	16,918	10,426	8,568	7,698	17,074	56,687	192,880	469,973	**282,906**	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	9,820	836	549	431	338	341	1,620	2,696	16,631	5,426	–	–
Commercial	2300	36,982	6,269	4,397	3,864	3,528	3,392	26,295	55,362	140,090	92,442	–	–
Households	2400	130,936	11,417	6,652	5,595	5,894	5,426	37,266	148,295	351,481	202,476	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**177,738**	**18,522**	**11,599**	**9,890**	**9,761**	**9,158**	**65,181**	**206,353**	**508,202**	**300,343**	**–**	**–**

Supporting Table SC4: Creditors Age Analysis

Creditors Age Analysis By Customer Type

Description R thousands	NT Code	Budget Year 2023/24									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	310	–	–	–	–	–	–	–	310	654
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	10,701	–	–	–	–	–	–	–	10,701	5,523
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	11,011	–	–	–	–	–	–	–	11,011	6,177

Supporting Table SC5: Investment Portfolio

WC048 Knysna - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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 ³	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	2,929	20	–	–	2,949
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										2,949		–	–	2,969
TOTAL INVESTMENTS AND INTEREST	2									2,949		–	–	2,969

Supporting Table SC6: Transfers and Grant Receipts

WC048 Knysna - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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:		120,371	138,581	138,581	51,166	51,166	43,573	7,593	17.4%	138,581
Equitable Share		111,172	122,358	122,358	50,983	50,983	43,356	7,627	17.6%	122,358
Expanded Public Works Programme Integrated Grant		1,044	1,264	1,264	25	25	60	(35)	-58.5%	1,264
Integrated National Electrification Programme Grant		1,400	5,707	5,707	–	–	–	–		5,707
Local Government Financial Management Grant		1,721	1,771	1,771	37	37	37	–		1,771
Municipal Infrastructure Grant		4,655	5,081	5,081	122	122	120	2	1.3%	5,081
Neighbourhood Development Partnership Grant		379	1,957	1,957	–	–	–	–		1,957
Water Services Infrastructure Grant		–	443	443	–	–	–	–		443
Provincial Government:		37,344	11,658	11,658	1,041	1,041	989	52	5.2%	11,658
Grant Income - W C P A		37,028	11,019	11,019	1,041	1,041	989	52	5.2%	11,019
Grant Income - WCPA(FMCBG)		316	639	639	–	–	–	–		639
Total Operating Transfers and Grants	5	157,715	150,239	150,239	52,207	52,207	44,562	7,645	17.2%	150,239
Capital Transfers and Grants										
National Government:		34,998	78,184	78,184	378	378	1,225	(847)	-69.1%	78,184
Integrated National Electrification Programme Grant		9,330	38,047	38,047	–	–	–	–		38,047
Municipal Infrastructure Grant		23,142	24,137	24,137	–	–	1,225	(1,225)	-100.0%	24,137
Neighbourhood Development Partnership Grant		2,526	13,043	13,043	284	284	–	284	#DIV/0!	13,043
Water Services Infrastructure Grant		–	2,957	2,957	94	94	–	94	#DIV/0!	2,957
Provincial Government:		–	–	–	–	–	–	–		–
Capital Grant WCPA		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	34,998	78,184	78,184	378	378	1,225	(847)	-69.1%	78,184
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	192,713	228,423	228,423	52,586	52,586	45,787	6,798	14.8%	228,423

Supporting Table SC7(1): Transfers and Grant Expenditure

WC048 Knysna - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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:		36,111	35,278	35,728	2,675	2,675	4,186	(1,511)	-36.1%	35,728
Equitable Share		31,377	30,637	31,087	2,449	2,449	3,980	(1,530)	-38.5%	31,087
Expanded Public Works Programme Integrated Grant		1,044	1,264	1,264	25	25	–	25	#DIV/0!	1,264
Local Government Financial Management Grant		1,721	1,906	1,906	37	37	39	(3)	-6.6%	1,906
Municipal Infrastructure Grant		1,970	1,471	1,471	164	164	167	(4)	-2.2%	1,471
Expanded Public Works Programme Integrated Grant		–	–	–	–	–	–	–		–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		–	–	–	–	–	–	–		–
Provincial Government:		38,075	45,360	45,360	2,160	2,160	6,377	(4,217)	-66.1%	45,360
Allowance: Acting		119	14	14	–	–	127	(127)	-100.0%	14
Buildings		1,391	10	10	–	–	–	–		10
Fuel and Oil		128	131	131	–	–	12	(12)	-100.0%	131
Fuel Management Rental Fee		3	4	4	–	–	0	(0)	-100.0%	4
Grant - W C P A		12,661	18,766	18,766	1,550	1,550	2,168	(618)	-28.5%	18,766
Grant - W C P A (Ethembeni 180)		7,749	–	–	–	–	–	–		–
Grant - W C P A (Happy Valley 95)		4,331	6,724	6,724	344	344	1,121	(777)	-69.3%	6,724
Grant - W C P A (Hlalani 273)		6,309	9,480	9,480	–	–	1,580	(1,580)	-100.0%	9,480
Grant - WCPA(FMCBG)		316	639	639	–	–	–	–		639
Grant - WCPA(Heidevallei Planning)		–	8,212	8,212	266	266	1,369	(1,103)	-80.6%	8,212
Grant - WCPA(Vision459)		5,058	–	–	–	–	–	–		–
Insurance 3rd Party		–	4	4	–	–	–	–		4
Temp/Casual Staff UIF		–	1	1	–	–	–	–		1
Title Deeds Restoration project		10	1,374	1,374	–	–	–	–		1,374
		–	–	–	–	–	–	–		–
District Municipality:		1,000	–	–	0	0	–	0	#DIV/0!	–
Greater Knysna Food Security Forum		1,000	–	–	0	0	–	0	#DIV/0!	–
Other grant providers:		1,000	–	–	0	0	–	0	#DIV/0!	–
Greater Knysna Food Security Forum		1,000	–	–	0	0	–	0	#DIV/0!	–
Total operating expenditure of Transfers and Grants:		76,187	80,638	81,088	4,835	4,835	10,563	(5,728)	-54.2%	81,088
Capital expenditure of Transfers and Grants										
National Government:		36,055	78,184	78,184	37,999	37,999	6,605	31,393	475.3%	78,184
Integrated National Electrification Programme Grant		9,330	38,047	38,047	9,330	9,330	–	9,330	#DIV/0!	38,047
Municipal Infrastructure Grant		24,199	24,137	24,137	25,811	25,811	3,095	22,716	733.9%	24,137
Neighbourhood Development Partnership Grant		2,526	13,043	13,043	2,775	2,775	1,087	1,688	155.3%	13,043
Water Services Infrastructure Grant		–	2,957	2,957	82	82	2,423	(2,341)	-96.6%	2,957
Provincial Government:		2,087	–	–	2,087	2,087	–	2,087	#DIV/0!	–
Emergency Municipal Load-Shedding Relief Grant		2,087	–	–	2,087	2,087	–	2,087	#DIV/0!	–
Knysna Vision(1393) UISP		–	–	–	–	–	–	–		–
District Municipality:		120	–	–	120	120	–	120	#DIV/0!	–
CCTV camera Project - Safety Initiative		120	–	–	120	120	–	120	#DIV/0!	–
Total capital expenditure of Transfers and Grants		38,261	78,184	78,184	40,205	40,205	6,605	33,600	508.7%	78,184
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		114,448	158,822	159,272	45,040	45,040	17,168	27,872	162.3%	159,272

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

WC048 Knysna - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M01 July

Description	Ref	Budget Year 2023/24				
R thousands		Approved Rollover 2022/23	Monthly actual	YearTD actual	YTD variance	YTD variance %
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		–	–	–	–	
Equitable Share					–	
Expanded Public Works Programme Integrated Grant					–	
Integrated National Electrification Programme Grant					–	
Local Government Financial Management Grant					–	
Provincial Government:		–	–	–	–	
Grant Income - W C P A					–	
Total operating expenditure of Approved Roll-overs		–	–	–	–	
Capital expenditure of Approved Roll-overs						
National Government:		–	–	–	–	
Integrated National Electrification Programme Grant					–	
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 - M01 July

Summary of Employee and Councillor remuneration R thousands	Ref	2022/23 Audited Outcome	Budget Year 2023/24 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		7,894	8,032	8,032	639	639	684	(45)	-7%	8,032
Pension and UIF Contributions		613	616	616	54	54	58	(4)	-7%	616
Medical Aid Contributions		108	211	211	12	12	12	(1)	-4%	211
Motor Vehicle Allowance		249	239	239	20	20	21	(1)	-7%	239
Cellphone Allowance		521	587	587	42	42	47	(4)	-9%	587
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		16	–	–	–	–	–	–		–
Sub Total - Councillors		9,402	9,684	9,684	768	768	823	(55)	-7%	9,684
% increase	4		3.0%	3.0%						3.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5,076	7,212	7,212	332	332	442	(109)	-25%	7,212
Pension and UIF Contributions		295	451	451	28	28	30	(2)	-7%	451
Medical Aid Contributions		60	50	50	5	5	5	(0)	-1%	50
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	199	199	–	–	–	–		199
Motor Vehicle Allowance		522	430	430	39	39	36	3	7%	430
Cellphone Allowance		5	5	5	1	1	1	(0)	-7%	5
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		94	292	292	5	5	5	(0)	-7%	292
Sub Total - Senior Managers of Municipality		170,278	175,752	175,752	14,500	14,500	14,810	(310)	-2%	175,752
% increase	4	30,583	33,436	33,436	2,669	2,669	2,690			33,436
		13,126	15,254	15,254	1,141	1,141	1,205			15,254
Other Municipal Staff		28,452	23,676	23,676	2,692	2,692	4,888			23,676
Basic Salaries and Wages		13,214	13,866	13,866	–	–	9	(9)	-100%	13,866
Pension and UIF Contributions		7,958	7,600	7,600	676	676	696	(20)	-3%	7,600
Medical Aid Contributions		–	200	200	–	–	–	–		200
Overtime		2,469	2,899	2,899	215	215	236	(21)	-9%	2,899
Performance Bonus		10,197	8,708	8,708	953	953	1,255	(302)	-24%	8,708
Motor Vehicle Allowance		–	1,491	1,491	–	–	–	–		1,491
Cellphone Allowance		1,465	–	–	–	–	–	–		–
Housing Allowances		(931)	14,037	14,037	–	–	–	–		14,037
Sub Total - Other Municipal Staff		34,373	48,801	48,801	1,844	1,844	2,195	(352)	-16%	48,801
% increase	4		42.0%	42.0%						42.0%
Total Parent Municipality		214,053	234,238	234,238	17,112	17,112	17,829	(717)	-4%	234,238
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		214,053	234,238	234,238	17,112	17,112	17,829	(717)	-4%	234,238
% increase	4		9.4%	9.4%						9.4%
TOTAL MANAGERS AND STAFF		204,651	224,553	224,553	16,344	16,344	17,006	(662)	-4%	224,553

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 - M01 July

Description	Ref	Budget Year 2023/24												2023/24 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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2023/24	+1 2024/25	+2 2025/26
Cash Receipts By Source																
Property rates		1,458	–	–	–	–	–	–	–	–	–	–	288,548	290,007	300,162	314,311
Service charges - Electricity revenue		14,636	–	–	–	–	–	–	–	–	–	–	349,511	364,147	417,917	437,559
Service charges - Water revenue		4,694	–	–	–	–	–	–	–	–	–	–	71,834	76,529	82,779	91,657
Service charges - Waste Water Management		1,506	48,667	64,643	51,833	55,834	88,539	52,194	40,346	129,664	57,720	(1,099)	(562,066)	27,779	29,303	30,831
Service charges - Waste Mangement		1,588	–	–	–	–	–	–	–	–	–	–	25,513	27,100	28,583	29,977
Rental of facilities and equipment		304	–	–	–	–	–	–	–	–	–	–	6,045	6,349	6,688	7,029
Interest earned - external investments		–	192	144	199	183	135	137	51	40	286	300	162	1,826	1,916	2,006
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1,018	–	–	–	–	–	–	–	–	–	–	13,846	14,864	32,000	38,159
Licences and permits		124	–	–	–	–	–	–	–	–	–	–	1,674	1,799	1,887	1,976
Agency services		120	–	–	–	–	–	–	–	–	–	–	3,912	4,033	4,230	4,429
Transfers and Subsidies - Operational		68,238	–	–	–	–	–	–	–	–	–	–	99,535	167,773	179,630	175,920
Other revenue		1,340	–	–	–	–	–	–	–	–	–	–	10,336	11,677	12,249	12,824
Cash Receipts by Source		95,027	48,859	64,786	52,032	56,016	88,673	52,331	40,397	129,703	58,006	(799)	308,850	993,881	1,097,343	1,146,676
Other Cash Flows by Source													–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		23,844	–	–	–	–	–	–	–	–	–	–	54,340	78,184	71,574	78,496
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	500	500	500	500
Short term loans		–	–	–	–	–	–	–	–	–	–	–	20,505	20,505	21,592	22,736
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source		118,871	48,859	64,786	52,032	56,016	88,673	52,331	40,397	129,703	58,006	(799)	384,195	1,093,069	1,191,009	1,248,408

Cash Payments by Type													–			
Employee related costs		23,256	27,117	27,101	27,110	41,095	27,507	27,215	27,149	27,101	27,101	27,106	6,783	315,640	336,829	346,724
Remuneration of councillors		799	–	–	–	–	–	–	–	–	–	–	(799)	–	–	–
Interest		(415)	687	441	–	–	11,194	746	348	–	416	–	18,431	31,848	35,409	39,073
Bulk purchases - Electricity		29,551	29,573	31,822	16,632	16,959	16,498	16,601	16,348	14,944	16,700	15,809	71,866	293,304	332,300	348,915
Acquisitions - water & other inventory		1,324	–	–	–	–	–	–	–	–	–	–	52,169	53,493	55,878	58,752
Contracted services		19,509	11,117	15,995	10,868	21,290	7,792	13,623	9,118	19,804	12,896	5,621	37,773	185,406	194,866	190,836
Transfers and subsidies - other municipalities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		6,079	9,442	5,212	3,523	10,370	2,180	5,229	4,595	3,000	4,595	2,100	17,130	73,456	78,154	81,731
Cash Payments by Type		**80,105**	**77,936**	**80,570**	**58,133**	**89,714**	**65,172**	**63,414**	**57,559**	**64,849**	**61,707**	**50,636**	**203,353**	**953,148**	**1,033,436**	**1,066,031**
Other Cash Flows/Payments by Type																
Capital assets		8,810	–	–	–	–	–	–	–	–	–	–	101,929	110,739	121,754	135,487
Repayment of borrowing		563	3,454	3,454	3,454	3,454	3,454	3,454	3,454	3,454	3,454	3,454	4,259	39,361	41,447	43,643
Other Cash Flows/Payments		(3,092)	8	14	1	45	(20)	–	56	5	9	146	4,286	1,457	1,316	1,333
Total Cash Payments by Type		**86,385**	**81,398**	**84,039**	**61,588**	**93,212**	**68,606**	**66,868**	**61,069**	**68,308**	**65,170**	**54,236**	**313,826**	**1,104,705**	**1,197,953**	**1,246,494**
NET INCREASE/(DECREASE) IN CASH HELD		**32,485**	**(32,539)**	**(19,252)**	**(9,556)**	**(37,196)**	**20,068**	**(14,537)**	**(20,672)**	**61,396**	**(7,164)**	**(55,035)**	**70,369**	**(11,635)**	**(6,943)**	**1,914**
Cash/cash equivalents at the month/year beginning:		20,358	–	–	–	–	–	–	–	–	–	–	(55,035)	–	–	–
Cash/cash equivalents at the month/year end:		52,843	(32,539)	(19,252)	(9,556)	(37,196)	20,068	(14,537)	(20,672)	61,396	(7,164)	(55,035)	15,334	(11,635)	(6,943)	1,914

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 - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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 new assets by Asset Class/Sub-class										
Infrastructure		23,153	48,747	48,747	23,153	23,153	2,071	(21,082)	-1018.0%	48,747
Roads Infrastructure		1,108	3,000	3,000	1,108	1,108	–	(1,108)	#DIV/0!	3,000
Capital Spares		1,108	3,000	3,000	1,108	1,108	–	(1,108)	#DIV/0!	3,000
Electrical Infrastructure		17,788	42,047	42,047	17,788	17,788	1,863	(15,926)	-855.0%	42,047
MV Switching Stations		–	2,500	2,500	–	–	–	–		2,500
MV Networks		5,155	1,500	1,500	5,155	5,155	13	(5,142)	#######	1,500
LV Networks		12,633	38,047	38,047	12,633	12,633	1,850	(10,783)	-582.8%	38,047
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		4,167	3,450	3,450	4,167	4,167	208	(3,958)	-1899.9%	3,450
Dams and Weirs		125	–	–	125	125	–	(125)	#DIV/0!	–
Water Treatment Works		522	750	750	522	522	83	(439)	-526.2%	750
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		–	700	700	–	–	125	125	100.0%	700
Distribution Points		81	250	250	81	81	–	(81)	#DIV/0!	250
PRV Stations		–	–	–	–	–	–	–		–
Capital Spares		3,439	1,750	1,750	3,439	3,439	–	(3,439)	#DIV/0!	1,750
Rail Infrastructure		40	250	250	40	40	–	(40)	#DIV/0!	250
Drainage Collection		40	250	250	40	40	–	(40)	#DIV/0!	250
Information and Communication Infrastructure		50	–	–	50	50	–	(50)	#DIV/0!	–
Data Centres		50	–	–	50	50	–	(50)	#DIV/0!	–
Community Assets		626	2,000	2,000	626	626	83	(543)	-651.7%	2,000
Community Facilities		626	2,000	2,000	626	626	83	(543)	-651.7%	2,000
Fire/Ambulance Stations		110	2,000	2,000	110	110	83	(27)	-32.0%	2,000
Cemeteries/Crematoria		516	–	–	516	516	–	(516)	#DIV/0!	–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Other assets		1,505	–	–	1,505	1,505	–	(1,505)	#DIV/0!	–
Housing		1,505	–	–	1,505	1,505	–	(1,505)	#DIV/0!	–
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		1,505	–	–	1,505	1,505	–	(1,505)	#DIV/0!	–
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Computer Equipment		294	200	200	294	294	–	(294)	#DIV/0!	200
Computer Equipment		294	200	200	294	294	–	(294)	#DIV/0!	200
Furniture and Office Equipment		419	–	–	419	419	–	(419)	#DIV/0!	–
Furniture and Office Equipment		419	–	–	419	419	–	(419)	#DIV/0!	–
Machinery and Equipment		2,094	650	650	2,033	2,033	–	(2,033)	#DIV/0!	650
Machinery and Equipment		2,094	650	650	2,033	2,033	–	(2,033)	#DIV/0!	650
Transport Assets		6,538	1,400	1,400	6,538	6,538	–	(6,538)	#DIV/0!	1,400
Transport Assets		6,538	1,400	1,400	6,538	6,538	–	(6,538)	#DIV/0!	1,400
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Capital Expenditure on new assets	1	34,631	52,997	52,997	34,570	34,570	2,154	(32,415)	-1504.7%	52,997

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 - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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 renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**19,627**	**23,252**	**23,252**	**20,218**	**20,218**	**1,944**	(18,275)	**-940.3%**	**23,252**
Roads Infrastructure		17,266	19,302	19,302	17,857	17,857	1,881	(15,976)	**-849.3%**	19,302
Roads		17,266	19,302	19,302	17,857	17,857	1,881	(15,976)	**-849.3%**	19,302
Water Supply Infrastructure		1,001	3,950	3,950	1,001	1,001	63	(938)	**-1501.1%**	3,950
Water Treatment Works		326	150	150	326	326	–	(326)	**#DIV/0!**	150
Bulk Mains		–	–	–	–	–	–	–		–
Distribution		674	3,800	3,800	674	674	63	(612)	**-978.9%**	3,800
Sanitation Infrastructure		298	–	–	298	298	–	(298)	**#DIV/0!**	–
Waste Water Treatment Works		298	–	–	298	298	–	(298)	**#DIV/0!**	–
Solid Waste Infrastructure		1,062	–	–	1,062	1,062	–	(1,062)	**#DIV/0!**	–
Capital Spares		1,062	–	–	1,062	1,062	–	(1,062)	**#DIV/0!**	–
Community Assets		**1,946**	**755**	**755**	**1,946**	**1,946**	**–**	**(1,946)**	**#DIV/0!**	**755**
Community Facilities		–	5	5	–	–	–	–		5
Nature Reserves		–	5	5	–	–	–	–		5
Sport and Recreation Facilities		1,946	750	750	1,946	1,946	–	(1,946)	**#DIV/0!**	750
Capital Spares		1,946	750	750	1,946	1,946	–	(1,946)	#DIV/0!	750
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Other assets		**780**	**–**	**–**	**780**	**780**	**–**	**(780)**	**#DIV/0!**	**–**
Housing		780	–	–	780	780	–	(780)	**#DIV/0!**	–
Staff Housing		780	–	–	780	780	–	(780)	#DIV/0!	–
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		–	–	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing ass	1	**22,352**	**24,007**	**24,007**	**22,944**	**22,944**	**1,944**	**(21,000)**	-1080.5%	**24,007**

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

WC048 Knysna - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		52,511	59,922	59,922	2	2	6,120	6,118	100.0%	59,922
Roads Infrastructure		3,917	6,802	6,802	–	–	–	–		6,802
Roads		3,903	6,783	6,783	–	–	–	–		6,783
Capital Spares		13	19	19	–	–	–	–		19
Storm water Infrastructure		826	1,166	1,166	–	–	100	100	100.0%	1,166
Drainage Collection		70	25	25	–	–	–	–		25
Storm water Conveyance		756	1,141	1,141	–	–	100	100	100.0%	1,141
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		20,903	27,209	27,209	–	–	2,297	2,297	100.0%	27,209
Power Plants		–	–	–	–	–	–	–		–
HV Substations		2,171	2,580	2,580	–	–	–	–		2,580
HV Switching Station		211	659	659	–	–	–	–		659
HV Transmission Conductors		4,898	2,406	2,406	–	–	–	–		2,406
MV Substations		–	–	–	–	–	–	–		–
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		9,452	12,778	12,778	–	–	2,194	2,194	100.0%	12,778
LV Networks		4,170	8,786	8,786	–	–	103	103	100.0%	8,786
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		15,702	13,823	13,823	–	–	1,918	1,918	100.0%	13,823
Water Treatment Works		13,676	10,798	10,798	–	–	1,742	1,742	100.0%	10,798
Capital Spares		2,026	3,025	3,025	–	–	176	176	100.0%	3,025
Sanitation Infrastructure		9,946	9,661	9,661	–	–	1,676	1,676	100.0%	9,661
Waste Water Treatment Works		9,946	9,661	9,661	–	–	1,676	1,676	100.0%	9,661
Solid Waste Infrastructure		1,218	1,260	1,260	2	2	130	128	98.5%	1,260
Landfill Sites		–	–	–	–	–	–	–		–
Waste Transfer Stations		1,218	1,260	1,260	2	2	130	128	98.5%	1,260
Community Assets		4,814	4,634	4,634	12	12	449	437	97.4%	4,634
Community Facilities		3,464	3,165	3,165	12	12	42	30	72.5%	3,165
Halls		225	255	255	–	–	–	–		255
Fire/Ambulance Stations		67	134	134	–	–	–	–		134
Testing Stations		–	–	–	–	–	–	–		–
Museums		78	98	98	–	–	6	6	100.0%	98
Libraries		500	569	569	12	12	–	(12)	#DIV/0!	569
Cemeteries/Crematoria		660	511	511	–	–	14	14	100.0%	511
Police		29	189	189	–	–	3	3	100.0%	189
Purls		–	–	–	–	–	–	–		–
Public Open Space		1,902	1,409	1,409	–	–	18	18	100.0%	1,409
Sport and Recreation Facilities		1,351	1,469	1,469	–	–	407	407	100.0%	1,469
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		1,351	1,469	1,469	–	–	407	407	100.0%	1,469
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Revenue Generating		–	–	–	–	–	–	–		–
Other assets		3,251	3,456	3,456	–	–	52	52	100.0%	3,456
Operational Buildings		740	2,445	2,445	–	–	4	4	100.0%	2,445
Municipal Offices		617	2,149	2,149	–	–	2	2	100.0%	2,149
Depots		123	296	296	–	–	2	2	100.0%	296
Capital Spares		–	–	–	–	–	–	–		–
Housing		2,511	1,010	1,010	–	–	48	48	100.0%	1,010
Staff Housing		1,120	1,000	1,000	–	–	48	48	100.0%	1,000
Social Housing		1,391	10	10	–	–	–	–		10

Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment		–	–	–	–	–	–	–		–
Furniture and Office Equipment		14	40	40	–	–	–	–		40
Furniture and Office Equipment		14	40	40	–	–	–	–		40
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment		–	–	–	–	–	–	–		–
Transport Assets		6,140	6,215	6,215	–	–	607	607	100.0%	6,215
Transport Assets		6,140	6,215	6,215	–	–	607	607	100.0%	6,215
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Repairs and Maintenance Expenditure	1	66,730	74,266	74,266	13	13	7,228	7,214	99.8%	74,266

Supporting Table SC13(d): Depreciation

WC048 Knysna - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		0	31,114	31,114	2,593	2,593	2,593	–		31,114
Roads Infrastructure		–	5,186	5,186	432	432	432	–		5,186
Roads		–	5,186	5,186	432	432	432	–		5,186
Storm water Infrastructure		–	901	901	75	75	75	–		901
Drainage Collection		–	901	901	75	75	75	–		901
Electrical Infrastructure		–	7,875	7,875	656	656	656	–		7,875
Power Plants		–	6	6	1	1	1	–		6
HV Substations		–	7,869	7,869	656	656	656	–		7,869
Water Supply Infrastructure		–	16,851	16,851	1,404	1,404	1,404	–		16,851
Distribution		–	16,851	16,851	1,404	1,404	1,404	–		16,851
Sanitation Infrastructure		0	152	152	13	13	13	–		152
Pump Station		–	28	28	2	2	2	–		28
Reticulation		–	–	–	–	–	–	–		–
Waste Water Treatment Works		–	79	79	7	7	7	–		79
Outfall Sewers		–	–	–	–	–	–	–		–
Toilet Facilities		0	44	44	4	4	4	–		44
Capital Spares		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	50	50	4	4	4	–		50
Landfill Sites		–	50	50	4	4	4	–		50
Information and Communication Infrastructure		–	99	99	8	8	8	–		99
Distribution Layers		–	99	99	8	8	8	–		99
Capital Spares		–	–	–	–	–	–	–		–
Community Assets		–	1,681	1,681	140	140	140	–		1,681
Community Facilities		–	1,626	1,626	135	135	135	–		1,626
Halls		–	68	68	6	6	6	–		68
Centres		–	528	528	44	44	44	–		528
Crèches		–	–	–	–	–	–	–		–
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	41	41	3	3	3	–		41
Testing Stations		–	0	0	0	0	0	–		0
Museums		–	6	6	0	0	0	–		6
Galleries		–	–	–	–	–	–	–		–
Theatres		–	1	1	0	0	0	–		1
Libraries		–	332	332	28	28	28	–		332
Cemeteries/Crematoria		–	23	23	2	2	2	–		23
Police		–	55	55	5	5	5	–		55
Purls		–	181	181	15	15	15	–		181
Public Open Space		–	–	–	–	–	–	–		–
Nature Reserves		–	–	–	–	–	–	–		–
Public Ablution Facilities		–	8	8	1	1	1	–		8
Markets		–	–	–	–	–	–	–		–
Stalls		–	71	71	6	6	6	–		71
Abattoirs		–	–	–	–	–	–	–		–
Airports		–	–	–	–	–	–	–		–
Taxi Ranks/Bus Terminals		–	313	313	26	26	26	–		313
Capital Spares		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	55	55	5	5	5	–		55
Indoor Facilities		–	1	1	0	0	0	–		1
Outdoor Facilities		–	54	54	4	4	4	–		54
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	145	145	12	12	12	–		145
Revenue Generating		–	145	145	12	12	12	–		145
Improved Property		–	145	145	12	12	12	–		145

Other assets		–	1,624	1,624	135	135	135	–		1,624
Operational Buildings		–	619	619	52	52	52	–		619
Municipal Offices		–	619	619	52	52	52	–		619
Housing		–	1,005	1,005	84	84	84	–		1,005
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	1,005	1,005	84	84	84	–		1,005
Capital Spares		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Biological or Cultivated Assets		–	–	–	–	–	–	–		–
Intangible Assets		–	72	72	6	6	6	–		72
Servitudes		–	–	–	–	–	–	–		–
Licences and Rights		–	72	72	6	6	6	–		72
Computer Software and Applications		–	72	72	6	6	6	–		72
Computer Equipment		–	3,924	3,924	327	327	327	–		3,924
Computer Equipment		–	3,924	3,924	327	327	327	–		3,924
Furniture and Office Equipment		–	6,902	6,902	575	575	575	–		6,902
Furniture and Office Equipment		–	6,902	6,902	575	575	575	–		6,902
Machinery and Equipment		–	621	621	52	52	52	–		621
Machinery and Equipment		–	621	621	52	52	52	–		621
Transport Assets		–	3,036	3,036	253	253	253	–		3,036
Transport Assets		–	3,036	3,036	253	253	253	–		3,036
Land		–	–	–	–	–	–	–		–
Land		–	–	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–		–
Total Depreciation	1	0	49,119	49,119	4,093	4,093	4,093	–		49,119

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 - M01 July

Description	Ref	2022/23	Budget Year 2023/24							
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		37,943	25,754	25,754	39,746	39,746	3,742	(36,003)	-962.1%	25,754
Roads Infrastructure		23,066	5,834	5,834	23,558	23,558	174	(23,384)	-13445.9%	5,834
Roads		23,066	5,834	5,834	23,558	23,558	174	(23,384)	-13445.9%	5,834
Storm water Infrastructure		255	500	500	255	255	–	(255)	#DIV/0!	500
Drainage Collection		255	500	500	255	255	–	(255)	#DIV/0!	500
Storm water Conveyance		–	–	–	–	–	–	–		–
Attenuation		–	–	–	–	–	–	–		–
Electrical Infrastructure		1,455	2,700	2,700	1,321	1,321	–	(1,321)	#DIV/0!	2,700
MV Substations		190	400	400	190	190	–	(190)	#DIV/0!	400
MV Switching Stations		–	–	–	–	–	–	–		–
MV Networks		1,265	2,300	2,300	1,132	1,132	–	(1,132)	#DIV/0!	2,300
LV Networks		–	–	–	–	–	–	–		–
Capital Spares		–	–	–	–	–	–	–		–
Water Supply Infrastructure		7,420	4,707	4,707	7,501	7,501	2,506	(4,995)	-199.3%	4,707
Dams and Weirs		1,303	500	500	1,303	1,303	–	(1,303)	#DIV/0!	500
Water Treatment Works		1,183	250	250	1,183	1,183	83	(1,100)	-1319.6%	250
Bulk Mains		127	250	250	127	127	–	(127)	#DIV/0!	250
Distribution		878	3,707	3,707	960	960	2,423	1,463	60.4%	3,707
Capital Spares		3,928	–	–	3,928	3,928	–	(3,928)	#DIV/0!	–
Sanitation Infrastructure		5,746	12,014	12,014	7,109	7,109	1,062	(6,047)	-569.4%	12,014
Pump Station		156	750	750	156	156	–	(156)	#DIV/0!	750
Reticulation		5,450	11,014	11,014	6,813	6,813	1,062	(5,751)	-541.5%	11,014
Waste Water Treatment Works		140	250	250	140	140	–	(140)	#DIV/0!	250
Community Assets		420	7,980	7,980	420	420	1,065	645	60.5%	7,980
Community Facilities		420	800	800	420	420	–	(420)	#DIV/0!	800
Halls		420	–	–	420	420	–	(420)	#DIV/0!	–
Cemeteries/Crematoria		–	800	800	–	–	–	–		800
Sport and Recreation Facilities		–	7,180	7,180	–	–	1,065	1,065	100.0%	7,180
Indoor Facilities		–	–	–	–	–	–	–		–
Outdoor Facilities		–	7,180	7,180	–	–	1,065	1,065	100.0%	7,180
Capital Spares		–	–	–	–	–	–	–		–
Heritage assets		–	–	–	–	–	–	–		–
Investment properties		–	–	–	–	–	–	–		–
Other assets		246	–	–	246	246	–	(246)	#DIV/0!	–
Operational Buildings		246	–	–	246	246	–	(246)	#DIV/0!	–
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		–	–	–	–	–	–	–		–
Total Capital Expenditure on upgrading of existing	1	38,609	33,734	33,734	40,412	40,412	4,807	(35,605)	-740.6%	33,734