

PORT ST JOHNS MUNICIPALITY BUDGET AND TREASURY OFFICE



MONTHLY BUDGET REPORT FOR THE MONTH ENDED 31 OCTOBER 2024

Prepared By:

Chief Financial Officer

T. Sikolo

.....

Approved By:

Municipal Manager

M. Fihlani

.....

Acknowledged By:

Honourable Mayor

X. Moni

.....

Contents

1.Budget and Treasury Office Staff Establishment	5
2.Section 71: Monthly Budget Statements	6
2.1 Consolidated view of the budget.....	7
2.2 Sources of Revenue.....	9
2.3 Grants Performance.....	14
2.4 Capital Expenditure.....	15
2.5. Operational Expenditure.....	17
2.6. Section 66 Employee related costs	19
2 Fleet Management.....	32

MONTHLY BUDGET REPORT FOR THE MONTH END OF 31 OCTOBER 2024

PURPOSE

To report on the financial performance of the Municipality for the third month ended 31 October 2024 in line with Section 71 of the Municipal Finance Management Act No. 56 of 2003 and Municipal Budget and Reporting Regulations gazette No 32141.

LEGAL/STATUTORY REQUIREMENTS

Section 71 of Municipal Finance Management Act No. 56 of 2003.

Section 52 (d) of Municipal Finance Management Act No. 56 of 2003.

Municipal Budget and Reporting Regulations gazette No 32141

BACKGROUND

Section 71: Monthly Budget Statements

In terms of Section 71 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,

Municipal budget and reporting regulations (MBRR) – Section 28 to 30

Section (28) states that the monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, considering any guidelines issued by the Minister in terms of section 168 (1) of the Act. **Tabling of monthly budget statements**

Section (29) states that the mayor must table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71 (1) of the Act. If the Mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in Schedule C.

Publication of monthly budget statements

Section (30) sub section (1) states that the monthly budget statement of a municipality must be placed on the municipality's website.

1. Budget and Treasury Office Staff Establishment

This department is formed in terms of the legislation and approved by Council when adopting the Municipal Organisational Structure, its purpose is to serve all other departments, all councillors and all other stakeholders.

Budget & Treasury has six sections under the authority of the CFO as delegated by Accounting Officer:

- Revenue and Investment Management
Senior Revenue accountant, Revenue Accountant and one cashier
- Indigent Support
Free Basic Service Practitioner and 2 Data captures
- Expenditure and Payroll management
Senior Expenditure Accountant (Vacant), Expenditure Accountant, Payroll Officer, Payroll Accountant (Vacant) and 2 Payroll clerks
- Supply chain management.
SCM Practitioner, Contracts Management Officer and Two SCM clerks (1 Vacant)
- Asset Management
Asset Accountant; Asset Clerk, Stores Clerk
- Budget and reporting
Senior Budget & Reporting Accountant, Budget & Reporting Accountant

- Internship
 - 4 financial management interns (3 females and 1 male)

Oversight and management

- Political oversight
 - Budget & Treasury standing committee members
- Strategic and management
 - CFO, PA to the CFO and two managers

The department currently has 3 critical positions that have been prioritized for recruitment and 4 interns. The internship contract ended in June 2024 and was extended until December which then makes the term for current interns to be 30 months.

Position	Status
➤ Senior Accountant expenditure	➤ Request for recruitment sent to HR
➤ Payroll Accountant -	➤ Request for recruitment sent to HR
➤ SCM Clerk	➤ Request for recruitment sent to HR
➤ MFIP interns	➤ On Advert

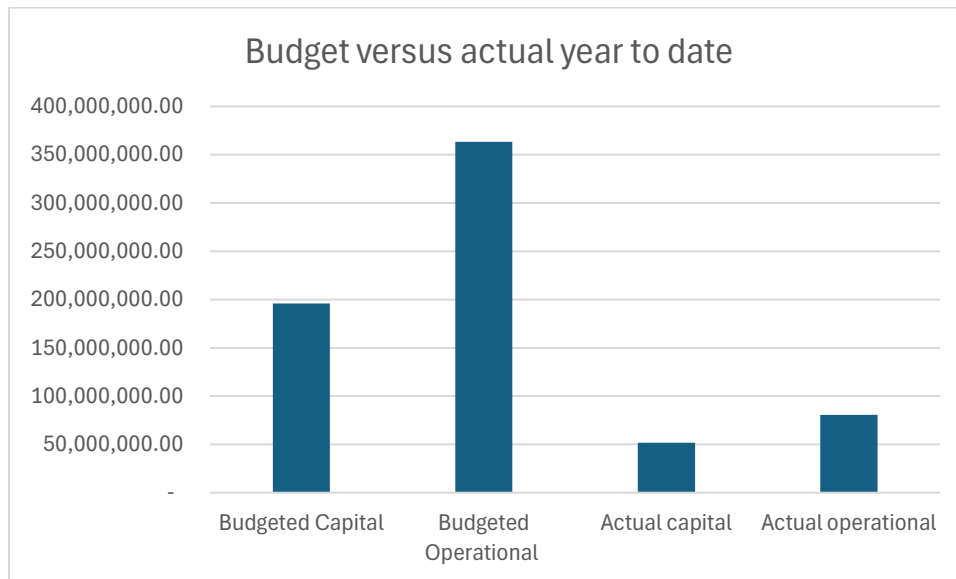
2.Section 71: Monthly Budget Statements

The Budget and Treasury Office performs budgeting, accounting analysis, financial reporting, cash management, debt management, supply chain management, fiscal management, review, and other duties

as may in terms of section 79 be delegated by the accounting officer to the Chief Financial Officer.

2.1 Consolidated view of the budget

The Municipality has a total approved budget of 503 million for revenue and expenditure. The year to- date operational spending against the operational budget is at 22.15%. Capital expenditure is at 26.46%. On the operational expenditure the line items that have under spent are the non-cash items such as depreciation and debt impairment. Employee related costs which are one of our cost drivers is 62.85% less than the budget amount year to date. Year to date revenue is sitting at 138 million. The year-to-date operational spending is 80 Million. During the month of October, the council approved a budget adjustment of R **60 044 906.23 relating to rollover funds and additional allocations.**



EC154 Port St Johns - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste man	1,141	2,937	2,937	101	402	685	(283)	-41%	2,937	
Sale of Goods and Rendering	685	732	774	-	27	256	(229)	-89%	774	
Agency services	-	1,800	1,800	-	-	600	(600)	-100%	1,800	
Interest								-		
Interest earned from Receivab	1,073	1,950	1,950	49	194	650	(456)	-70%	1,950	
Interest from Current and Non	17,508	107,100	122,741	513	3,476	40,914	(37,438)	-92%	122,741	
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets	138	500	500	7	46	167	(121)	-72%	500	
Licence and permits	24	250	250	14	44	83	(39)	-47%	250	
Operational Revenue	756	116	116	9	128	39	90	232%	116	
Non-Exchange Revenue										
Property rates	15,560	15,000	15,000	-	15,230	5,000	10,230	205%	15,000	
Surcharges and Taxes								-		
Fines, penalties and forfeits	255	380	380	-	-	127	(127)	-100%	380	
Licence and permits	-	950	950	-	-	317	(317)	-100%	950	
Transfers and subsidies - Ope	201,344	236,891	269,278	13,392	116,844	89,759	27,085	30%	269,278	
Interest	6,473	5,550	5,550	265	1,099	1,850	(751)	-41%	5,550	
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets	-	-	-	-	1,059	-	1,059	#DIV/0!	-	
Other Gains								-		
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		244,956	374,156	422,226	14,349	138,549	140,446	(1,897)	-1%	422,226
Expenditure By Type										
Employee related costs	105,103	132,671	134,787	10,409	40,446	44,929	(4,483)	-10%	134,787	
Remuneration of councillors	14,240	16,539	16,539	1,131	4,545	5,513	(968)	-18%	16,539	
Bulk purchases - electricity								-		
Inventory consumed	2,620	10,381	8,745	240	3,187	2,120	1,067	50%	8,795	
Debt impairment	5,678	147	294	-	-	196	(196)	-100%	294	
Depreciation and amortisation	59,206	68,263	68,263	-	-	22,754	(22,754)	-100%	68,263	
Interest	3,605	-	-	-	-	-	-	-	-	
Contracted services	48,655	51,937	51,751	2,382	11,029	12,075	(1,046)	-9%	51,644	
Transfers and subsidies	14,066	12,000	12,000	2,000	6,008	4,000	2,008	50%	12,000	
Irrecoverable debts written off	-	-	-	355	971	-	971	#DIV/0!	-	
Operational costs	68,548	70,549	70,914	3,087	14,271	18,640	(4,369)	-23%	70,961	
Losses on Disposal of Assets								-		
Other Losses								-		
Total Expenditure		321,722	362,487	363,293	19,604	80,456	110,228	(29,772)	-27%	363,283
Surplus/(Deficit)		(76,766)	11,669	58,933	(5,255)	58,093	30,218	27,875	0	58,943
Transfers and subsidies - capital (monetary allocations)	104,952	69,146	81,146	94	15,451	27,049	(11,598)	(0)	81,146	
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) after capital transfers & contributions		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089
Income Tax								-		
Surplus/(Deficit) after income tax		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089
Share of Surplus/Deficit attributable to Joint Venture								-		
Share of Surplus/Deficit attributable to Minorities								-		
Surplus/(Deficit) attributable to municipality		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089
Share of Surplus/Deficit attributable to Associate								-		
Intercompany/Parent subsidiary transactions								-		
Surplus/ (Deficit) for the year		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089

2.2 Sources of Revenue

The Municipality generates revenue from the below listed sources inclusive of government grants. Rates are billed annually at the beginning of the financial year and other services are billed monthly. As seen below is the table showing internal revenue sources and those performing less than what was expected are highlighted in red.

ITEM	Budget 2024/25	Monthly Projections	24-Sep	24-Oct	Actual Revenue Variance	% Collected	Variance Explanation
Assessment Rates	(15,000,000)	(1,250,000.00)	(302,908.81)	(2,585,379.96)	1,335,379.96	206.83	
Refuse Removal	(2,937,200)	(244,766.67)	(61,899.77)	(42,043.00)	(202,723.67)	17.18	ratepayers reluctant to pay , we are in the process of appointing a debt collector
Short Term Investments and Call Accounts	(20,000,000)	(1,666,666.67)	(672,003.11)	(1,098,540.37)	(568,126.30)	65.91	Due to decrease in bank balances
Property Rates (interest received from debtors)	(5,550,000)	(462,500.00)	(326,534.02)	(313,865.91)	(148,634.09)	67.86	Due to non-payment of arrear debt
Waste Management	(1,950,000)	(162,500.00)	-	-	(162,500.00)	-	
Court Fines	(300,000)	(25,000.00)	(2,100.00)	(300.00)	(24,700.00)	1.20	No commitment from user department
Vehicle Registration	(1,500,000)	(125,000.00)	-	-	(125,000.00)	-	Not yet Functional
Drivers license application/duplicate drivers license	(600,000)	(50,000.00)	-	-	(50,000.00)	-	Not yet Functional

Leaners license application	(350,000)	(29,166.67)	(13,966.00)	(3,366.00)	(25,800.67)	11.54	
sale of goods -Assets < Capitalisation Threshold (Auction)	(316,274)	(316,274.00)	-	-	(316,274.00)	-	
Drivers license : certificate	(300,000)	(25,000.00)	-	-	(25,000.00)	-	Not yet Functional
Business license : flee market and hawker stalls	(250,000)	(20,833.33)	(7,887.41)	(3,270.00)	(17,563.33)	15.70	LED goal was to issue five business permits. A flea market was held, and payments were made.Hawkers in town do not pay, promised to pay in december, when the dumping is cleared and new hawker stalls have been built
Investment property : sub lease payment	(500,000)	(41,666.67)	(16,160.00)	(20,360.00)	(21,306.67)	48.86	Golf coarse, polela and eluxolweni flats not paying . Legal intervention is required
Sales of Goods and Rendering of Services: Cemetery and Burial	(20,000)	(1,666.67)			(1,666.67)	-	
Fines: Pound Fees	(75,000)	(6,250.00)			(6,250.00)	-	Not yet Functional
Publications: Tender Documents	20,980	1,748.33			1,748.33	-	No sales as documents are available online

Sales of Goods and Rendering of Services: Application Fees for Land Usage	(15,000)	(1,250.00)			(1,250.00)	-	No applications regarding land use restrictions were filed this quarter.
Fines: Building	(5,000)	(416.67)			(416.67)	-	
Sales of Goods and Rendering of Services: Encroachment Fees	(5,000)	(416.67)			(416.67)	-	
Sales of Goods and Rendering of Services: Building Plan Approval	(20,980)	(1,748.33)	(23,325.92)		(1,748.33)	-	Depends on building plans submitted
Sales of Goods and Rendering of Services: Advertisements	(120,000)	(10,000.00)			(10,000.00)	-	
Revenue: Exchange Revenue - Sales of Goods and Rendering of Services - Building Plan Clause Levy	(35,000)	(2,916.67)			(2,916.67)	-	Depends on building plans submitted
Transaction Handling Fees	(100,000)	(8,333.33)			(8,333.33)	-	Journal for commissions not yet processed

Revenue: Exchange Revenue - Operational Revenue - Insurance Refund	(15,735)	(1,311.25)			(1,311.25)	-	No insurance refunds received for October
Other income- Rent Halls	(220,899)	(18,408.25)	(1,507.00)	(6,896.00)	(11,512.25)	37.46	Bookings only for town hall and eluxolweni
LG Seta	0	-		(93,701.42)	93,701.42	#DIV/0!	Not budgeted for to adjust
VAT refund		-	(3,373,289.69)	(2,548,161.80)	2,548,161.80	#DIV/0!	Not budgeted for to adjust
TOTALS	(50,165,108.00)	(4,470,343.50)	(4,801,581.73)	(6,715,884.46)	2,245,540.96	150.23	

Allocations Projections

Equitable Share	(203,985,000)	(67,995,000.00)	-	-		-	
Local Government Financial Management Grant	(2,600,000)	(2,600,000.00)				-	
Expanded Public Works Programme Integrated Grant	(1,676,000)	(419,000.00)				-	
Municipal Infrastructure Grant	(39,862,000)	(9,965,500.00)		(11,035,000.00)	1,069,500.00	110.73	
Integrated National Electrification Programme Grant	(31,277,000)	(7,819,250.00)				-	

Grant Gov-DSRAC Library	(1,003,000)	(83,583.33)	(1,003,000.00)	-		-	
Municipal Disaster Response Grant	(25,634,000)	(25,634,000.00)		-		-	
TOTALS	(306,037,000.00)	(114,516,333.33)	(1,003,000.00)	0	(11,035,000.00)	9.64	

Services, rates and taxes

- The services offered by the municipality to its residents represent exchange transactions such as, refuse removal, leased properties, building plan fees etc whilst the non- exchange transactions are represented by rates, traffic fines and others. The collection on rates for the month of October is **R2,585 379.96** for all categories and is more than the monthly projections of **R1,2** million and for refuse collection **R42 043.00** has been collected and is less than the monthly projections of **R244** thousand.
- The department engages its debtors in all categories to reduce their historic debt by making monthly payment arrangements. Honouring of the arranged payments is still a challenge.
- The municipality received a VAT refund of **R2 548 161.80 in** the month of October.
- All municipal debt is being collected internally by revenue section for residential debtors, businesses and government departments.
- The institution received an amount of **R1,932,506.59** from the department of Provincial Public Works and did not receive any amount from the department of National Public Works in the month of October.
- The institution has one employee owing municipal rates which is not allowed in terms of Schedule 2 (10) of the code of conduct of municipal staff members and the amount owed after billing of rates is **R110 107.82**.

- The institution collected an amount of **R300.00 as opposed to the R25 000.00 target** on traffic fines for October 2024 and it is advisable that the end user department must have a plan on how to improve on the collection as it was noted in the previous FY that collection was unsatisfactory.
- Learner's licences and vehicle registration collected an amount of **R3,366.00 and R0.00** for vehicle registration and the budgeted amount is R29 000. There has been a significant drop in revenue for the past months, revenue under collection is a challenge to the department if they don't have an alternative plan in improving on the collection.
- The institution received an amount of **R1 098 540.37** from interest on investments accounts.
- All other revenue collection items are detailed in the table above.

2.3 Grants Performance

The municipality's capital expenditure is grant funded. The municipality is expected to have spent 25% of the conditional grant allocation by end of October which is M04 and has spent more than 25% sitting at **34%**. This is commendable for capital grants such as MIG and Disaster grant which were underperforming in the previous year.

GRANTS SUMMARY FOR 2024/2025 Financial period

DESCRIPTION	Adjustment Budget 2024/2025	Amount Received To date	Expenditure To date	Expenditure %
Equitable Share	R 203,985,000.00	R 84,994,000.00	R 65,958,911.00	32.3

EPWP	R 1,676,000.00	R 419,000.00	R 1,043,736.90	62
MIG	R 39,862,000.00	R 23,035,000.00	R 20,698,231.53	52
INEP	R 31,277,000.00	R 9,500,000.00	R 9,437,017.31	30
FMG	R 2,600,000.00	R 2,600,000.00	R 1,121,649.07	43
DSRAC	R 1,003,000.00	R 1,003,000.00	R 357,598.92	36
DISASTER RELIEF	R 57, 737, 686.10	R37 230 686	R 15,654,731.10	27
Total Grants	R 338,140,686.10	R 126,678,000.00	R 114,271,875.83	34

2.4 Capital Expenditure

Capital expenditure is mostly grant funded with MIG, MDRG and INEP contributing the most however in the current budget the municipality allocated more funds to capital projects funded by own revenue. The total spending for capital expenditure for the month of October amounts to R16.5m which is funded by internal generated funds and conditional grants. Up to date capital expenditure amounts to R87 million .See table below.

EC154 Port St Johns - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) -

Vote Description	Ref	2023/24	Budget Year	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year
		Audited	2024/25							
R thousands	1	Outcome	Original	Budget					%	
Single Year expenditure	2									
Vote 9 - Executive AND Council		0	–	30	–	30	7	23	329%	30
Vote 10 - LED (21: CAPEX)		–	1,100	1,100	–	–	257	(257)	-100%	1,100
Vote 11 - Municipal Manager (C)		–	–	30	–	30	7	23	329%	30
Vote 12 - Corporate Services (C)		–	33,484	8,051	5,503	12,004	1,879	10,126	539%	8,051
Vote 13 - Community Services		236	–	450	247	954	105	849	809%	450
Vote 14 - Community Services		–	–	–	–	–	–	–	–	–
Vote 15 - Financial Services (C)		(1)	300	335	–	35	78	(43)	-55%	335
Vote 16 - Infrastructural Engineering		–	37,677	37,677	–	9,437	8,791	646	7%	37,677
Vote 17 - Executive AND Council		–	5,000	5,000	–	–	1,167	(1,167)	-100%	5,000
Vote 18 - LED (31: CAPEX)		–	1,800	1,800	–	–	420	(420)	-100%	1,800
Vote 19 - Municipal Manager (C)		–	–	–	–	–	–	–	–	–
Vote 20 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 21 - Community Services		448	3,050	3,350	113	735	682	53	8%	3,360
Vote 22 - Financial Services (C)		–	2,000	2,000	650	650	467	184	39%	2,000
Vote 23 - Infrastructural Engineering		51,820	67,119	152,237	9,938	63,195	35,522	27,673	78%	152,237
Total Capital Expenditure	4	52,503	151,530	212,060	16,452	87,070	49,381	37,690	76%	212,070
Total Capital Expenditure		52,503	151,530	212,060	16,452	87,070	49,381	37,690	76%	212,070
Capital Expenditure - Functional Classification										
Governance and administration		(1)	14,950	14,985	655	758	3,497	(2,738)	-78%	14,985
Executive and council		–	100	160	–	60	37	22	60%	160
Finance and administration		(1)	14,850	14,826	655	699	3,459	(2,761)	-80%	14,826
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6,000	–	70	247	954	16	938	5741%	70
Community and social services		6,000	–	70	247	954	16	938	5741%	70
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental		46,504	133,530	193,275	15,437	84,624	45,097	39,526	88%	193,275
Planning and development		–	2,900	2,900	–	–	677	(677)	-100%	2,900
Road transport		46,504	130,630	190,375	15,437	84,624	44,421	40,203	91%	190,375
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	3,050	3,800	113	735	787	(52)	-7%	3,810
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	3,050	3,800	113	735	787	(52)	-7%	3,810
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	3	52,503	151,530	212,130	16,452	87,070	49,397	37,673	76%	212,140
Funded by:										
National Government		35,223	94,780	138,884	12,717	58,775	32,406	26,368	81%	138,884
Provincial Government		16,038	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		51,262	94,780	138,884	12,717	51,847	32,406	26,368	81%	138,884
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		1,242	56,750	57,085	1,570	26,131	13,220	12,911	98%	57,095
Total Capital Funding		52,503	151,530	195,969	14,287	77,978	45,626	39,280	86%	195,979

2.5. Operational Expenditure

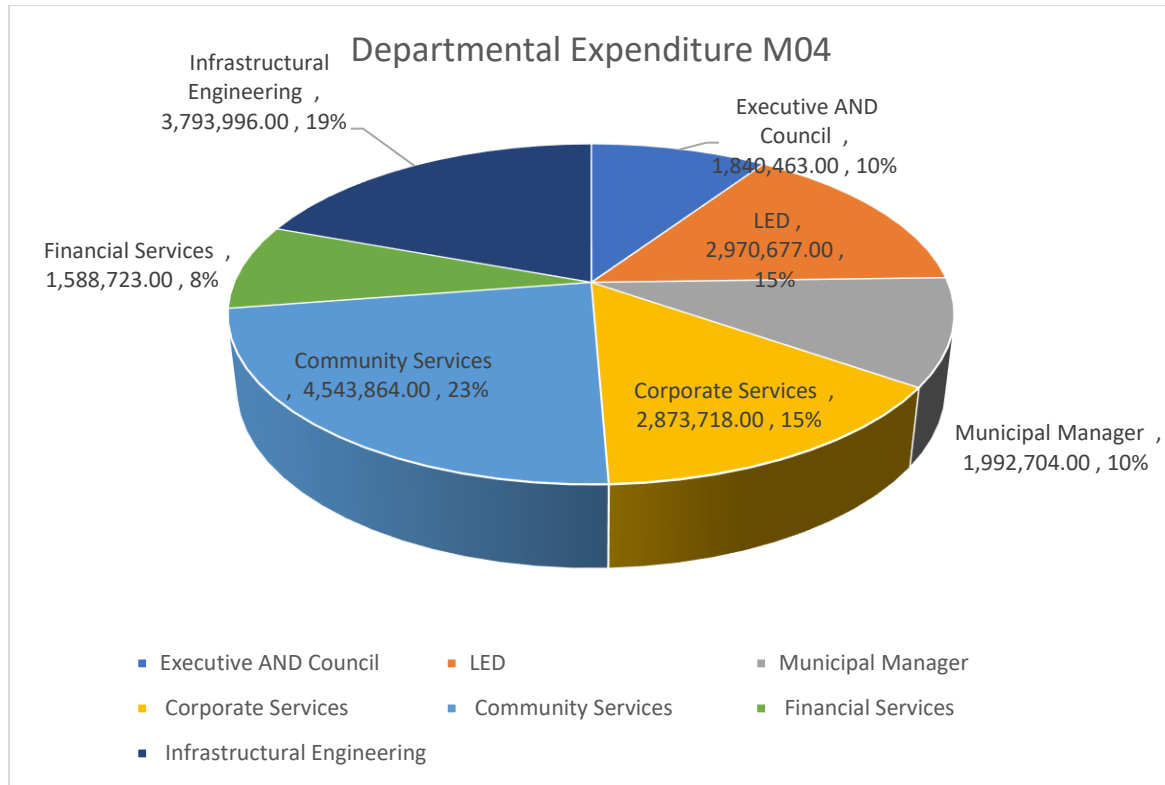
Employee costs and general expenditure are the highest in terms of spending. Creditors were paid within the specified time in terms of Section 65 of the MFMA. All third-party payments were paid on the last day of the month October 2024.

Expenditure per category	Budget 2024/25 R	Monthly Budget	Actual Exp Sept	Actual Exp October	Variance Explanation
Employee Related Costs	R132 671 111,00	R11 055 925.91	R11,072,109.00	R10 408 667.00	Decrease is noted as last month there was salary increment with backpay.
Councillor & Ward Committee Allowances	R22 539 238.00	R1 878 269.83	R1 685 048.00	R1 531 999.00	No significant movement
General Expenses	R122 055 223.00	R10 171 268.00	R3,899,517	R5 823 543.00	Expenditure has increased due to the payment of audit fees
Fuel and Oil	8,164,999.00	680,417.00	R600,000.00	R568 848.08	There is a slight variance, but the amount used for fuel still is too high
Consultants	7,669,999	983,698	R1,176,609.75	R61 520.40	This month has decrease as we paid consultants for review of consolidated AFS.

Repairs and Maintenance	12,392,932	1,032,744,40	R1,384,858.21	R 1 673 569.19	The institution has an old fleet which requires maintenance regularly for both vehicles and plant and also huge volume of invoices submitted for road maintenance.
-------------------------	------------	--------------	---------------	----------------	--

Expenditure by Vote

Most of the expenditure for the month of October comes from at community services 23% followed by engineering at 19%.



2.6. Section 66 Employee related costs

The total expenditure to date for employee related costs including councillors is R12.2. million. The overtime amount is quite high as it is still above R500 000 and needs close monitoring. See the table below. This makes up 55% of the total operational expenditure.

MFMA Section 66 Monthly Report					
TYPE OF EXPENDITURE	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YTD ACTUAL
	Jul-24	Aug-24	Sept-2024	Oct-2024	TOTAL
Basic Salaries & Wages	5,867,731.05	5,746,827.28	7,501,627.60	7,136,673.45	26,252,859.38
Pension and UIF Contributions	926,714.02	944,692.52	1,090,115.73	1,023,093.03	3,984,615.30
Medical Aid Contributions	486,912.76	515,521.36	531,057.94	551,557.72	2,085,049.78
Other CC	77,641.98	78,300.78	94,705.58	88,695.53	339,343.87
Overtime	720,562.38	539,615.99	554,715.14	637,711.72	2,452,605.23
Bonus	254,865.25	357,252.65	510,865.13	524,263.40	1,647,246.43
Car Allowance	351,779.98	344,279.98	344,279.98	359,279.98	1,399,619.92
Housing Allowance	2,132.82	2,132.82	2,420.76	4,830.80	11,517.20
Other benefits and allowances	359,617.73	459,282.63	447,888.54	427,849.87	1,694,638.77

Leave payment	-	62,823.45	268,003.67	14,907.55	345,734.67
Long Service Awards	30,772.54	47,321.49	21,208.80	11,728.92	111,031.75
TOTAL	9,078,730.51	9,098,050.95	11,366,888.87	10,780,591.97	40,324,262.30

2.7 Creditors Age Analysis

The Municipality is able to pay its creditors when they become due and strives to pay all creditors within the 30 days.

EC154 Port St Johns - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2024/25								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deduct	0300	-	-	-	-	-	-	-	-	-
VAT (output le	0400	-	-	-	-	-	-	-	-	-
Pensions / Re	0500	-	-	-	-	-	-	-	-	-
Loan repayme	0600	-	-	-	-	-	-	-	-	-
Trade Credito	0700	1,301	(3,488)	2,030	(979)	(1,219)	(4,730)	5,925	3,006	1,846
Auditor Gene	0800	(1,557)	1,290	301	-	(12)	-	12	(13)	21
Other	0900	-	-	-	-	-	-	-	-	-
Medical Aid deductions										-
Total By Custor	1000	(256)	(2,198)	2,331	(979)	(1,230)	(4,730)	5,937	2,994	1,868

Below are the top 5 trade creditors

#	Supplier	Amount
1	VENFOLOMABONA CONSULTING	35,000.00
2	R-DATA	51,095.28
3	LIKAMVA GEOMATICS	59,600.00
4	WAYLYN MECHANICAL SERVICES	97,631.47
5	BARLOWORLD EQUIPMENT	152,040.80

Total	395,367.55
-------	------------

2.8 Collection Rate

The collection rate below is calculated on billing vs revenue collected however when calculating revenue collected vs debtors balance the collection rate of the municipality comes to an overall of 0.38%.

October- 2024

Description	Annual Budget	Billing	September Collection	October Collection	% Collection
Assessment rates	15,000,000.00	1 250 000	302,908.81	2 585 379	207%
Refuse Removal	2,937,200.00	244 767	61,899.77	40 029.69	16%

2.9 Debtors Age Analysis

The municipality had a total consumer debtors balance of R81 862 007.00 ranging between 0 day to over a year, and for last month was R84 054 049.00, there is a decrease of R2 192 042.00 detailed below by age of total debtor's balance:

EC154 Port St Johns - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October													
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	1400	2,176	11,354	467	462	582	709	56,545	(2,200)	70,095	56,098	-	-
Receivables	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	1600	162	160	155	153	152	166	10,663	(5)	11,605	11,129	-	-
Receivables	1700	-	-	-	-	-	-	162	-	162	162	-	-
Interest on Ar	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income	2000	2,338	11,514	621	616	733	875	67,370	(2,205)	81,862	67,389	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	160	6,992	154	154	211	344	25,687	(1,839)	31,862	24,556	-	-
Commercial	2300	593	2,273	157	156	152	156	11,731	(258)	14,960	11,937	-	-
Households	2400	1,585	2,249	311	307	371	375	29,951	(108)	35,040	30,895	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer	2600	2,338	11,514	621	616	733	875	67,370	(2,205)	81,862	67,389	-	-

The total debt that can be deemed as irrecoverable amounts is R67 385 660.00 for the month of October 2024 determined based on being more than 90 days in arrears and this is 82.32% of the total debtor's balance.

Government Departments Age Analysis							
Department							
O.R Tambo DM	Analysis of Debt	Current	30 Days	60 Days	90 Days	120 Days +	Total
		119,590.58	305.29	305.29	290.74	423,361.19	543,853.09
	Total	119,590.58	305.29	305.29	290.74	423,361.19	543,853.09

Department

Provincial Public Works	Analysis of Debt						
		Current	30 Days	60 Days	90 Days	120 Days +	Total
		5,702,720.79	6,906.23	6,869.88	5,088.79	14,932,103.98	20,653,689.67
	Total	5,702,720.79	6,906.23	6,869.88	5,088.79	14,932,103.98	20,653,689.67

Department

National Public Works	Analysis of Debt	Current	30 Days	60 Days	90 Days	120 Days +	Total
		898,291.78	23,935.45	23,935.41	17,065.54	5,230,790.16	6,194,018.34
Total		898,291.78	23,935.45	23,935.41	17,065.54	5,230,790.16	6,194,018.34

Department	Analysis of Debt	Current	30 Days	60 Days	90 Days	120 Days +	Total
Education		2,924.25	2,906.07	2,887.90	2,869.73	229,646.64	241,234.59
Total		2,924.25	2,906.07	2,887.90	2,869.73	229,646.64	241,234.59

2.8 Revenue enhancement

The Revenue enhancement steering committee meeting was held with internal departments on the 31st of October 2024 to discuss the challenges faced by the departments and ways to improve collection. It was decided that the meetings should be held monthly, and members should go back and prepare plans which will be presented on the next meeting.

There is an incentive policy in place and customers are contacted and encouraged to settle their outstanding debts by offering them discounts. The municipality continue to engage with other government departments until all outstanding amounts are settled. For households the target is 10% collection on the outstanding debt each month and 30% for Businesses.

Top 10 Debtors

ACCOUNT	C/CODE	CURRENT	30 Days	60 Days	90 Days	120+ Days	Movement	Total	ACCOUNT NAME
10000980	HOUSEHOLD	185,020.00	0.00	0.00	0.00	3,390,650.19	+13,873.58	3,575,670.19	DOROTHY LILLY MORRIS
30000364	GOVERNMENT-PROVINCIAL	73,578.56	0.00	0.00	0.00	767,568.39	+4,074.11	841,146.95	Mdlankala JSS
10000873	FARMS	3,001.25	1,715.00	1,715.00	1,715.00	660,498.68	+2,444.38	668,644.93	JM SIGCAU
20001241	GOVERNMENT-NATIONAL	0.00	0.00	0.00	0.00	658,052.05	+3, 135.61	658,052.05	NATIONAL P. WORKS
10002094	GOVERNMENT-PROVINCIAL	159,640.00	0.00	0.00	0.00	476,325.85	+3,192.80	635,965.85	Government of Transkei
10000019	BUSINESS	23,180.00	0.00	0.00	0.00	526,983.97	+3,258.89	550,163.97	QUMA FUNERAL SERVICES CC

10000843	GOVERNMENT-NATIONAL	12,650.00	0.00	0.00	0.00	507,251.68	+1,877.43	519,901.68	NATIONAL PUBLIC WORKS
10001060	BUSINESS	6,716.70	3,358.33	3,358.33	3,358.33	458,346.78	+810.09	475,138.47	LADHOW TRUST
30000385	GOVERNMENT-PROVINCIAL	138,517.50	0.00	0.00	0.00	367,547.81	+1,734.15	506,065.31	Lutshaya SSS
30000419	GOVERNMENT-PROVINCIAL	139,305.00	0.00	0.00	0.00	343,762.91	+1,160.88	483,067.91	Kwamsikwa JSS

We are engaging with government departments; we have submitted invoices to National Public works and awaiting payment. The department of Education has made payment which will reflect in the month of November, we had a session with the department of Rural Development regarding their outstanding debt and the department requested a new format for their invoices which the section is busy with those invoices expecting to receive payment after sending the invoices and Provincial Public Works has made payment for the month of October.

Valuation Roll

Port St Johns Municipality has started a process of compiling the general valuation roll for a period of 5 years, the valuation process has started and is done by Gov- pro and the date of implementation will be the 1st of July 2025.

The valuer conducted inspections on the properties for both business and commercial properties within the CBD and there was a meeting for the first quarter on the 20th of September where the valuer presented the progress report on the compilation of Valuation Roll to the Municipality and COGTA and the results were

satisfactory. The valuer is currently busy preparing the draft valuation roll which should be produced in the month of November 2024.

2.11 Cash and cash equivalents

As at the end of October 2024, the Municipality had the below bank accounts and balances with FNB and Standard Bank. The balances are inclusive of interest from call accounts. As at the end of October 2024 the municipality has a total of eight bank accounts including the main account.

Account Type	Bank	Account type	Acc. Name	Balance	Recons
63007016735	FNB	Main Account	Port St Johns	5,697,849.31	31/10/2024
63008238081	FNB	Disaster Call Account	Port St Johns	23,779,927.97	31/10/2024
63008239261	FNB	Operational Account	Port St Johns	6,168,988.99	31/10/2024
63008236407	FNB	INEP Call Account	Port St Johns	9,808,897.96	31/10/2024
63008237778	FNB	MIG Call account	Port St Johns	4,103,502.40	31/10/2024
63008239790	FNB	Call Account	Port St Johns	10,000,819.71	31/10/2024
76205998069	FNB	Investment Account	Port St Johns	41,712, 906.35	31/10/2024
388649569	Standard Bank	Investment Account	Port St Johns	60,000,000.00	31/10/2024
Total				161,272,892.69	

2.12. Asset Management

In compliance with the requirements of **MFMA section 63**, the municipality has a complete and GRAP compliant asset register that is reviewed, verified and balances checked for accuracy regularly. The asset register is continuously updated with newly acquired assets (additions), revaluations, impairments, reviewed useful lives and depreciation charges. The **Fixed Asset Register (FAR)** has a total carrying value of **R 657 651 819.00** Additions comprises of new assets purchased during the month and this includes work in progress for construction of roads and bridges.

FAR SUMMARY AS AT 31 OCTOBER 2024					
Category	Opening Bal	Additions	Disposal /Transfers	Accumulated Depreciation	Carrying Value
Buildings	20,290,546	-	-	6,641,505	13,649,041
Community assets	56,296,041	-	-	17,164,374	39,131,667
Furniture and fixtures	3,673,353	5,000		2,410,636	1,267,717

IT equipment	8,296,138	7,588		3,049,816	5,253,910
Infrastructure	737,227,890		-	415,695,631	321,532,259
Infrastructure - WIP	166,627,456	13,771,783		-	180,399,239
Land	73,876,552	-	-	-	73,876,552
Plant and machinery	52,666,864	-		40,929,930	11,736,934
Heritage Assets2	123,700	-	-	-	123,700
Transport assets	14,269,430	923,034		4,511,665	10,680,799
	1,133,347,972	14,707,404	-	490,403,557	657,651,819

Insurance

- All the Municipal assets are insured with Mpumelelo Financial Services.
- There are currently four insurance claims outstanding.

STORES Management

- Inventory management is done at Municipal Stores which are situated at Municipal warehouse offices.
- At Stores we are having different types of inventories classified as follows:

- Fuel and oil (e.g Petrol)
- Cleaning Material (e.g Plastic Bales)
- Mechanical tools (e.g Tyres)
- Gardening (e.g. Bush Knives)

SUMMARY OF INVENTORY STOCK

ITEM	AMOUNT
Opening balance as of 1 st October	R 2,019,146.03
Purchases	R549,000.00
Issued	(R185,444.46)
Closing balance as of 30 October	R2,382,702.00

For the month of October 2024, there's no inventory items reported lost.

2 Fleet Management

Fuel Usage

Fuel usage the month of October is **R 536 073,08**

Below is the usage per vehicle.

MUNICIPAL FLEET					
REG.NO	DESCRIPTION	DEPARTME NT	CONDITIO N	FUEL USAGE	LICENSE DATE
1. HZD 635 EC	FORD RANGER –PICK UP BAKKIE	Office of the Hon.Mayor	Fair and working	R 6 254,11	30/09/2025

2. HZD 643 EC	FORD RANGER	LED	Fair and working	R 8 053,96	30/09/2025
3. HZR 849 EC	FORD RANGER-PICK UP BAKKIE	Community Services-Traffic	Fair and working	R 4 585,90	30/09/2025
4. HZD 612 EC	FORD RANGER PICK UP BAKKIE	Engineering	Poor condition and working	R 4 089,80	30/09/2025
5. HYV 596 EC	FORD FOCUS	Community Services-Traffic	Fair and working	R4 106,65	31/07/2025
6. HYV 611 EC	FORD-PICK UP BAKKIE	Engineering	Working/bad condition	R 8 385,75	31/07/2025
7. HYV 589 EC	FORD PICK UP BAKKIE	Engineering	Working/Bad condition	R 6 766,85	31/07/2025
08. HVW 550 EC	DUMPER	Engineering	Working/Bad condition	NA	31/07/2025
09. HVW 548 EC	MOTOR GRADER	Engineering	Working/Bad condition	N/A	31/07/2025
10. HVW 543 EC	MOTOR GRADER	Engineering	Working/Not in good condition	N/A	31/07/2025

11. HVW 538 EC	DUMPER	Engineering	In repairs/ Bad condition	R 18 869,35	31/ 07/2025
12. HHX 632 EC	MAN LOW BED HORSE - TRAILER	Engineering	In repairs Port Shepstone	R 23 331,95	31/10/2025
13. HYV 585 EC	FORD RANGER PICK UP BAKKIE	Engineering	Write-Off	N/A	31/07/2025
14. HXB 207 EC	DUMPER	Engineering	Working / Bad condition	N/A	31/07/2025
15. H MV 162 EC	TRACTOR	Community Services	Working/ good condition	N/A	31/07/2025
16. JJT 277 EC	FORD RANGER-PICK UP BAKKIE	Engineering	Poor condition and working	R 2 538,70	31/07/2025
17.JPL 577 EC	AUDI Q5	Mayor's Office	Not working /Mechanic al	N/A	
18. JNP 025 EC	TOYOTA COROLLA	BTO	Repairs towed to Mtata	R 4 012,09	31/03/2025
19. JST 502 EC	ISUZU TANKER TRUCK	Community Services	Working/g ood condition	R 7 628,72	29/02/2025

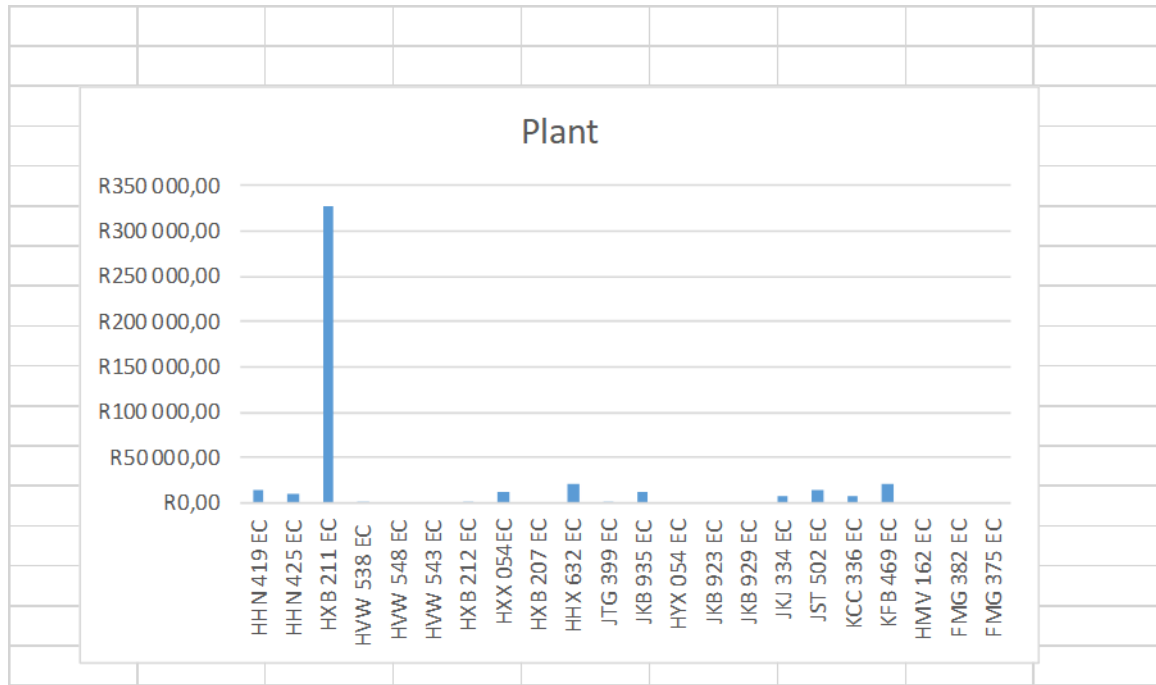
20. JCM 074 EC	FORD RANGER PICK UP BAKKIE	Communicat ions	Not working, bad condition	N/A	31/03/2025
21. JKJ 334 EC	ISUZU TIPPER TRUCK	Engineering	Working/ Fair	R 12 752,30	31/07/2025
22. JKB 923 EC	ISUZU TIPPER Truck	Engineering	Not Working/ Repairs	R 5 168,15	31/07/2025
23. JKB 929 EC	ISUZU TIPPER TRUCK	Engineering	Working/ Fair	R 19 379,63	31/07/2025
24. JKB 935 EC	ISUZU TIPPER TRUCK	Engineering	Working/ Fair	R 11 193,90	31/07/2025
25. FGS 730 EC	TOYOTA HILUX	Community Service	Working/ bad condition	R 3 003,66	30/09/2025
26. FGS 729 EC	TOYOTA HILLUX-Pick UP BAKKIE	Community Services	Working/ Bad condition	R 9 853,40	30/09/2025
27. FMG 382 EC	MAN REFUSE TRUCK	Community Services	Working/ Bad condition	R 3 714,05	31/10/2025
28. FMG 375EC	Crane TRUCK	Engineering	Working/ Bad condition	R 3 714,05	31/07/2025
29. HYX 054 EC	MOTOR GRADER	Engineering	Working/ Bad condition	R 11 861,85	31/07/2025

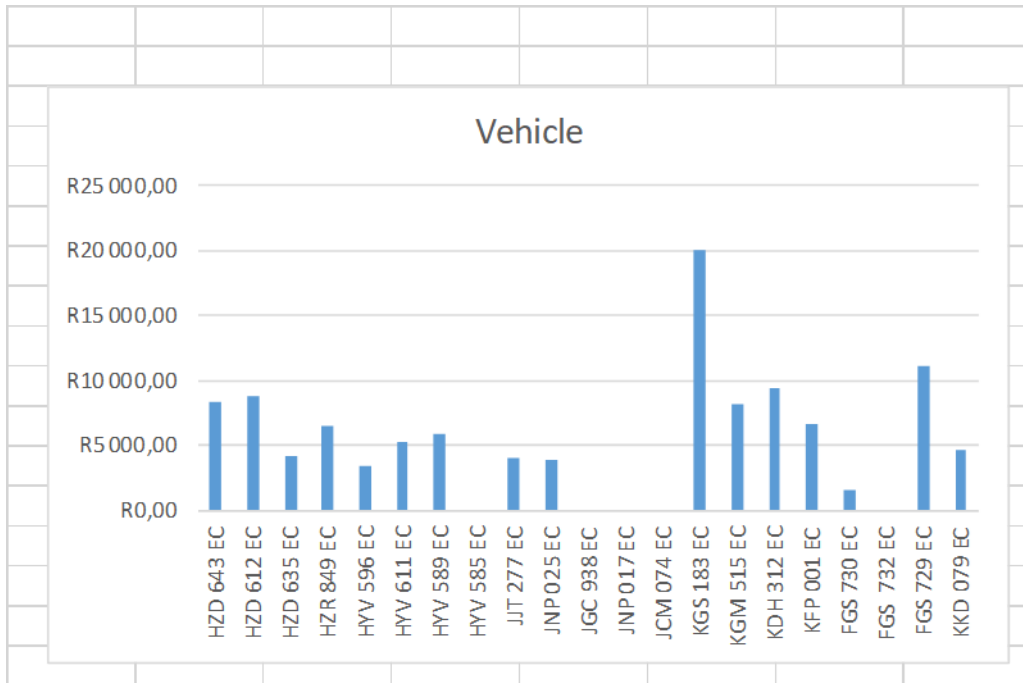
30. HHN 425 EC	MAN TANKER	Engineering	Working/ Bad condition	R 11 695,80	31/10/2025
31 .HHN 419 EC	Water cart	Engineering	Working/F air	R 14 853,05	31/07/2025
32. HXX 054 EC	ISUZU REFUSE TRUCK	Community Services	Working/ Fair	R17 996,32	29/02/2025
33. JTG 399 EC	TLB	Engineering	Working/ Good condition	R17 929,13	31/03/2025
34. KDH 312 EC	TOYOTA HILLUX PICK UP BAKKIE	Community Services	Working/N ew	R 5 153,49	29/02/2025
35. HYC 823 EC	ROLLER	Engineering	On repairs in EL	N/A	31/07/2025
36. EXCAVATOR	CAT 323D	Engineering	Not Working/R epairs	N/A	N/A
37EXCAVATO R	CAT320D	Engineering	Working/B ad condition	R 40 433,30	N/A
38. FMN 461 EC	BELL TLB	Engineering	Working/B ad condition	NA	31/07/2025
39.FMN 460 EC	SINGLE DRUM ROLLER	Engineering	Working/ Bad condition	R 1 222,65	31/07/2025
40.HXB 211 EC	DIESEL BOWSER	Engineering	Working/ Bad condition	R 270 290,00	31/03/2025

41. HXB 212 EC	CAT TLB	Engineering	Not Working/ Repairs	R 2 336,15	31/07/2025
42. KCC 336 EC	CAT GRADER	Engineering	Working/G ood Condition	R 32 256,50	30/11/2024
43. KFB 469 EC	UD TRUCKS	Community Services	Working /Good Condition	R 34 350,19	31/05/2025
44. HXB 207 EC	DUMPER	Engineering	Not Working/ Repairs	N/A	31/07/2025
45. JVH 921 EC	GRANT CORE TRAILER	Engineering	Repairs Port Shepstone	N/A	31/08/2025
46. HXB 204 EC	ROLLER	Engineering	Working/ Bad condition	N/A	31/07/2025
47. HZN 027 EC	BULLDOZER	Engineering	Working/ Bad condition	R 32 975,30	30/09/2025
48. KFP 001 EC	Toyota Hilux S/C Bakkie	Community Services	Working, in good condition	R3 727,23	30/06/2025
49. KGM 515 EC	AUDI Q5	Office of the Hon.Mayor	Write-Off	N/A	30/09/2025
50. KGS 183 EC	TOYOTA FORTUNER	Office of the Hon.Speake r	Working /in good condition	R 14 715,48	31/10/2025

51. KKD 079 EC	VW POLO	Community Services	NEW	R3 940,15	31/05/2025
52. KLN 707 EC	TOYOTA HILUX	Speaker's Office	NEW	N/A	31/10/2025
TOTAL				R536 073,08	

Fuel Usage





Vehicle Tracking

Reg.No	Make	Tracking Working	Camera Working	Issue	Feedback
1. HVW550EC	Dumper	Yes	Yes	Updating with lot of panic signals	Not repaired, truck was moved from the identified location by operator without informing the fleet office.
2.CAT0320DVKGFO 4295	Excavator	Yes	No	Camera damaged, need replacement	Replacement unsuccessful, technicians could not cross the river to reach the machine, operator was not available to assist.
3. HVW 538 EC	Dumper	N/A	N/A	New installation	unsuccessful, technicians could not cross the river to reach the truck, operator was not available to assist.
3. HZN027EC	Bulldozer	No	No	Unit not updating	VINs not corresponding, machine details to be verified and rectified.
4.JTG 399 EC	TLB	Yes	YES	Requested camera installation	Dash camera Installed
5. HVW 543EC	Grader	Yes	N/A	Requested camera installation	Dash camera Installed

5.HYC 823EC	Roller	No	N/A	Requested for camera installation	Was in EL for repairs when Ctrack technician came and is still there
6. HYV 589 EC	Ford Bakkie	Yes	Yes	Loose wire	Repaired
7.HYV 596 EC	Ford Focus	Yes	Yes	Camera facing downward	Repaired
8.KKD 079 EC	Polo	Yes	Yes	Camera falling	Repaired
9. KLN 707 EC	Toyota Hilux	Yes	Yes	New installation	Done

1. Indigent Registration and Indigent Support

1.2 Indigent Registration

The total number of indigents for the previous month was 16 931, there were 751 new registrations from ward 01, 02, 03, 04, 07, 09,10,11,13,14, 15,17, 18 and ward 20 that's leading to a total number of 17 682 to our register, see the table below:

Ward	O/B-of indigents	Additions	Total No. of Indigents
Ward 01	1068	218	1286
Ward 02	771	42	813
Ward 03	1051	55	1106

Ward 04	1092	19	1111
Ward 05	699	00	699
Ward 06	622	00	622
Ward 07	1155	43	1198
Ward 08	1070	00	1070
Ward 09	690	08	698
Ward 10	898	69	967
Ward 11	553	76	629
Ward 12	770	00	770
Ward 13	748	52	800
Ward 14	590	40	630
Ward 15	486	51	537
Ward 16	987	00	987
Ward 17	1043	14	1057
Ward 18	1013	48	1061
Ward 19	907	00	907
3Ward 20	718	16	734
Total	16 931	751	17 682

2.2 Indigent Support

The municipality offers the following services to our indigents: Free basic electricity, alternative energy and refuse removal. The total number supplied with FBE for the month of October was 3335 as per the schedule received from Eskom, no alternative energy was supplied and refuse collection was rendered in Ward 6 for the month of October 2024. See the table below:

Wards	No. of people receiving FBE	No. of people receiving Alternative Energy	No. of people receiving refuse removal	Total
Ward 1	138	-	-	138
Ward 2	291	-	-	291
Ward 3	251	-	-	251
Ward 4	174	-	-	174
Ward 5	114	-	-	114
Ward 6	120	-	444	564
Ward 7	262	-	-	262
Ward 8	183	-	-	183
Ward 9	188	-	-	188
Ward 10	139	-	-	139
Ward 11	113	-	-	113
Ward 12	130	-	-	130
Ward 13	155	-	-	155
Ward 14	120	-	-	120
Ward 15	142	-	-	142
Ward 16	159	-	-	159
Ward 17	150	-	-	150
Ward 18	190	-	-	190
Ward 19	143	-	-	143

Ward 20	173	-	-	173
Total	3 335	00	444	3 779

- On the 10th of October 2024 Free Basic Services held a Meeting with O.R Tambo District Municipality Team, FBS Unit where FBS issues were discussed
- The main purpose of the meeting was to build new working relations with Local Municipalities as we all know that there were no working relations between the District Municipality and its Local Municipalities since 2021.
- The issue of Indigent Register, Indigent Policy and Indigents that are not being billed for water and sanitation were among the discussed issues.
- Lastly, they requested to be informed about our programmes and campaigns in all the wards.

Issues for Management attention

#	Challenges	Recommendation	Progress
1.	Connectivity for accessing the financial system is still an issue leading to delays with processing	Service to improve network coverage.	None
<u>2.</u>	The following Critical positions are still vacant: 1. Senior Expenditure Accountant 2. Payroll Accountant 3. Fleet Inspector	1. Facilitate recruitment of prioritised posts: Senior Expenditure accountant,	Interns advert was advertised. Senior Expenditure accountant, SCM

	4. Finance Interns 5. SCM Practitioner	Payroll Accountant, Finance Interns, and Fleet inspectors.	Practitioner and Payroll were submitted to Corporate Services.
<u>3.</u>	The Municipality is not reachable by phone	Corporate services to assist by sorting out the telephone issues	None
<u>4.</u>	The Municipality Website not functional leading to non- compliance within the institution as we are not able to upload documents	The website must be fixed	The Website is partially addressing the challenge.
<u>5.</u>	Submission of Requisitions without specification	Detailed specifications must be submitted with the order failure will result in the rejection of the requisition	
	In adequate security over municipal assets resulting in theft	Fitting of cameras Private security fencing	

6. In-year Budget Statement Tables

As per section 9 of the MBRR Schedule C attachment, the in-year budget statement tables must consist of the tables in the Attachments to this Schedule, namely

- (a) Table C1 s71 Monthly Budget Statement Summary

EC154 Port St Johns - Table C1 Monthly Budget Statement Summary - M04 October

Description	Budget Year 2024/25								
	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	15,560	15,000	15,000	—	15,230	5,000	10,230	205%	15,000
Service charge	1,141	2,937	2,937	101	402	685	(283)	-41%	2,937
Investment revenue	17,508	107,100	122,741	513	3,476	40,914	(37,438)	-92%	122,741
Transfers and other own revenue	201,344	236,891	269,278	13,392	116,844	89,759	27,085	0	269,278
Other own revenue	9,403	12,228	12,270	343	2,597	4,088	(1,491)	-36%	—
Total Revenue (excluding capital transfers and contributions)	244,956	374,156	422,226	14,349	138,549	140,446	(1,897)	-1%	422,226
Employee costs	105,103	132,671	134,787	10,409	40,446	44,929	(4,483)	-10%	134,787
Remuneration	14,240	16,539	16,539	1,131	4,545	5,513	(968)	-18%	16,539
Depreciation	59,206	68,263	68,263	—	—	22,754	(22,754)	-100%	68,263
Interest	3,605	—	—	—	—	—	—	—	—
Inventory costs	2,620	10,381	8,745	240	3,187	2,120	1,067	50%	8,795
Transfers and other expenditure	14,066	12,000	12,000	2,000	6,008	4,000	2,008	50%	12,000
Other expenditure	122,881	122,633	122,959	5,824	26,270	30,911	(4,641)	-15%	122,899
Total Expenditure	321,722	362,487	363,293	19,604	80,456	110,228	(29,772)	-27%	363,283
Surplus/(Deficit) after capital transfers & contributions	(76,766)	11,669	58,933	(5,255)	58,093	30,218	27,875	92%	58,943
Transfers and subsidies - capital (monetary allocations)	104,952	69,146	81,146	94	15,451	27,049	(11,598)	-43%	81,146
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	28%	140,089
Share of surplus/(deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	28%	140,089
Capital expenditure & funds sources									
Capital expenditure	—	—	—	—	—	—	—	—	—
Capital transfers	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated	—	—	—	—	—	—	—	—	—
Total sources of capital expenditure	—	—	—	—	—	—	—	—	—
Financial position									
Total current assets	204,615	194,754	193,440	—	202,238	—	—	—	193,440
Total non-current assets	644,983	575,175	635,775	—	685,598	—	—	—	635,785
Total current liabilities	111,386	65,367	65,389	—	86,057	—	—	—	65,389
Total non-current liabilities	14,342	13,725	13,725	—	15,597	—	—	—	13,725
Community wealth	684,113	690,837	750,101	—	712,301	—	—	—	750,101
Cash flows									
Net cash from operations	173,132	65,319	(321,557)	31,719	139,290	(125,278)	(264,568)	211%	(426,213)
Net cash from financing activities	(46,002)	(151,214)	(204)	(4,023)	(19,215)	—	19,215	#DIV/0!	—
Net cash from investing activities	(264)	—	—	—	(264)	—	264	#DIV/0!	—
Cash/cash equivalents	126,866	(85,894)	(321,760)	27,697	119,811	(125,278)	(245,089)	196%	(426,213)
Debtors & creditors analysis									
Debtors Age 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
Total By Income	2,338	11,514	621	616	733	875	67,370	(2,205)	81,862
Creditors Age Analysis									
Total Creditors	(256)	(2,198)	2,331	(979)	(1,230)	(4,730)	5,937	2,994	1,868

(b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)

EC154 Port St Johns - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		173,946	336,837	352,479	988	79,300	117,493	(38,193)	-33%	352,479
Executive and council		86,007	-	-	-	37,775	-	37,775	#DIV/0!	-
Finance and administration		87,939	336,837	352,479	988	41,525	117,493	(75,968)	-65%	352,479
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		22,326	-	-	-	9,451	-	9,451	#DIV/0!	-
Community and social services		22,326	-	-	-	9,451	-	9,451	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental		152,495	103,432	147,861	13,354	64,847	49,285	15,562	32%	147,861
Planning and development		21,502	951	951	-	9,444	317	9,127	2879%	951
Road transport		130,993	102,481	146,910	13,354	55,403	48,968	6,435	13%	146,910
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,141	3,032	3,032	101	402	717	(315)	-44%	3,032
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,141	3,032	3,032	101	402	717	(315)	-44%	3,032
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue	2	349,908	443,302	503,372	14,443	154,000	167,495	(13,495)	-8%	503,372
Expenditure - Functional										
Governance and administration		153,220	166,292	166,292	8,296	37,117	48,775	(11,658)	-24%	166,292
Executive and council		67,951	49,872	49,872	3,773	14,651	15,609	(958)	-6%	49,872
Finance and administration		85,269	112,122	112,122	4,462	22,043	31,909	(9,866)	-31%	112,122
Internal audit		-	4,299	4,299	60	423	1,258	(835)	-66%	4,299
Community and public safety		43,797	1,916	2,174	-	31	701	(671)	-96%	2,174
Community and social services		43,797	1,916	2,174	-	31	701	(671)	-96%	2,174
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental		125,887	132,762	132,933	6,823	25,230	41,296	(16,066)	-39%	132,933
Planning and development		11,075	31,841	31,841	2,971	9,828	9,660	168	2%	31,841
Road transport		114,811	100,921	101,091	3,852	15,402	31,637	(16,235)	-51%	101,091
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	61,517	61,894	4,485	18,078	19,455	(1,377)	-7%	61,884
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	61,517	61,894	4,485	18,078	19,455	(1,377)	-7%	61,884
Other		-	-	-	-	50	-	-	-	-
Total Expenditure	3	322,904	362,487	363,293	19,604	80,456	110,228	(29,772)	-27%	363,283
Surplus/ (Deficit) for the year		27,005	80,815	140,079	(5,161)	73,544	57,267	16,277	0.284231179	140,089

(c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

EC154 Port St Johns - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 O										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vo	1									
Vote 1 - Executive AND Coun		64,505	-	-	-	28,331	-	28,331	#DIV/0!	-
Vote 2 - LED (21: IE)		21,502	-	-	-	9,444	-	9,444	#DIV/0!	-
Vote 3 - Municipal Manager (2		21,502	-	-	-	9,444	-	9,444	#DIV/0!	-
Vote 4 - Corporate Services (2		21,617	16	16	94	9,663	5	9,658	184177.1%	16
Vote 5 - Community Services		23,467	4,340	4,623	311	10,210	1,247	8,963	718.5%	4,623
Vote 6 - Financial Services (2)		66,322	340,497	356,180	894	31,862	118,725	(86,863)	-73.2%	356,180
Vote 7 - Infrastructural Enginee		130,993	98,449	142,553	13,145	55,046	47,518	7,528	15.8%	142,553
Vote 8 - (34: IE)		-	-	-	-	-	-	-		-
Total Revenue	2	349,908	443,302	503,372	14,443	154,000	167,495	(13,495)	-8.1%	503,372
Expenditure by	1									
Vote 1 - Executive AND Coun		42,904	96,262	96,264	7,194	29,598	31,608	(2,010)	-6.4%	96,302
Vote 2 - LED (21: IE)		11,075	31,906	31,906	2,981	9,954	9,623	331	3.4%	31,906
Vote 3 - Municipal Manager (2		17,668	36,811	36,854	2,015	7,468	10,576	(3,108)	-29.4%	36,816
Vote 4 - Corporate Services (2		36,990	36,089	36,164	2,218	8,621	9,817	(1,196)	-12.2%	36,164
Vote 5 - Community Services		50,185	30,319	30,835	2,123	8,733	8,962	(228)	-2.5%	30,825
Vote 6 - Financial Services (2)		39,173	116,623	116,623	2,393	13,303	35,133	(21,830)	-62.1%	116,623
Vote 7 - Infrastructural Enginee		82,624	14,477	14,647	680	2,779	4,510	(1,731)	-38.4%	14,647
Vote 8 - (34: IE)		-	-	-	-	-	-	-		-
Total Expenditu	2	280,618	362,487	363,293	19,604	80,456	110,228	(29,772)	-27.0%	363,283
Surplus/ (Defic	2	69,290	80,815	140,079	(5,161)	73,544	57,267	16,277	28.4%	140,089

(d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

EC154 Port St Johns - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water										
Service charges - Waste Water Management										
Service charges - Waste man	1,141	2,937	2,937	101	402	685	(283)	-41%	2,937	
Sale of Goods and Rendering	685	732	774	—	27	256	(229)	-89%	774	
Agency services	—	1,800	1,800	—	—	600	(600)	-100%	1,800	
Interest										
Interest earned from Receipt	1,073	1,950	1,950	49	194	650	(456)	-70%	1,950	
Interest from Current and Non	17,508	107,100	122,741	513	3,476	40,914	(37,438)	-92%	122,741	
Dividends										
Rent on Land										
Rental from Fixed Assets	138	500	500	7	46	167	(121)	-72%	500	
Licence and permits	24	250	250	14	44	83	(39)	-47%	250	
Operational Revenue	756	116	116	9	128	39	90	232%	116	
Non-Exchange Revenue										
Property rates	15,560	15,000	15,000	—	15,230	5,000	10,230	205%	15,000	
Surcharges and Taxes										
Fines, penalties and forfeits	255	380	380	—	—	127	(127)	-100%	380	
Licence and permits	—	950	950	—	—	317	(317)	-100%	950	
Transfers and subsidies - Ope	201,344	236,891	269,278	13,392	116,844	89,759	27,085	30%	269,278	
Interest	6,473	5,550	5,550	265	1,099	1,850	(751)	-41%	5,550	
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets	—	—	—	—	1,059	—	1,059	#DIV/0!	—	
Other Gains										
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		244,956	374,156	422,226	14,349	138,549	140,446	(1,897)	-1%	422,226
Expenditure By Type										
Employee related costs	105,103	132,671	134,787	10,409	40,446	44,929	(4,483)	-10%	134,787	
Remuneration of councillors	14,240	16,539	16,539	1,131	4,545	5,513	(968)	-18%	16,539	
Bulk purchases - electricity										
Inventory consumed	2,620	10,381	8,745	240	3,187	2,120	1,067	50%	8,795	
Debt impairment	5,678	147	294	—	—	196	(196)	-100%	294	
Depreciation and amortisation	59,206	68,263	68,263	—	—	22,754	(22,754)	-100%	68,263	
Interest	3,605	—	—	—	—	—	—		—	
Contracted services	48,655	51,937	51,751	2,382	11,029	12,075	(1,046)	-9%	51,644	
Transfers and subsidies	14,066	12,000	12,000	2,000	6,008	4,000	2,008	50%	12,000	
Irrecoverable debts written off	—	—	—	355	971	—	971	#DIV/0!	—	
Operational costs	68,548	70,549	70,914	3,087	14,271	18,640	(4,369)	-23%	70,961	
Losses on Disposal of Assets										
Other Losses										
Total Expenditure		321,722	362,487	363,293	19,604	80,456	110,228	(29,772)	-27%	363,283
Surplus/(Deficit)		(76,766)	11,669	58,933	(5,255)	58,093	30,218	27,875	0	58,943
Transfers and subsidies - capital (monetary allocations)	104,952	69,146	81,146	94	15,451	27,049	(11,598)	(0)	81,146	
Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers & contributions		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089
Income Tax										
Surplus/(Deficit) after income tax		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		28,186	80,815	140,079	(5,161)	73,544	57,267			140,089
Share of Surplus/Deficit attributable to Associate								16,277	0	
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		28,186	80,815	140,079	(5,161)	73,544	57,267	16,277	0	140,089

(e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

EC154 Port St Johns - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - I

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure	2									
Total Capital si	4	-	-	-	-	-	-	-		-
Total Capital Expenditure		-	-	-	-	-	-	-		-
Capital Expenditure - Functional Classification										
Governance and administration		(1)	14,950	14,985	655	758	3,497	(2,738)	-78%	14,985
Executive and council		-	100	160	-	60	37	22	60%	160
Finance and administration		(1)	14,850	14,826	655	699	3,459	(2,761)	-80%	14,826
Internal audit										
Community and public safety		6,000	-	70	247	954	16	938	5741%	70
Community and social servi		6,000	-	70	247	954	16	938	5741%	70
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental		46,504	133,530	193,275	15,437	84,624	45,097	39,526	88%	193,275
Planning and development		-	2,900	2,900	-	-	677	(677)	-100%	2,900
Road transport		46,504	130,630	190,375	15,437	84,624	44,421	40,203	91%	190,375
Environmental protection										
Trading services		-	3,050	3,800	113	735	787	(52)	-7%	3,810
Energy sources										
Water management										
Waste water management										
Waste management		-	3,050	3,800	113	735	787	(52)	-7%	3,810
Other										
Total Capital Ex	3	52,503	151,530	212,130	16,452	87,070	49,397	37,673	76%	212,140
Funded by:										
National Government		35,223	94,780	138,884	12,717	58,775	32,406	26,368	81%	138,884
Provincial Government		16,038	-	-	-	-	-	-		-
District Municipality										
Transfers recognised - capita		51,262	94,780	138,884	12,717	51,847	32,406	19,441	60%	138,884
Borrowing	6									
Internally generated funds		1,242	56,750	57,085	1,570	26,131	13,220	12,911	98%	57,095
Total Capital Funding		52,503	151,530	195,969	14,287	77,978	45,626	32,352	71%	195,979

(f) Table C6 Monthly Budget Statement - Financial Position

EC154 Port St Johns - Table C6 Monthly Budget Statement - Financial Position - M04

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		172,407	118,677	118,199	162,767	118,199
Trade and other receivables from exchange transactions		2,032	2,865	2,865	2,457	2,865
Receivables from non-exchange transactions		20,487	7,548	6,690	30,470	6,690
Current portion of non-current receivables						
Inventory		1,307	61,985	61,985	1,307	61,985
VAT		8,383	3,679	3,701	5,237	3,701
Other current assets						
Total current assets		204,615	194,754	193,440	202,238	193,440
Non current assets						
Investments						
Investment property		13,001	4,462	4,462	13,001	4,462
Property, plant and equipment		631,983	573,509	634,109	672,597	634,119
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		–	(2,797)	(2,797)	–	(2,797)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		644,983	575,175	635,775	685,598	635,785
TOTAL ASSETS		849,599	769,929	829,215	887,835	829,225
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		1,781	1,773	1,773	1,781	1,773
Consumer deposits		61	61	61	61	61
Trade and other payables from exchange transactions		63,328	39,055	39,055	44,540	39,055
Trade and other payables from non-exchange transactions		31,311	8,099	8,099	24,682	8,099
Provision		13,673	15,197	15,197	12,417	15,197
VAT		1,233	1,181	1,203	2,576	1,203
Other current liabilities						
Total current liabilities		111,386	65,367	65,389	86,057	65,389
Non current liabilities						
Financial liabilities						
Provision		5,081	2,682	2,682	5,081	2,682
Long term portion of trade payables						
Other non-current liabilities						
Total non current liabilities		14,342	13,725	13,725	15,597	13,725
TOTAL LIABILITIES		125,728	79,092	79,114	101,654	79,114
NET ASSETS	2	723,871	690,837	750,101	786,182	750,111
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)						
Reserves and funds		684,985	690,837	750,101	713,172	750,101
Other		(872)	–	–	(872)	–
TOTAL COMMUNITY WEALTH/EQUITY	2	684,113	690,837	750,101	712,301	750,101

(g) Table C7 Monthly Budget Statement - Cash Flow

EC154 Port St Johns - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		7,081	14,142	(2,077)	293	906	-	906	#DIV/0!	-
Service charges		1,801	3,209	2,643	42	180	(216,894)	217,074	-100%	(555,215)
Other revenue		770	20,182	2,188	29	246	175,266	(175,020)	-100%	428,686
Transfers and Subsidies - Op		198,038	211,257	(44,773)	37,831	164,550	-	164,550	#DIV/0!	-
Transfers and Subsidies - Cap		72,362	94,780	(0)	11,035	38,269	-	38,269	#DIV/0!	-
Interest		17,005	20,000	20,000	513	3,476	-	3,476	#DIV/0!	-
Dividends								-		
Payments										
Suppliers and employees		(123,924)	(298,250)	(299,538)	(18,023)	(68,336)	(83,650)	15,313	-18%	(299,684)
Interest								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPE		173,132	65,319	(321,557)	31,719	139,290	(125,278)	(264,568)	211%	(426,213)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1	316	(204)	-	1,059	-	1,059	#DIV/0!	-
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(46,003)	(151,530)	-	(4,023)	(20,274)	-	(20,274)	#DIV/0!	-
NET CASH FROM/(USED) INVE		(46,002)	(151,214)	(204)	(4,023)	(19,215)	-	19,215	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(264)	-	-	-	(264)	-	(264)	#DIV/0!	-
NET CASH FROM/(USED) FINA		(264)	-	-	-	(264)	-	264	#DIV/0!	-
NET INCREASE/ (DECREASE)		126,866	(85,894)	(321,760)	27,697	119,811	(125,278)			(426,213)
Cash/cash equivalents at beginning:								-		-
Cash/cash equivalents at mon		126,866	(85,894)	(321,760)	27,697	119,811	(125,278)			(426,213)

Financial Position

The **statement of financial position** lists all the Council's Current and Non-current Assets and liabilities together with their financial values representing the economic resources of the municipality. Table C6 is meant to improve the stakeholder's understanding and management of budget and the impact of actual expenditure in comparison to the budget implications on the financial position.

Current Assets reflect the financial assets that have cash value and are owned by Council and all other assets that are expected to provide financial benefit to Council within one financial year. The financial benefit is through the rendering of services to the community and revenue generation through refuse removal services and other revenue generating activities.

Largest **current assets** are **Cash and cash equivalent** at R162 766 957.00. Trade and other receivables from non-exchange transactions R30 470 145.00. **Call investments deposits interest** was at R 512 639.78 at the end of the month. Current assets are highly liquid, in that they can easily be converted to cash when required to meet short term obligations which are paying of salaries, allowances and suppliers for goods and services.

The largest **current liabilities** are trade and other payables from exchange and non-exchange transactions R69 222 215.00

The **current ratio** of the municipality is currently sitting at 2:4 which indicates a healthy financial position, as the municipality's current assets are greater than current liabilities. The municipality is thus able to pay its employees and creditors monthly. However, attention should be given to the **collection rate** as there are long

outstanding balances owed by service consumers, which are sitting at R67 385 660.00 and bulk of those are domestic consumers.

The consumer deposits balance of R61 000.00 as reflected in the Statement of Financial Position, is only relating to consumer accounts that were opened with the municipality since the beginning of 2022/23 financial year and as such it is grossly understated due to balances that were not transferred.

Non-Current Assets are resources with a cash value which another party has made a legal commitment to hand over to Council over a period exceeding one financial year.

The property, plant and equipment item remain the most material resource on the statement of financial position at R657,651,819.00 at Carrying value.

Infrastructure assets form 48,89% of the total asset register and are mainly required to generate revenue and are crucial in-service delivery for the municipality. It is high time that the municipality prioritise repairs and maintenance of the existing infrastructure assets to improve the service delivery capacity of the assets since the municipality is faced with ageing infrastructure. If planned and costed maintenance is not done, the municipality might be faced with reserve backlog due to ageing infrastructure.

Non-Current liabilities are legal commitments from other parties acquired to enhance service delivery. **Provisions** are the largest non-current liability at R10 516 010. These are **employee benefit obligations** which are based upon actuarial valuations for all the municipality's defined benefit pension plans and post-employment medical benefits.

The statement of financial position is currently showing the equity of the municipality as R712 300 513.00 as at end of the month, most in accumulated surplus and this equity is not fully funded. Most of the equity is held under fixed assets therefore it is a small portion that can be affected by inflation fluctuations.

EC154 Port St Johns - Table C6 Monthly Budget Statement - Financial Position - M04

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		172,407	118,677	118,199	162,767	118,199
Trade and other receivables from exchange transactions		2,032	2,865	2,865	2,457	2,865
Receivables from non-exchange transactions		20,487	7,548	6,690	30,470	6,690
Current portion of non-current receivables						
Inventory		1,307	61,985	61,985	1,307	61,985
VAT		8,383	3,679	3,701	5,237	3,701
Other current assets						
Total current assets		204,615	194,754	193,440	202,238	193,440
Non current assets						
Investments						
Investment property		13,001	4,462	4,462	13,001	4,462
Property, plant and equipment		631,983	573,509	634,109	672,597	634,119
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		–	(2,797)	(2,797)	–	(2,797)
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		644,983	575,175	635,775	685,598	635,785
TOTAL ASSETS		849,599	769,929	829,215	887,835	829,225
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		1,781	1,773	1,773	1,781	1,773
Consumer deposits		61	61	61	61	61
Trade and other payables from exchange transactions		63,328	39,055	39,055	44,540	39,055
Trade and other payables from non-exchange transactions		31,311	8,099	8,099	24,682	8,099
Provision		13,673	15,197	15,197	12,417	15,197
VAT		1,233	1,181	1,203	2,576	1,203
Other current liabilities						
Total current liabilities		111,386	65,367	65,389	86,057	65,389
Non current liabilities						
Financial liabilities		5,081	2,682	2,682	5,081	2,682
Provision		9,260	11,042	11,042	10,516	11,042
Long term portion of trade payables						
Other non-current liabilities						
Total non current liabilities		14,342	13,725	13,725	15,597	13,725
TOTAL LIABILITIES		125,728	79,092	79,114	101,654	79,114
NET ASSETS	2	723,871	690,837	750,101	786,182	750,111
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		684,985	690,837	750,101	713,172	750,101
Reserves and funds		(872)	–	–	(872)	–
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	684,113	690,837	750,101	712,301	750,101

Financial Performance

The **statement of financial performance** is used to measure performance of the institution and monitor the cash flow projections in comparison with actual expenditure and revenue for a specific period. This statement summarizes the revenue realised and expenditure incurred by the municipality on both cash and accrual basis.

The table below shows an analysis of Operating and Capital revenue and expenditure against budget. During the month ending 31 October 2024, the Municipality had an operating deficit of R5 254 838.00 as at end of October 2024. The total operating expenditure actual for the month is R19 604 145.00 is more than the actual total revenue of R14 349 307.00 as it shows a deficit of R5 254 833.00.

SUMMARY REVENUE AND EXPENDITURE FOR THE MONTH ENDING 31 October 2024 EC154 Port St Johns - Table C1 Consolidated Monthly Budget Statement Summary – 4th month

Description	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Full Year Forecast
Total Revenue	374,156	422,226	14,349	138,549	140,446	422,226
Total operating Expenditure	362,487	363,293	19,604	80,456	110,228	363,283
Surplus/(Deficit)	11,669	58,933	(5,255)	58,093	30,218	58,943

The following **revenue streams** were budgeted for in 2024/2025 financial year Property rate is R15 000 000.00 million and Refuse revenue R2 937 200.00. Actual figures for the 4th month of 2024/25 are as follows: Property rates billing is R15 230 214.00 and Refuse revenue R101 141.00 with Property rates having positive variance at 205% and services charges having negative variance of 41% respectively. Billing has been done in the beginning of the financial year for property rates, hence we have a huge percentage.

Property rates are billed in the beginning of the new financial year for the whole year and Refuse charges monthly.

Government: The debtors are up to date with current debts, but the challenge is with the old debt from National public works which engagements are being done by both institutions.

The cumulative total billing for the whole year is R15 230 213.00.

For the 4th month of 2024/25, billing has been done in the beginning of the financial year for property rates and monthly for Refuse charges. The municipal property rates policy states that the municipality bills in advance its customers in July and the bill are payable in 12 equal instalments. The municipality must implement the revenue enhancement strategy to improve the revenue base and to ensure long term financial sustainability.

The interest from current and non-current assets is however sitting at R512 640.00 for this month.

Total transfers and subsidies operational are at R13 392 188.00 in the month of October the municipality managed to generate other revenue of R343 338.00 for the month, this comprises of revenue realized from selling of goods and rendering services, rental from fixed assets, licence and permits and operational revenue.

The **expenditure incurred** as at 4th month of 2024/2025 was as follows: spending on employee related costs at R10 408 667.00 and remuneration of councillors and ward committee stipend is R1 631 999.00 for the month of October.

Depreciation and asset impairment is budgeted at R68 262 541.00 for the year. In the 4th month no depreciation and asset impairment had not been processed on the system, manually its amounting to R10 470 223.00 The monthly depreciation calculations will be

performed once the asset management module is fully installed and integrated with the financial accounting system. In this regard, the monthly section 71 reports are understated by the depreciation amounts not being charged as the depreciation is supposed to be expensed monthly. Debt impairment provision of R146 860.00 and is also based on budgeted figures and this shall be calculated at year end.

Contracted services are currently spent sitting at R2 381 557.00 with a negative variance of 9% resulting from budget alignment to mSCOA requirements that is being addressed and expenditure that is sitting on commitments. Also, implementation of cost containment measures. Transfers and grants were R2 000 000.00 currently with a year-to-date positive variance of 50%.

Other expenditure incurred R5 823 543.00 for October 2024.

Capital Revenue and Expenditure

The table below shows capital expenditure and sources of capital funding, actual performance and year to date figures compared to the budget. The capital expenditure for the 4th month of 2024/2025 from grant funding is as follows.

(Below is Schedule C_table:C5 for Capital Revenue and Expenditure)

EC154 Port St Johns - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - I

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year exp	2									
Vote 9 - Executive AND Coun		0	–	30	–	30	7	23	329%	30
Vote 10 - LED (21: CAPEX)		–	1,100	1,100	–	–	257	(257)	-100%	1,100
Vote 11 - Municipal Manager		–	–	30	–	30	7	23	329%	30
Vote 12 - Corporate Service		–	33,484	8,051	5,503	12,004	1,879	10,126	539%	8,051
Vote 13 - Community Service		236	–	450	247	954	105	849	809%	450
Vote 14 - Community Services		–	–	–	–	–	–	–	–	–
Vote 15 - Financial Services		(1)	300	335	–	35	78	(43)	-55%	335
Vote 16 - Infrastructural Engine		–	37,677	37,677	–	9,437	8,791	646	7%	37,677
Vote 17 - Executive AND Cou		–	5,000	5,000	–	–	1,167	(1,167)	-100%	5,000
Vote 18 - LED (31: CAPEX)		–	1,800	1,800	–	–	420	(420)	-100%	1,800
Vote 19 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 20 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 21 - Community Services		448	3,050	3,350	113	735	682	53	8%	3,360
Vote 22 - Financial Services		–	2,000	2,000	650	650	467	184	39%	2,000
Vote 23 - Infrastructural Engine		51,820	67,119	152,237	9,938	63,195	35,522	27,673	78%	152,237
Total Capital si	4	52,503	151,530	212,060	16,452	87,070	49,381	37,690	76%	212,070
Total Capital Expenditure		52,503	151,530	212,060	16,452	87,070	49,381	37,690	76%	212,070
Capital Expenditure - Functional Classification										
Governance and administrat		(1)	14,950	14,985	655	758	3,497	(2,738)	-78%	14,985
Executive and council		–	100	160	–	60	37	22	60%	160
Finance and administration		(1)	14,850	14,826	655	699	3,459	(2,761)	-80%	14,826
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safet		6,000	–	70	247	954	16	938	5741%	70
Community and social servi		6,000	–	70	247	954	16	938	5741%	70
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmets		46,504	133,530	193,275	15,437	84,624	45,097	39,526	88%	193,275
Planning and development		–	2,900	2,900	–	–	677	(677)	-100%	2,900
Road transport		46,504	130,630	190,375	15,437	84,624	44,421	40,203	91%	190,375
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	3,050	3,800	113	735	787	(52)	-7%	3,810
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	3,050	3,800	113	735	787	(52)	-7%	3,810
Other		–	–	–	–	–	–	–	–	–
Total Capital E	3	52,503	151,530	212,130	16,452	87,070	49,397	37,673	76%	212,140
Funded by:										
National Government		35,223	94,780	138,884	12,717	51,847	32,406	26,368	81%	138,884
Provincial Government		16,038	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers recognised - capita		51,262	94,780	138,884	12,717	51,847	32,406	26,368	81%	138,884
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		1,242	56,750	57,085	1,570	26,131	13,220	12,911	98%	57,095
Total Capital Funding		52,503	151,530	195,969	14,287	77,978	45,626	39,280	86%	195,979

Cash flow Statement

The table below highlights the cash flow position of the municipality for the fourth month of 2024/2025. The year-to-date cash flow statement of the municipality depicts that the municipality has a favourable cash position.

The cash and cash equivalents to date show positive cash outlay of the municipality. This is however because of both conditional grants and equitable share paid in July 2024. This situation is however not sustainable if the revenue collection is not improved.

(Below is Schedule C_table:C7 for Cash Flow)



EC154 Port St Johns - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		7,081	14,142	(2,077)	293	906	-	906	#DIV/0!	-
Service charges		1,801	3,209	2,643	42	180	(216,894)	217,074	-100%	(555,215)
Other revenue		770	20,182	2,188	29	246	175,266	(175,020)	-100%	428,686
Transfers and Subsidies - Op		198,038	211,257	(44,773)	37,831	164,550	-	164,550	#DIV/0!	-
Transfers and Subsidies - Cap		72,362	94,780	(0)	11,035	38,269	-	38,269	#DIV/0!	-
Interest		17,005	20,000	20,000	513	3,476	-	3,476	#DIV/0!	-
Dividends								-		
Payments										
Suppliers and employees		(123,924)	(298,250)	(299,538)	(18,023)	(68,336)	(83,650)	15,313	-18%	(299,684)
Interest								-		
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPE		173,132	65,319	(321,557)	31,719	139,290	(125,278)	(264,568)	211%	(426,213)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	1	316	(204)	-	1,059	-	1,059	#DIV/0!	-	-
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(46,003)	(151,530)	-	(4,023)	(20,274)	-	(20,274)	#DIV/0!	-
NET CASH FROM/(USED) INVE		(46,002)	(151,214)	(204)	(4,023)	(19,215)	-	19,215	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(264)	-	-	-	(264)	-	(264)	#DIV/0!	-
NET CASH FROM/(USED) FINA		(264)	-	-	-	(264)	-	264	#DIV/0!	-
NET INCREASE/ (DECREASE)		126,866	(85,894)	(321,760)	27,697	119,811	(125,278)			(426,213)
Cash/cash equivalents at beginning:								-		-
Cash/cash equivalents at month end:		126,866	(85,894)	(321,760)	27,697	119,811	(125,278)			(426,213)

