

**PORT ST JOHNS MUNICIPALITY BUDGET AND TREASURY OFFICE**



**PORT ST JOHNS**  
• MUNICIPALITY •  
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**MONTHLY BUDGET REPORT FOR THE MONTH ENDED 31 MARCH 2024**

**Prepared By:**

Chief Financial Officer

T. Sikolo

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**Approved By:**

Municipal Manager

M. Fihlani

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**Acknowledged By:**

Honourable Mayor

N. Mlombile- Cingo

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## **PURPOSE**

To report on the financial performance of the Municipality for the month ended 31<sup>st</sup> March 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 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,

(28) 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

(29) 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

(30) (1) 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 of Chapter 9 Section 80 of the MFMA 2003 and approved by Council when adopting the Municipal Organisational Structure, its purpose is to support all other departments and provide financial management.

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

<b>Units</b>	<b>Positions</b>
Revenue and investment management	1x Senior Revenue Accountant 2 x Rev Accountant (one vacant) 2 x cashiers (1 vacant), 1 x FBS Practitioner, 2 Data capturers, 1x Messenger driver (vacant)
Expenditure Management and Payroll	1x Senior Exp Accountant (vacant) 1x Exp Accountant, 1 x Salaries & Payroll Accountant (vacant), 1 x Payroll Officer and 2x Payroll clerk (1 vacant)
Supply chain management	SCM Manager, 1x SCM Practitioner, 2 Procurement clerks, 1x Contract management practitioner (vacant), 1 x Senior Fleet management controller (vacant), 2 x Fleet management officers (1 vacant), 5 x Pool drivers and 2 x Fleet management inspectors (vacant)
Asset Management	1 x Asset management officer, 1 x Asset management clerk
Budget and Reporting	Budget and Reporting Manager, 1 x Senior Accountant Budget and Reporting 1 x Accountant Budget & Reporting
Internship	5 financial management Interns (4 females and 1 male)
Strategic and Management	CFO, PA to the CFO and four managers (2 vacant)

There are 8 positions that have been identified as critical positions that need to be filled for proper functioning of BTO, however due to limited resources only 3 have been prioritized for recruitment in the current financial year

- Senior Accountant expenditure
- Payroll Accountant
- Contract Management practitioner

## **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 budget of 437 million for revenue and expenditure. The year to- date spending against the budget is at 31% which is less than what was projected for the period. Underspending on the overall budget is caused by depreciation that has not been run for the past 9 months the municipality busy uploading of the asset register on the system. Underspending on capital grants also contributes to the overall budget underspending especially since there is an additional funds of 34 million received for municipal disaster grant.

EC154 Port St Johns - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	8,874	11,965	14,965	(7)	15,868	11,224	4,644	41%	14,965
Service charges	1,066	1,500	2,800	95	654	1,995	(1,141)	-57%	2,800
Investment revenue	10,586	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	10,586	49,201	68,301	1,638	9,941	51,225	(41,284)	-81%	68,301
Other own revenue	208,620	210,325	210,711	49,151	203,570	158,033	45,537	29%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>239,751</b>	<b>272,991</b>	<b>296,776</b>	<b>50,876</b>	<b>230,233</b>	<b>222,477</b>	<b>7,756</b>	<b>3%</b>	<b>296,776</b>
Employee costs	95,116	95,990	116,318	8,863	82,436	87,264	(4,828)	-	116,318
Remuneration of Councilors	13,082	14,101	16,791	1,152	11,514	12,594	(1,080)	-	16,791
Depreciation and amortisation	42,094	57,414	57,114	47	99	42,835	(42,737)	-	57,114
Interest	2,211	274	274	24	110	206	(96)	-	274
Inventory consumed and bulk purchases	489	2,946	3,536	87	934	2,652	(1,718)	-	3,536
Transfers and subsidies	11,143	15,130	16,230	2,642	12,542	12,173	370	3%	16,230
Other expenditure	93,872	114,551	116,093	5,521	53,915	87,543	(33,628)	-38%	116,093
<b>Total Expenditure</b>	<b>257,987</b>	<b>300,406</b>	<b>326,357</b>	<b>18,335</b>	<b>161,549</b>	<b>245,266</b>	<b>(83,717)</b>	<b>-34%</b>	<b>326,357</b>
<b>Surplus/(Deficit)</b>	<b>(18,237)</b>	<b>(27,415)</b>	<b>(29,581)</b>	<b>32,541</b>	<b>68,684</b>	<b>(22,789)</b>	<b>91,473</b>	<b>-401%</b>	<b>(29,581)</b>
Transfers and subsidies - capital (monetary)	67,740	88,298	137,477	15,066	63,198	103,108	(39,909)	-39%	137,477
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>49,504</b>	<b>60,883</b>	<b>107,896</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>	<b>51,564</b>	<b>64%</b>	<b>107,896</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>49,504</b>	<b>60,883</b>	<b>107,896</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>	<b>51,564</b>	<b>64%</b>	<b>107,896</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>1,316</b>	<b>124,551</b>	<b>170,805</b>	<b>11,279</b>	<b>66,653</b>	<b>128,103</b>	<b>(61,450)</b>	<b>-48%</b>	<b>170,805</b>
Capital transfers recognised	857	88,804	137,477	11,178	62,364	103,108	(40,744)	-40%	137,477
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	459	35,748	33,301	100	4,290	24,976	(20,686)	-83%	33,301
<b>Total sources of capital funds</b>	<b>1,316</b>	<b>124,551</b>	<b>170,778</b>	<b>11,279</b>	<b>66,653</b>	<b>128,084</b>	<b>(61,430)</b>	<b>-48%</b>	<b>170,778</b>
<b>Financial position</b>									
Total current assets	221,194	190,952	191,412	-	390,336	-	-	-	191,412
Total non current assets	544,810	559,045	605,598	-	613,083	-	-	-	605,598
Total current liabilities	76,625	65,367	65,367	-	179,874	-	-	-	65,367
Total non current liabilities	18,200	13,725	13,725	-	15,254	-	-	-	13,725
Community wealth/Equity	625,389	670,905	717,918	-	676,353	-	-	-	717,918
<b>Cash flows</b>									
Net cash from (used) operating	142,374	84,342	107,724	51,626	227,263	81,039	(146,224)	-180%	107,724
Net cash from (used) investing	(30,613)	(124,250)	-	(1,022)	(14,189)	-	14,189	#DIV/0!	-
Net cash from (used) financing	343	-	-	-	343	-	(343)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>152,973</b>	<b>113,548</b>	<b>112,231</b>	<b>40,596</b>	<b>301,426</b>	<b>114,855</b>	<b>(186,571)</b>	<b>-162%</b>	<b>112,231</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	1,684	1,007	1,000	1,000	979	837	65,197	(18,171)	73,533
<b>Creditors Age Analysis</b>									
Total Creditors	(4,076)	1,992	1,592	(8,108)	9,617	(2,965)	(1,846)	(2,598)	(6,412)

## 2.2 Sources of Revenue

The Municipality generates revenue from the below listed sources inclusive of government grants. Rates are billed annually and other services monthly. As seen below the internal revenue sources are performing less than what was expected.

Description	Monthly Budget	28 Feb-24	31-Mar-24	Difference
Assessment rates	997 048	297 982	1 453 188	456 140
Refuse Removal	125 000	27 595	84 070	- 40 930
Licences(Hawker s licences)	10 000	-		- 10 000
Hall rental	1 417	3 117	710	-707
Lease rental	16 667	12 660	12 660	- 4 007
Tender documents	1 667	-	-	- 1 667
Credit interest/Interest on external investments	625 000	1 246 527	1 644 945	1 019 945
Grave site	1 667,00	7 580	3 790	2 123
Traffic fines	8 333	-	-	- 8 333
Plan fees	1 667	15 442	-	-1 667
Sundry income	5 833	4 250		-5 833



Commission received	3 333	-		- 3 333
Profit on Sale of Fixed Assets	25 125	-		- 25 125
Traffic Revenue	125 000	36 348	75 090	- 49 910
<b>Totals</b>	<b>1 947 757,00</b>	<b>1 651 502,09</b>	<b>3 274 453</b>	<b>1 326 696</b>

### Services, rates and taxes

- The services offered by the municipality to its Debtors represent exchange and non-exchange transactions such as, refuse removal which has been rendered and collected, etc. the rates collection is very low with the hope of when the revenue strategy has been revised, the section will be able to maximise the rates collections and that debt collector will improve on the collection upon appointment.
- The department still continues with the engagements with its debtors in all categories to sign the payment agreements in reducing their historic debts and up to date (30) agreements were signed and entered to, no new agreements for the month, this is assisting in improving the revenue collections as the institution is solely depending on the grants, see the table above which shows over collection and those with under collection are flagged in red. The incentive discount scheme offered to debtors came into end as at 31<sup>st</sup> March 2024 no extension was granted.
- All debt is being collected internally by revenue section for residential debtors, businesses and government departments.
- The institution received an amount of **R555 223.37** from the department of National Public Works for the payment of rates and no monies were received from the department of Provincial Public works.
- Out of the debt there is one employee owing rates with an amount of **R 78 551.84** up to date and an arrangement of **R 1 000.00** has been made and needs to be reviewed.

- The collection of traffic fines is still a challenge to the end user department as there were no payments received for the month of March.
- Learner's licence and vehicle registration collected an amount of **R75 090.00** showing an increase from the previous month where the collection was **R 36 348.00** and it is below to what the department projected to collect, and interest received on investments accounts shows a positive amount of **R 1 644 945.08**.
- All other revenue collection items are detailed in the table above.

### 2.3 Grants Performance

Most of the operational expenditure is grant funded. The municipality is expected to have spent at least 75% of the conditional grant allocation by end of quarter 3. Grant spending is increasing but not at the desired rate. The slow spending on MIG, Disaster is due to change of priorities on the identified projects, weather conditions

with heavy rains and the internal capacity challenges within the PMU unit.

GRANTS SUMMARY FOR 2023/2024					
DESCRIPTION	ANNUAL BUDGET 2022/2023	AMOUNT	EXPENDITURE	EXPENDITURE	UNSPENT
		RECEIVED	TO DATE	%	%
		TO DATE			
Equitable Share	R 193,713,000.00	R 193,515,000.00	R 190,710,438.00	99.9	0
EPWP	R 1,555,000.00	R 1,805,000.00	R 1,555,000.00	86	14
MIG	45,703,000.00	R 45,703,000.00	R 25,340,666.98	55	45
INEP	R 24,368,000.00	R 17,368,000.00	R 19,371,808.78	79	21
FMG	R 2,650,000.00	R 2,650,000.00	R 2,166,300.06	82	18
DSRAC	R 550,000.00	R 550,000.00	R 381,350.63	69	31
Small Town Revitalisation	R 15,000,000.00	R 16,516,557.10	R 16,314,544.78	109	-9
DISASTER RELIEF	R 54,691,000.00	R 54,691,000.00	R 13,167,148.85	24	76
<b>Total Grants</b>	<b>R 338,230,000.00</b>	<b>R 332,798,557.10</b>	<b>R 269,007,258.08</b>	<b>80</b>	<b>20</b>

### 2.4 Capital Expenditure

Capital expenditure is mostly grant funded with MIG and INEP contributing the most. The municipality currently does not have the capacity to carry out capital projects with its own revenue and mostly does the maintenance.

The capital expenditure for the month of March funded by conditional grant R62 million and internal funds is R4,2 million. Year to date capital expenditure amounts to R66 million compared to year to-date budget giving a variance of 48%

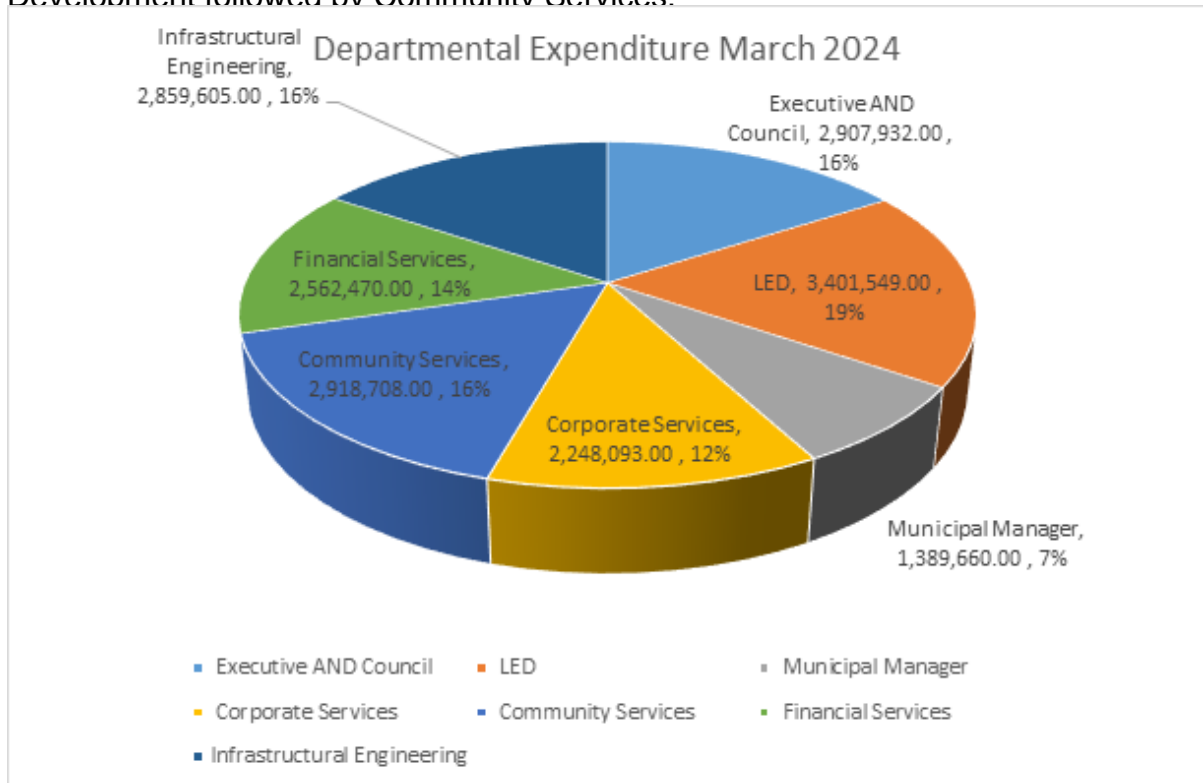
## 2.5. Operational Expenditure

Employee costs followed by general expenditure are the highest. All third-party payments were paid 28<sup>th</sup> of March since the last day falls on a public holiday

Expenditure category	per	Budget 2023/24 R	Monthly Budget	Actual Exp February	Actual Exp March
Employee Costs	Related	93,373,725	7 781 143	10,755 787.00	8,862,519.00
Councillor & Committee Allowances	Ward	21,259,494	1 771 624	1,700,318.00	1,689,698.00
General Expenses		107,244,228	8 937 019	6,706,743.61	6,344,487.26
Fuel and Oil		6,700,000	558 333 333	805,976.00	626 347.30
Consultants		7,587,680	632 306 667	299,690.50	687 342.88
Repairs and Maintenance	and	12,009,938	1 000 828	1 188 383.14	256,309.41

## Expenditure by Vote

Most of the expenditure for the month of March comes from Planning & Economic Development followed by Community Services.



### 2.6. Section 66 Employee related costs

The total expenditure to date for employee related costs including councillors is 47.6 million. This makes up 52.67% of the total operational expenditure.

Employee Related Costs						
Salary Item	MM	Corporate Services	Budget & Treasury	Engineering	LED	Community Services
Basic Salaries	884,322.57	754,193.48	748,249.49	813,043.94	475,034.53	622,547.74
Overtime	0	0	3,523.14	96,068.88	0	30,304.47

Acting Allowance	0	40,144.96	0	7,688.76	0	21,946.05
<b>Total</b>	<b>884,322.57</b>	<b>794,338.44</b>	<b>751,772.63</b>	<b>916,801.58</b>	<b>475,034.53</b>	<b>674,798.26</b>

## 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. The outstanding creditors as at end of March amounts to... . The Municipality is still having challenges with the creditors module as the below amount is not a true reflection of outstanding amounts.

EC154 Port St Johns - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2023/24								Total	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		
<i>R thousands</i>											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(4,098)	1,992	1,592	(8,108)	9,617	(2,988)	(1,846)	(2,619)	(6,456)	-
Auditor General	0800	-	-	-	-	-	-	-	21	21	-
Other	0900	22	-	-	-	-	-	-	-	22	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>(4,076)</b>	<b>1,992</b>	<b>1,592</b>	<b>(8,108)</b>	<b>9,617</b>	<b>(2,988)</b>	<b>(1,846)</b>	<b>(2,598)</b>	<b>(6,412)</b>	<b>-</b>

## 2.8 Revenue enhancement

The revenue enhancement strategy of the municipality is a strategy document that identifies the opportunities to increase the municipality's revenue. The revenue enhancement committee headed by the mayor has been established and the strategy and plan is under review for implementation. Below table shows the financial performance of the ongoing discount Scheme.

### Discount scheme

	<b>Amounts received</b>	<b>Amounts written off</b>	<b>Total movement</b>
<b>Households</b>	450 084,00	968 250,00	1 418 334,00
<b>Businesses</b>	1 832 719,00	2 427 457,00	4 260 176,00
<b>Government</b>	-	-	-

### 2.9 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 low rate of 2%.

March-2024

<b>Description</b>	<b>Annual Budget</b>	<b>Billing</b>	<b>February Collection</b>	<b>March Collection</b>	<b>% Collection</b>
Assessment rates	11,964,828.00	997 069	297 983	1 453 188	146%
Refuse Removal	1,500,000.00	95 152	27 595	84 070	88%

### 2.10 Debtors Age Analysis

The municipality had a total consumer debtors balance of R73,532,988 ranging between 0 day to over a year, detailed below by age of total debtor's balance:

EC154 Port St Johns - Supporting Table 3C Monthly Budget Statement - age of debtors - M09 March

Description	NT Code	Budget Year 2020/21										Actual Bad Debt Written Off against Debtors	Impairment- Bad Debt L.L.C. Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90days			
<b>R Thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Taxes and Other Receivables from Exchange Transactions - Water	1200	--	--	--	--	--	--	--	--	--	--	--	--	--
Taxes and Other Receivables from Exchange Transactions - Electricity	1300	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Non-exchange Transactions - Property Rates	1400	1481	801	801	802	794	644	72,036	(8,137)	99,228	99,149	--	--	--
Receivables from Exchange Transactions - Waste Water Management	1500	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Exchange Transactions - Waste Management	1600	203	200	550	198	105	50	12,959	(34)	14,033	13,501	--	--	--
Receivables from Exchange Transactions - Property Rental Debtors	1800	--	--	--	--	--	--	--	--	82	82	--	--	--
Interest on Asset Debtors/Accounts	1850	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivable unutilised, regular, franchise and special expenditure	1900	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	1950	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total By Income Source</b>	<b>2000</b>	<b>1,684</b>	<b>1,001</b>	<b>1,000</b>	<b>1,000</b>	<b>979</b>	<b>807</b>	<b>85,095</b>	<b>(8,171)</b>	<b>75,533</b>	<b>69,842</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Debtors Age Analysis By Customer Group</b>														
Debtors of State	2200	394	376	371	371	376	26	40,440	(14,903)	27,988	28,629	--	--	--
Commercial	2300	394	229	229	228	276	10	14,992	(2,032)	14,081	13,219	--	--	--
Households	2400	976	400	354	354	397	366	30,176	(7,240)	31,636	29,984	--	--	--
Other	2500	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total By Customer Group</b>	<b>2600</b>	<b>1,684</b>	<b>1,001</b>	<b>1,000</b>	<b>1,000</b>	<b>979</b>	<b>807</b>	<b>85,095</b>	<b>(8,171)</b>	<b>75,533</b>	<b>69,842</b>	<b>--</b>	<b>--</b>	<b>--</b>

The total debt that can be deemed as irrecoverable amounts to R69,841,546 determined based on being more than 90 days in arrears and this is 94,9% of the total debtor's balance.

### Top 10 Debtors

ACCOUNT	C/CODE	30 Days	60 Days	90 Days	120+ Days	DEBTOR TOTAL	ACCOUNT NAME
10000980	HOUSEHOLD	0.00	0.00	0.00	3,315,313.80	<b>3,315,313.80</b>	Dorothy Lilly Morris
30000419	GOVERNMENT	0.00	0.00	0.00	1,030,678.58	<b>1,030,678.58</b>	Kwamsikwa JSS
30000393	GOVERNMENT	0.00	0.00	0.00	993,797.30	<b>993,797.30</b>	Toli SSS
30000600	GOVERNMENT	0.00	0.00	0.00	906,874.60	<b>906,874.60</b>	BAMBISANA HOSPITAL

30000364	GOVERNMENT	0.00	0.00	0.00	745,160.77	<b>745,160.77</b>	Mdlankala JSS
30000363	GOVERNMENT	0.00	0.00	0.00	727,594.98	<b>727,594.98</b>	Goqwana JSS
30000387	GOVERNMENT	0.00	0.00	0.00	680,148.85	<b>680,148.85</b>	Luzupu JSS
30000390	GOVERNMENT	0.00	0.00	0.00	655,191.33	<b>655,191.33</b>	Kwazizamele JSS
20001241	GOVERNMENT	0.00	0.00	0.00	640,806.21	<b>640,806.21</b>	NATIONAL P. WORKS
30000422	GOVERNMENT	0.00	0.00	0.00	633,191.63	<b>633,191.63</b>	Luqoqweni JSS

## 2.11. Cash and cash equivalents

As at the end of March, the Municipality had the below bank accounts and balances with FNB. The balances are inclusive of interest from call accounts.

Account Number	Bank	Account Type	Acc Name	Balance
63007016735		Public sector Cheque Account	Main Account	R 2 ,819, 447.94
63008235326		Call account	Alien Plant	R 1,093, 390.29
63008238081		Call account	MDRG	R 46,913 ,948.00
63008236829		Call Account	DSRAC	R 4,847.07
63008236043		Call Account	EPWP	R 3,879 043.27
63008238750		Call Account	FMG	R 7,294 506.99
63008236407		Call Account	INEP	R 3, 483,747.34
63008237778		Call Account	MIG	R 30,611,510.15
63008239790		Call Account	Repairs	R 99,360,258.79
63008240870		Call Account	Salaries	R 4 147 411.40
63008239261		Call Account	Traffic	R 52,222,655.84

**R 251,830,766.68**



## 2.12. Asset Management

Several assets have depreciated fully. The Municipality needs to come up with a plan to replace its assets in the next budget year. Management is in the process of procuring service of an auctioneer to dispose off the identified assets.

<b>FAR SUMMARY as at 31 MARCH 2024</b>					
<b>Category</b>	<b>Opening Bal</b>	<b>Additions</b>	<b>Disposal</b>	<b>Accumulated Depreciation</b>	<b>Carrying Value</b>
Buildings	20,290,546	-	-	8,243,042	12,047,505
Community assets	44,774,214	-	-	19,259,051	25,515,163

Furniture and fixtures	3,374,139	19,750	-	3,180,445	213,444
IT equipment	8,793,552	-	-	7,582,813	1,210,740
Infrastructure	707,147,270	-	-	535,203,279	171,943,991
Infrastructure - WIP	155,003,996	5,505,900	-	-	-
Land	83,827,552	-	-	-	83,827,552
Plant and machinery	52,358,864	90,000	-	49,287,204	3,161,660
Heritage Assets <sup>2</sup>	123,700	-	-	-	123,700
Transport assets	13,548,496	-	-	10,355,493	3,193,004
	<b>1,089,242,331</b>	<b>5,615,650</b>	<b>-</b>	<b>633,111,327</b>	<b>301,236,758</b>

### Insurance

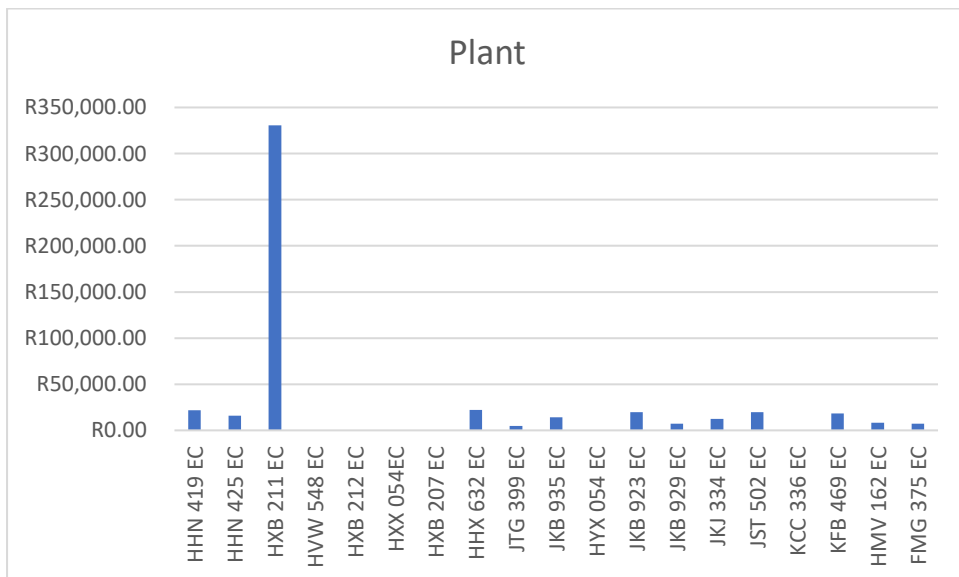
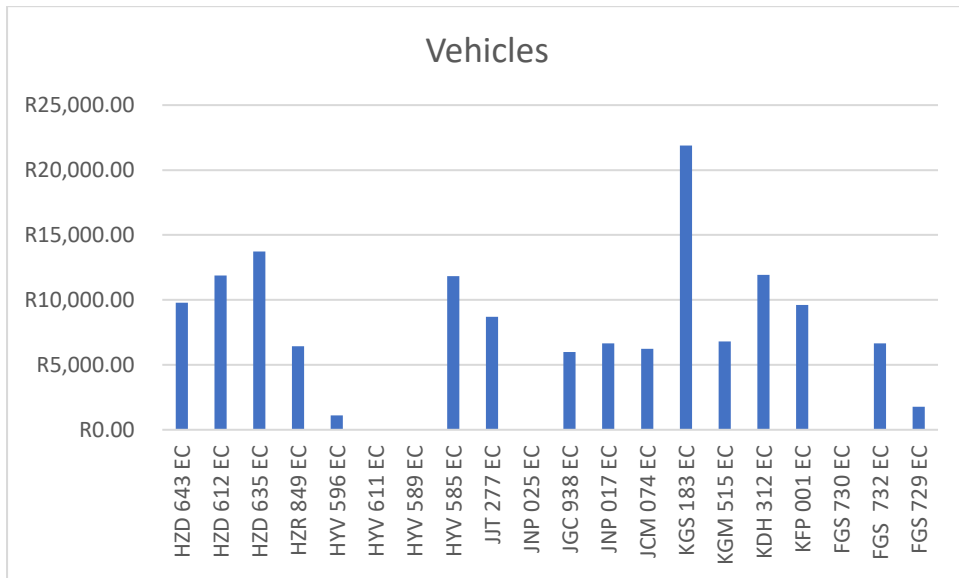
- All the Municipal assets are insured with Mpumelelo Financial Services.
- The sum insured for all the Municipal Assets amounts to **R152 010 884.00**.
- There are currently six insurance claims registered and will be closed within 30 days.

### 3 Fleet Management

#### Fuel Usage

Fuel usage for the month of February was R 643 057.65 and in March the total usage is R 600 909.95 showing a decrease in the usage even though it is still high. The risk

of misuse on fuel is high all Managers should assist in managing this risk in their respective departments. Below is the usage per vehicle.



#### **Cost of repairs and maintenance on plant and vehicles**

<b>Item</b>	<b>Repairs and maintenance: February</b>	<b>Repairs and maintenance: March</b>
<b>Motor Vehicles</b>	R 71,023.14	
<b>Plant and Machinery</b>	R 1,117,360,00	169 ,719.41
<b>Street Lights</b>	0	86 ,590 .00
<b>Total</b>	<b>R 1,188,383.14</b>	<b>R 256,309,41</b>

#### **4 Indigent Registration and Indigent Support**

##### **1.1 Indigent Registration**

The registration campaign was conducted in Ward 10, Ward 11, Ward 16, Ward 18, Ward 19 and Ward 20 leading to new additions of 667 to our register. Ward 14 that was not visited due to BTO departmental Strategic Planning Session that was held in February 2024 and was rescheduled. Due to backlog on the capturing of the information to update the Indigent Register the following wards: 1, 3, 4, 5,8 and 9 and the information will be collected through ward committee to register the remaining indigents. The total number of indigents for March 2024 amounts to 16950, see table below:

<b>Ward</b>	<b>O/B of indigents</b>	<b>Additions</b>	<b>Exits/Deceased</b>	<b>Total No. of Indigents</b>
Ward 01	1095	00	00	1095
Ward 02	857	00	00	857
Ward 03	1038	00	00	1038
Ward 04	1157	00	00	1157
Ward 05	715	00	00	715
Ward 06	608	00	00	608
Ward 07	1253	00	00	1253
Ward 08	1118	00	00	1118
Ward 09	700	00	00	700
Ward 10	611	109	00	720
Ward 11	467	33	00	500
Ward 12	742	00	00	742
Ward 13	765	00	00	765
Ward 14	468	00	00	468
Ward 15	524	00	00	524
Ward 16	912	29	00	941
Ward 17	1073	00	00	1073
Ward 18	891	121	00	1012
Ward 19	709	230	00	939
Ward 20	580	145	00	725
<b>Total</b>	<b>16283</b>	<b>667</b>	<b>00</b>	<b>16950</b>

## **1.2 Indigent Support**

- The municipality offers these services to our indigents: Free basic electricity, alternative energy and refuse removal. The total number supplied with FBE for the month of March was 3764 as per the schedule received from Eskom, no alternative energy was supplied and refuse collection was rendered at Ward 6 for the month of March 2024.
- Delivery of Alternative Energy is expected during the month of April 2024 as two service providers have been appointed in March 2024. See the table below:

i

<b>Wards</b>	<b>No. of people receiving FBE</b>	<b>No. of people receiving Alternative Energy</b>	<b>No. of people receiving refuse removal</b>	<b>Total</b>
Ward 1	190	-	-	190
Ward 2	160	-	-	160
Ward 3	276	-	-	276
Ward 4	209	-	-	209
Ward 5	118	-	-	118
Ward 6	124	-	444	570
Ward 7	319	-	-	319
Ward 8	161	-	-	161
Ward 9	199	-	-	199
Ward 10	171	-	-	171
Ward 11	133	-	-	133
Ward 12	168	-	-	168
Ward 13	177	-	-	177
Ward 14	134	-	-	134
Ward 15	183	-	-	183
Ward 16	162	-	-	162

Ward 17	187	-	-	187
Ward 18	230	-	-	230
Ward 19	163	-	-	163
Ward 20	200	-	-	200
<b>Total</b>	<b>3764</b>	<b>0</b>	<b>444</b>	<b>4208</b>

## 6. 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 : <ol style="list-style-type: none"> <li>1. Senior Expenditure Accountant</li> <li>2. Payroll Accountant</li> <li>3. Contract Management</li> <li>4. Storeman</li> <li>5. Fleet Inspector</li> </ol>	Recruitment must be prioritised for Senior Expenditure accountant, Payroll Accountant, Contract management, Stores, and Fleet inspectors.	None
<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	Still a challenge
<u>6.</u>	Non availability of users to sign-off invoices for services	Users to avail themselves	Still a challenge

	rendered and insufficient documents submitted for payment		
<u>7</u>	Late submission of invoices to BTO	Invoices centralised to expenditure section Consequence management to be implemented	Still a challenge
<u>8.</u>	Departments not wanting to take responsibility for requests done on emergencies.	No requests shall be accepted without a formal requisition	

## 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 - M09 March

Description	2023/24	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	8,874	11,965	14,965	(7)	15,868	11,224	4,644	41%	14,965
Service charges	1,085	1,500	2,800	95	854	1,995	(1,141)	-57%	2,800
Investment revenue	10,586	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	10,586	49,201	68,301	1,638	9,941	51,225	(41,284)	-81%	68,301
Other own revenue	208,620	210,325	210,711	49,151	203,570	158,033	45,537	29%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>239,791</b>	<b>272,991</b>	<b>296,776</b>	<b>50,876</b>	<b>230,233</b>	<b>222,477</b>	<b>7,756</b>	<b>3%</b>	<b>296,776</b>
Employee costs	95,116	95,990	116,318	8,863	82,496	87,264	(4,828)	-	116,318
Remuneration of Councilors	13,082	14,101	16,791	1,152	11,514	12,594	(1,080)	-	16,791
Depreciation and amortisation	42,094	57,414	57,114	47	99	42,835	(42,737)	-	57,114
Interest	2,211	274	274	24	110	206	(96)	-	274
Inventory consumed and bulk purchases	489	2,946	3,536	87	934	2,652	(1,718)	-	3,536
Transfers and subsidies	11,143	15,130	16,230	2,642	12,942	12,173	370	3%	16,230
Other expenditure	93,872	114,551	116,093	5,521	53,915	87,543	(33,628)	-38%	116,093
<b>Total Expenditure</b>	<b>257,987</b>	<b>300,406</b>	<b>326,357</b>	<b>18,335</b>	<b>161,549</b>	<b>245,265</b>	<b>(83,717)</b>	<b>-34%</b>	<b>326,357</b>
<b>Surplus/(Deficit)</b>	<b>(18,237)</b>	<b>(27,415)</b>	<b>(29,581)</b>	<b>32,541</b>	<b>68,684</b>	<b>(22,789)</b>	<b>91,473</b>	<b>-40%</b>	<b>(29,581)</b>
Transfers and subsidies - capital (monetary)	67,740	86,298	137,477	15,066	63,198	103,108	(39,909)	-39%	137,477
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>49,504</b>	<b>60,883</b>	<b>107,896</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>	<b>51,564</b>	<b>64%</b>	<b>107,896</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>49,504</b>	<b>60,883</b>	<b>107,896</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>	<b>51,564</b>	<b>64%</b>	<b>107,896</b>
<b>Capital expenditure &amp; funds source</b>									
<b>Capital expenditure</b>	<b>1,316</b>	<b>124,551</b>	<b>170,805</b>	<b>11,279</b>	<b>66,653</b>	<b>128,103</b>	<b>(61,450)</b>	<b>-48%</b>	<b>170,805</b>
Capital transfers recognised	857	88,804	137,477	11,178	62,364	103,108	(40,744)	-40%	137,477
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	459	35,748	33,301	100	4,290	24,976	(20,686)	-83%	33,301
<b>Total sources of capital funds</b>	<b>1,316</b>	<b>124,551</b>	<b>170,778</b>	<b>11,279</b>	<b>66,653</b>	<b>128,084</b>	<b>(61,430)</b>	<b>-48%</b>	<b>170,778</b>
<b>Financial position</b>									
Total current assets	221,194	190,962	191,412	-	390,336	-	-	-	191,412
Total non current assets	544,810	559,045	605,598	-	613,083	-	-	-	605,598
Total current liabilities	76,625	65,367	65,367	-	179,874	-	-	-	65,367
Total non current liabilities	18,200	13,725	13,725	-	15,254	-	-	-	13,725
Community wealth/Equity	625,359	670,905	717,918	-	676,353	-	-	-	717,918
<b>Cash flows</b>									
Net cash from (used) operating	142,374	84,342	107,724	51,628	227,263	81,039	(146,224)	-180%	107,724
Net cash from (used) investing	(30,613)	(124,250)	-	(1,022)	(14,189)	-	14,189	#DIV/0!	-
Net cash from (used) financing	343	-	-	-	343	-	(343)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>152,973</b>	<b>113,548</b>	<b>112,231</b>	<b>40,596</b>	<b>301,426</b>	<b>114,855</b>	<b>(186,571)</b>	<b>-162%</b>	<b>112,231</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dye	151-180 Dye	181 Dye-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	1,684	1,007	1,000	1,000	979	837	85,197	(16,171)	73,533
<b>Creditors Age Analysis</b>									
Total Creditors	(4,076)	1,992	1,592	(8,108)	9,617	(2,985)	(1,846)	(2,598)	(6,412)

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

EC154 Port St Johns - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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
<b>Revenue - Functional</b>	1									
<i>Governance and administration</i>		180,556	153,106	175,736	34,856	163,500	131,817	31,683	24%	175,756
Executive and council		89,672	41,836	41,836	21,524	86,007	31,377	54,629	174%	41,836
Finance and administration		90,684	111,270	133,919	13,333	77,493	100,439	(22,946)	-23%	133,919
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		20,130	31,421	31,421	5,415	21,897	23,566	(1,669)	-7%	31,421
Community and social services		20,130	31,421	31,421	5,415	21,897	23,566	(1,669)	-7%	31,421
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		106,193	175,261	224,276	25,576	107,190	168,207	(61,027)	-36%	224,276
Planning and development		18,607	18,978	18,978	5,381	21,502	14,234	7,268	51%	18,978
Road transport		89,586	156,283	205,298	20,196	86,679	153,974	(68,295)	-44%	205,298
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,085	1,500	2,800	95	864	1,995	(1,141)	-57%	2,800
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,085	1,500	2,800	95	864	1,995	(1,141)	-57%	2,800
Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	308,963	361,298	454,253	65,943	250,432	326,886	(32,153)	-10%	434,263
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		134,593	151,604	158,736	9,155	87,189	119,261	(32,072)	-27%	158,736
Executive and council		60,084	75,668	78,724	4,345	47,820	59,043	(11,223)	-19%	78,724
Finance and administration		74,509	75,936	80,012	4,811	39,369	60,218	(20,849)	-35%	80,012
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		43,913	36,978	48,654	2,919	31,426	36,491	(5,065)	-14%	48,654
Community and social services		43,913	36,978	48,654	2,919	31,426	36,491	(5,065)	-14%	48,654
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		79,388	111,203	117,187	6,261	42,935	87,890	(44,955)	-51%	117,187
Planning and development		19,756	24,860	25,198	3,402	17,158	18,899	(1,741)	-9%	25,198
Road transport		59,632	86,343	91,989	2,860	25,777	66,992	(43,215)	-63%	91,989
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	621	1,779	-	-	1,624	(1,624)	-100%	1,779
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	621	1,779	-	-	1,624	(1,624)	-100%	1,779
Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	257,894	300,406	326,357	18,335	161,549	245,256	(83,717)	-34%	326,357
<b>Surplus/ (Deficit) for the year</b>		52,070	60,893	127,896	47,607	131,882	80,318	51,564	64%	107,906

(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) - M09 March

Vote 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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Executive AND Council (20: E)	1	72,484	25,703	25,703	16,143	64,605	19,278	45,227	234.6%	25,703
Vote 2 - LED (21: E)		18,607	18,978	18,978	5,381	21,502	14,234	7,268	51.1%	18,978
Vote 3 - Municipal Manager (22: IE)		17,388	16,133	16,133	5,381	21,502	12,100	9,402	77.7%	16,133
Vote 4 - Corporate Services (23: IE)		18,194	18,689	18,702	5,454	21,598	14,026	7,571	54.0%	18,702
Vote 5 - Community Services (34: IE)		21,214	32,921	34,221	5,510	22,751	25,561	(2,809)	-11.0%	34,221
Vote 6 - Financial Services (25: E)		59,194	92,581	115,217	7,869	55,896	86,413	(30,517)	-35.3%	115,217
Vote 7 - Infrastructural Engineering (28: E)		82,648	155,283	205,296	20,195	85,679	153,974	(68,295)	-44.4%	205,296
<b>Total Revenue by Vote</b>	2	<b>289,738</b>	<b>361,288</b>	<b>434,263</b>	<b>65,943</b>	<b>293,432</b>	<b>326,585</b>	<b>(32,153)</b>	<b>-9.9%</b>	<b>434,263</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive AND Council (20: E)	1	27,479	42,321	45,403	2,908	27,202	34,052	(6,850)	-20.1%	45,403
Vote 2 - LED (21: E)		19,579	24,860	25,198	3,402	17,158	18,899	(1,741)	-9.2%	25,198
Vote 3 - Municipal Manager (22: IE)		25,896	26,647	25,821	1,390	16,912	19,366	(2,454)	-12.7%	25,821
Vote 4 - Corporate Services (23: IE)		24,006	36,019	39,209	2,348	18,324	29,407	(11,083)	-37.7%	39,209
Vote 5 - Community Services (34: IE)		46,097	44,099	38,034	2,919	35,376	43,815	(8,439)	-19.3%	38,034
Vote 6 - Financial Services (25: E)		55,493	39,917	40,803	2,562	21,044	30,811	(9,767)	-31.7%	40,803
Vote 7 - Infrastructural Engineering (28: E)		59,343	85,843	91,489	2,850	25,434	68,617	(43,183)	-62.9%	91,489
Vote 8 - (34: IE)		-	700	400	47	99	300	(201)	-57.1%	400
<b>Total Expenditure by Vote</b>	2	<b>257,894</b>	<b>300,406</b>	<b>326,367</b>	<b>18,335</b>	<b>161,549</b>	<b>245,266</b>	<b>(83,717)</b>	<b>-34.1%</b>	<b>326,367</b>
<b>Surplus (Deficit) for the year</b>	2	<b>31,836</b>	<b>60,883</b>	<b>107,896</b>	<b>47,607</b>	<b>131,882</b>	<b>80,319</b>	<b>51,564</b>	<b>54.2%</b>	<b>107,896</b>

(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) - M09 March

Description	Ref	2022/23			Budget Year 2023/24			YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
<b>Thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1,085	1,500	2,800	95	854	1,995	(1,141)	-57%	2,800
Sale of Goods and Rendering of Services		5,031	130	130	3	45	98	(52)	-54%	130
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,124	5,030	5,965	94	815	4,174	(3,359)	-80%	5,965
Interest from Current and Non Current Assets		10,366	49,201	66,301	1,639	9,941	51,225	-	-	66,301
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		145	200	200	11	101	150	(49)	-33%	200
License and permits		62	120	120	-	24	90	(66)	-74%	120
Operational Revenue		1,379	1,567	1,570	77	504	1,178	(673)	-57%	1,570
<b>Non-Exchange Revenue</b>										
Property rates		8,874	11,965	14,965	(7)	15,868	11,224	4,644	41%	14,965
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		225	100	100	-	-	75	(75)	-	100
License and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		203,015	200,917	200,753	48,369	197,136	150,665	46,571	-	200,753
Interest		5,974	1,970	1,970	866	4,943	1,478	3,465	-	1,970
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		2,250	302	302	-	1	227	(226)	-	302
Other Gains		-	-	-	-	-	-	-	-	-
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>239,754</b>	<b>772,984</b>	<b>796,776</b>	<b>50,876</b>	<b>236,233</b>	<b>272,877</b>	<b>7,796</b>	<b>3%</b>	<b>296,776</b>
<b>Expenditure By Type</b>										
Employee related costs		95,115	95,990	115,318	8,863	82,435	87,254	(4,828)	-5%	115,318
Remuneration of councillors		13,082	14,101	16,791	1,152	11,514	12,584	(1,080)	-9%	16,791
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		499	2,945	3,536	87	934	2,652	(1,719)	-35%	3,536
Debt impairment		93	1,456	3,451	-	-	3,087	(3,087)	-100%	3,451
Depreciation and amortisation		42,094	57,414	57,114	47	99	42,635	(42,730)	-100%	57,114
Interest		2,211	274	274	24	110	206	(96)	-47%	274
Contracted services		12,787	25,739	25,082	1,471	12,558	19,587	(7,029)	-36%	25,082
Transfers and subsidies		11,143	15,130	15,230	2,642	12,542	12,173	370	3%	15,230
Irrecoverable debts written off		9,235	4,867	4,867	-	1,665	3,650	(1,965)	-41%	4,867
Operational costs		71,757	82,468	81,694	4,051	39,672	61,220	(21,548)	-36%	81,694
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>267,967</b>	<b>309,495</b>	<b>326,367</b>	<b>18,335</b>	<b>161,549</b>	<b>245,266</b>	<b>(83,717)</b>	<b>-34%</b>	<b>326,367</b>
<b>Surplus/(Deficit)</b>		<b>(18,213)</b>	<b>(27,415)</b>	<b>(29,591)</b>	<b>32,541</b>	<b>66,684</b>	<b>(22,789)</b>	<b>91,473</b>	<b>(0)</b>	<b>(29,591)</b>
Transfers and subsidies - capital (monetary allocations)		67,740	88,298	137,477	15,056	63,198	103,108	(39,909)	(0)	137,477
Transfers and subsidies - capital (in kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>-49,504</b>	<b>60,883</b>	<b>107,886</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>			<b>107,886</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>-49,504</b>	<b>60,883</b>	<b>107,886</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>			<b>107,886</b>
Share of Surplus/(Deficit) attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>-49,504</b>	<b>60,883</b>	<b>107,886</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>			<b>107,886</b>
Share of Surplus/(Deficit) attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>-49,504</b>	<b>60,883</b>	<b>107,886</b>	<b>47,607</b>	<b>131,882</b>	<b>80,318</b>			<b>107,886</b>

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

FC154 Port St Johns - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Single Year expenditure appropriation</b>	2									
Vote 9- Executive AND Council (20: CAPEX)		30	1,200	1,453	0	1,207	1,000	178	10%	1,453
Vote 10 - LED (21: CAPEX)		-	-	-	-	-	-	-	-	-
Vote 11 - Municipal Manager (22: CAPEX)	(40)	150	150	150	03	113	(10)	-17%	150	
Vote 12 - Corporate Service (23: CAPEX)	70	600	500	-	45	375	(320)	-88%	500	
Vote 13 - Community Service (24: CAPEX)	104	4,750	4,325	13	700	3,244	(2,453)	-70%	4,325	
Vote 14 - Financial Services (25: CAPEX)	(33)	307	417	-	103	312	(110)	-38%	417	
Vote 15 - Infrastructure Engineering (26: CAPEX)	857	30,234	26,040	2,830	10,001	20,205	(9,214)	-45%	26,040	
Vote 16 - Executive AND Council (30: CAPEX)	-	750	550	1	05	412	(347)	-84%	550	
Vote 17 - LED (31: CAPEX)	-	2,000	2,007	-	-	1,572	(1,572)	-100%	2,007	
Vote 18 - Municipal Manager (32: CAPEX)	-	484	484	-	-	303	(303)	-100%	484	
Vote 19 - Corporate Services (33: CAPEX)	-	1,500	1,500	-	-	1,125	(1,125)	-100%	1,500	
Vote 20 - Community Services (34: CAPEX)	-	4,400	3,440	87	800	2,580	(1,714)	-50%	3,440	
Vote 21 - Financial Services (35: CAPEX)	334	50	-	-	-	-	-	-	-	
Vote 22 - Infrastructure Engineering (36: CAPEX)	-	77,078	128,050	8,348	52,341	90,713	(44,371)	-46%	128,050	
<b>Total Capital Expenditure</b>		1,318	124,661	170,806	11,279	66,863	128,103	(61,460)	-48%	170,806
<b>Capital Expenditure - Functional Classification</b>										
Governance and administration		368	6,180	6,069	1	1,886	3,780	(2,125)	-50%	6,069
Executive and council	(10)	2,074	2,037	2,037	1	1,420	1,978	(552)	-28%	2,037
Finance and administration	372	2,517	2,417	-	-	230	1,812	(1,573)	-67%	2,417
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and public safety	104	18,860	17,299	89	2,169	12,876	(10,815)	-63%	17,299	
Community and social services	104	13,050	17,209	99	2,159	12,075	(10,815)	-83%	17,209	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	857	106,711	148,462	11,178	82,829	111,898	(48,510)	-44%	148,462	
Planning and development	-	2,000	2,007	-	-	1,572	(1,572)	-100%	2,007	
Road transport	857	103,711	140,355	11,178	82,829	100,700	(40,937)	-43%	140,355	
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-	-
Energy services	-	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	1,318	124,661	170,806	11,279	66,863	128,103	(61,460)	-48%	170,806
<b>Funded by:</b>										
National Government		857	73,804	122,477	7,414	48,430	91,858	(43,421)	-47%	122,477
Provincial Government		-	15,000	15,000	3,765	13,927	11,250	2,677	24%	15,000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Net / Prov Deparm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Education institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		857	88,804	137,477	11,178	62,357	103,108	(40,744)	-40%	137,477
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		450	35,748	33,301	1,000	4,200	24,970	(20,980)	-63%	33,301
<b>Total Capital Funding</b>		1,318	124,661	170,778	11,278	66,863	128,084	(61,400)	-48%	170,778

(f) Table C6 Monthly Budget Statement - Financial Position

EC154 Port St Johns - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2022/23		Budget Year 2023/24		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		152,973	113,548	112,231	301,426	112,231
Trade and other receivables from exchange transactions		2,415	1,940	2,475	1,005	2,475
Receivables from non-exchange transactions		2,367	9,800	11,041	22,748	11,041
Current portion of non-current receivables		-	-	-	-	-
Inventory		62,596	61,985	61,985	62,596	61,985
VAT		4,032	3,679	3,679	2,560	3,679
Other current assets		(3,189)	-	-	-	-
<b>Total current assets</b>		<b>221,194</b>	<b>190,952</b>	<b>191,412</b>	<b>390,336</b>	<b>191,412</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		4,332	4,462	5,962	4,332	5,962
Property, plant and equipment		540,331	554,070	589,123	608,603	589,123
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		148	513	513	148	513
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>544,810</b>	<b>559,045</b>	<b>605,598</b>	<b>613,083</b>	<b>605,598</b>
<b>TOTAL ASSETS</b>		<b>766,004</b>	<b>749,996</b>	<b>797,010</b>	<b>1,003,418</b>	<b>797,010</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		2,502	1,773	1,773	2,502	1,773
Consumer deposits		61	61	61	61	61
Trade and other payables from exchange transactions		40,158	39,055	39,055	85,830	39,055
Trade and other payables from non-exchange transactions		21,206	8,099	8,099	74,735	8,099
Provision		11,455	15,197	15,197	12,582	15,197
VAT		1,243	1,181	1,181	4,154	1,181
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>76,625</b>	<b>65,367</b>	<b>65,367</b>	<b>179,874</b>	<b>65,367</b>
<b>Non current liabilities</b>						
Financial liabilities		5,349	2,682	2,682	5,349	2,682
Provision		12,851	11,042	11,042	9,906	11,042
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>18,200</b>	<b>13,725</b>	<b>13,725</b>	<b>15,254</b>	<b>13,725</b>
<b>TOTAL LIABILITIES</b>		<b>94,825</b>	<b>79,092</b>	<b>79,092</b>	<b>195,128</b>	<b>79,092</b>
<b>NET ASSETS</b>	2	<b>671,180</b>	<b>670,905</b>	<b>717,918</b>	<b>808,290</b>	<b>717,918</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		626,231	670,905	717,918	677,225	717,918
Reserves and funds		(872)	-	-	(872)	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>625,359</b>	<b>670,905</b>	<b>717,918</b>	<b>676,353</b>	<b>717,918</b>

(g) Table C7 Monthly Budget Statement - Cash Flow

EC154 Port St. Johns - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2022/23			Revised Year 2023/24					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<i>R:thousands</i>										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4,664	6,047	-	896	6,462	-	6,462	#DIV/0!	-
Service charges		863	1,011	-	84	1,554	-	1,554	#DIV/0!	-
Other revenue		9,884	2,107	362,419	80	586	264,661	(263,975)	-100%	362,419
Transfers and Subsidies - Operational		169,171	200,917	-	47,635	195,320	-	195,320	#DIV/0!	-
Transfers and Subsidies - Capital		39,446	86,298	-	6,430	72,362	-	72,362	#DIV/0!	-
Interest		10,436	7,500	-	1,636	9,941	-	9,941	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(92,111)	(221,266)	(244,421)	(5,337)	(68,962)	(183,316)	(124,353)	66%	(244,421)
Interest		-	(274)	(274)	-	-	(206)	(206)	100%	(274)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM (USED) OPERATING ACTIVITIES</b>		<b>142,374</b>	<b>84,342</b>	<b>107,724</b>	<b>51,628</b>	<b>227,263</b>	<b>81,039</b>	<b>(146,234)</b>	<b>-180%</b>	<b>107,724</b>
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	302	-	-	1	-	1	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(30,613)	(124,551)	-	(1,022)	(14,190)	-	14,190	#DIV/0!	-
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>		<b>(30,613)</b>	<b>(124,249)</b>	<b>-</b>	<b>(1,022)</b>	<b>(14,189)</b>	<b>-</b>	<b>14,189</b>	<b>#DIV/0!</b>	<b>-</b>
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		343	-	-	-	343	-	(343)	#DIV/0!	-
<b>NET CASH FROM (USED) FINANCING ACTIVITIES</b>		<b>343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>(343)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>112,104</b>	<b>(39,906)</b>	<b>107,724</b>	<b>50,606</b>	<b>213,417</b>	<b>81,039</b>			<b>107,724</b>
Cash/equivalents at beginning:		40,889	153,456	4,507	(10,010)	88,009	4,507			88,009
Cash/equivalents at month end:		152,993	113,550	112,231	40,596	301,426	114,855			112,231

## 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 R301,425,733.00. Trade and other receivables from non-exchange transactions R22,748,463.00. **Call investments deposits interest** was at R595 664.00 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 salaries, allowances and suppliers for goods and services.

The largest **current liabilities** are trade and other payables from exchange and non-exchange transactions R179,873,709

The **current ratio** of the municipality is currently sitting at 1:99 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 on a monthly basis. However, attention should be given to the **collection rate** as there are long outstanding balances owed by service consumers, which are sitting at R69,841,546 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 R306 476 021.00 at Carrying value.



Infrastructure assets form 63,74 % 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 R12,591,730.00. 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 R676 353 053.00 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 - M09 March

Description	Ref	2022/23		Budget Year 2023/24		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		152,973	113,548	112,231	301,426	112,231
Trade and other receivables from exchange transactions		2,415	1,940	2,475	1,005	2,475
Receivables from non-exchange transactions		2,367	9,800	11,041	22,748	11,041
Current portion of non-current receivables		-	-	-	-	-
Inventory		62,596	61,985	61,985	62,596	61,985
VAT		4,032	3,679	3,679	2,560	3,679
Other current assets		(3,189)	-	-	-	-
<b>Total current assets</b>		<b>221,194</b>	<b>190,952</b>	<b>191,412</b>	<b>390,336</b>	<b>191,412</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		4,332	4,462	5,962	4,332	5,962
Property, plant and equipment		540,331	554,070	589,123	608,603	589,123
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		148	513	513	148	513
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>544,810</b>	<b>558,045</b>	<b>605,598</b>	<b>613,083</b>	<b>605,598</b>
<b>TOTAL ASSETS</b>		<b>766,004</b>	<b>748,996</b>	<b>797,010</b>	<b>1,003,418</b>	<b>797,010</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		2,502	1,773	1,773	2,502	1,773
Consumer deposits		61	61	61	61	61
Trade and other payables from exchange transactions		40,158	39,055	39,055	85,830	39,055
Trade and other payables from non-exchange transactions		21,206	8,099	8,099	74,735	8,099
Provision		11,455	15,197	15,197	12,582	15,197
VAT		1,243	1,181	1,181	4,154	1,181
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>76,625</b>	<b>65,367</b>	<b>65,367</b>	<b>179,874</b>	<b>65,367</b>
<b>Non current liabilities</b>						
Financial liabilities		5,349	2,682	2,682	5,349	2,682
Provision		12,851	11,042	11,042	9,906	11,042
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>18,200</b>	<b>13,725</b>	<b>13,725</b>	<b>15,254</b>	<b>13,725</b>
<b>TOTAL LIABILITIES</b>		<b>94,825</b>	<b>79,092</b>	<b>79,092</b>	<b>195,128</b>	<b>79,092</b>
<b>NET ASSETS</b>	2	<b>671,180</b>	<b>670,905</b>	<b>717,918</b>	<b>808,290</b>	<b>717,918</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		626,231	670,905	717,918	677,225	717,918
Reserves and funds		(872)	-	-	(872)	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>625,359</b>	<b>670,905</b>	<b>717,918</b>	<b>676,353</b>	<b>717,918</b>



## Financial Performance

The **statement of financial performance** is used to measure performance of the institution and also 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 bases.

The table below shows an analysis of Operating and Capital revenue and expenditure against budget. During the month ending 31 March 2024, the Municipality had an operating Surplus of R32 ,541, 242 as at end of March2024. The total operating expenditure actual for the month is R18 335,095 is less than the actual total revenue of R50, 876,337 as it shows a surplus of R32,541,242.

### SUMMARY REVENUE AND EXPENDITURE FOR THE MONTH ENDING 31 March 2024

EC154 Port St Johns - Table C1 Consolidated Monthly Budget Statement Summary – 9<sup>TH</sup> month

Description	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Full Year Forecast
Total Revenue	272,991	296,776	50,876	230,233	222,477	296,776
Total operating Expenditure	300,406	326,357	18,335	161,549	245,266	326,357
<b>Surplus/(Deficit)</b>	<b>(27,415)</b>	<b>(29,581)</b>	<b>32,541</b>	<b>68,684</b>	<b>(22,789)</b>	<b>(29,581)</b>

The following **revenue streams** were budgeted for in 2023/24 financial year Property rate is R14 964 828.00 million and Refuse revenue R2 800 000.00. Actual figures for the 8<sup>th</sup> month of 2023/24 are as follows: Property rates billing is R15 874 979.00 and Refuse revenue R95 657.00 with Property rates having positive variance at 41% and services charges having negative variance of 57% 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 874 979.00.

*For the 9<sup>th</sup> month of 2023/24*, 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 R1,637,874.00 for this month.

Total transfers and subsidies operational are at R 2,641,811.00 in the month of March. The municipality managed to generate other revenue of R50,876,337 for the month, this comprises of revenue realized from selling of good and rendering services, rental from fixed assets, licence and permits and operational revenue.

The **expenditure incurred** as at 9<sup>th</sup> month of 2023/24 was as follows: spending on employee related costs at R8,862,519.00 and remuneration of councillors is R1,151,698 for the month of March.

Depreciation and asset impairment is budgeted at R57 113 954.00 for the year. In the 9<sup>th</sup> month no depreciation and asset impairment had not been processed on the system, manually its amounting to R17,083,405.00 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 R3 450 896.00 and is also based on budgeted figures and this shall be calculated at year end. The finance charges are R24,022.00 for this month.

Contracted services are currently under spending sitting at R 1,470,527.00 with a negative variance of 36% 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 R2,641,811.00 currently with a year-to-date positive variance of 3%.

Other expenditure incurred R4,050,850.00 for March 2024.

**(Below is Schedule C\_table:C4 for Statement of Financial Performance)**

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 9<sup>th</sup> month of 2023/24 from grant funding is as follows.

**(Below is Schedule C\_table:C5 for Capital Revenue and Expenditure)**

FC154 Port St Johns - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

Vote Description	ref	2022/23			Budget Year 2023/24			YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands	1									
<b>Total Capital single year expenditure</b>	<b>4</b>	1,315	124,551	170,803	11,279	88,553	128,103	(81,460)	-48%	170,805
<b>Total Capital Expenditure</b>		1,318	124,561	170,806	11,278	88,558	128,108	(81,460)	-48%	170,806
<b>Capital Expenditure - Functional Classification</b>										
Governance and administration		368	6,180	6,263	1	1,886	3,780	(2,125)	-55%	6,063
Executive and council		(15)	2,074	2,037	1	1,420	1,978	(552)	-28%	2,037
Finance and administration		372	2,517	2,417	-	230	1,812	(1,573)	-67%	2,417
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		104	18,860	17,289	89	2,169	12,876	(10,815)	-63%	17,289
Community and social services		104	13,050	17,200	99	2,159	12,975	(10,815)	-63%	17,200
Sports and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		857	106,711	148,462	11,178	82,829	111,838	(48,510)	-44%	148,462
Planning and development		-	2,000	2,007	-	-	1,572	(1,572)	-100%	2,007
Road transport		857	103,711	146,355	11,178	82,829	109,766	(48,937)	-43%	146,355
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy services		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	1,318	124,561	170,806	11,278	88,558	128,108	(81,460)	-48%	170,806
<b>Funded by:</b>										
National Government		857	73,804	122,477	7,614	48,436	91,858	(43,421)	-47%	122,477
Provincial Government		-	15,000	15,000	3,759	13,927	11,250	2,677	24%	15,000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		857	88,804	137,477	11,378	62,364	109,108	(48,746)	-40%	137,477
Borrowing	5	-	-	-	-	-	-	-	-	-
Internally generated funds		450	35,746	33,301	1,00	4,200	24,975	(20,580)	-63%	33,301
<b>Total Capital Funding</b>		1,318	124,561	170,778	11,278	86,863	128,084	(81,480)	-48%	170,778

**Cash flow Statement**

The table below highlights the cash flow position of the municipality for the first month of 2023/24. 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 2023. 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 - M09 March

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
<i>R thousands</i>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		4,664	6,047	-	896	6,462	-	6,462	#DIV/0!	-
Service charges		863	1,011	-	84	1,554	-	1,554	#DIV/0!	-
Other revenue		9,864	2,107	362,419	80	586	264,561	(263,975)	-100%	362,419
Transfers and Subsidies - Operational		169,171	200,917	-	47,635	195,320	-	195,320	#DIV/0!	-
Transfers and Subsidies - Capital		39,446	88,298	-	6,430	72,362	-	72,362	#DIV/0!	-
Interest		10,436	7,500	-	1,636	9,941	-	9,941	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(92,111)	(221,265)	(244,421)	(5,337)	(58,962)	(183,316)	(124,353)	66%	(244,421)
Interest		-	(274)	(274)	-	-	(206)	(206)	100%	(274)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM (USED) OPERATING ACTIVITIES</b>		<b>142,374</b>	<b>84,342</b>	<b>107,724</b>	<b>51,628</b>	<b>227,263</b>	<b>81,039</b>	<b>(146,224)</b>	<b>-180%</b>	<b>107,724</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	302	-	-	1	-	1	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(30,613)	(124,551)	-	(1,022)	(14,190)	-	14,190	#DIV/0!	-
<b>NET CASH FROM (USED) INVESTING ACTIVITIES</b>		<b>(30,613)</b>	<b>(124,249)</b>	<b>-</b>	<b>(1,022)</b>	<b>(14,189)</b>	<b>-</b>	<b>14,189</b>	<b>#DIV/0!</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		343	-	-	-	343	-	(343)	#DIV/0!	-
<b>NET CASH FROM (USED) FINANCING ACTIVITIES</b>		<b>343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>(343)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>112,104</b>	<b>(39,906)</b>	<b>107,724</b>	<b>50,606</b>	<b>213,417</b>	<b>81,039</b>			<b>107,724</b>
Cash/cash equivalents at beginning:		40,869	153,456	4,507	(10,010)	68,009	4,507			68,009
Cash/cash equivalents at month end:		152,973	113,550	112,231	40,596	301,426	114,656			112,231