KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2018 TO MARCH 2019 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2019 (2018/19 FINANCIAL YEAR)

1. Purpose

This report is submitted in compliance with Sections 71(1) and 52(d) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

2. Legislative Requirements

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Nelson Mandela Bay Municipality, service providers etc.

In accordance with Section 71(1) of the MFMA, the Accounting officer 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.

In accordance with Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C

3. Executive Summary

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the period July 2018 to March 2019, so as to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 630,811 million, whilst operating expenditure amounted to R 562,317 million, resulting in an operating surplus of R 68,495 million.

- Capital expenditure constituted 22,27% of the 2018/19 Capital adjustments Budget. The capital expenditure would have amounted to 39.50%, upon exclusion of the water services infrastructure grant.
- Overdue consumer debts increased by R 18,179 million (14,54%) since June 2018.
- An amount of R 79,546 million is owing to creditors, of which R 19,878 million (24,99%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 211,091,065 (223,82%) since June 2018, from R 94,314,704 to R 305,405,769.

The following key financial ratios are monitored on an on-going basis:

Ratio	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 31 March 2018	Actuals as at 31 March 2019	Adjusted Budget 2018/19
Current Ratio	0.85:1	0.97:1	1.11:1	1.47:1	1.22:1	0.94:1
Liquidity Ratio	0.40:1	0.47:1	0.52:1	1.04:1	0.98:1	0.48:1
Cost Coverage (Excluding unspent conditional grants)	1.60 months	1.62 months	1.72 months	2.77 months	2.6 Months	1.4 months
Debtors Collection Rate	97.60%	95.81%	90.73%	85.45%	97,14%	94%
Capital Expenditure (Including Water Service Infrastructure Grant)	81.97%	72.92%	72.98%	33.29%	22,27%	95%
Capital Expenditure (Including Water Service Infrastructure Grant)	81.97%	72.92%	72.98%	33.29%	39,50%	95%

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 March 2019:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

Annexure "A5"- Analysis of Municipality's Statement of Financial Performance

i. Overview of Outstanding Consumer Debtors

ii. Overview of Creditors position
iii. Investment portfolio
iv. Grants receipts and Expenditure
v. Councillors & Employee benefits
vi. Key performance Indicators

5. Recommendation

I. The Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

II. The monthly budget statements be accordingly submitted to Provincial Treasury as stipulated in Section 71(1) of the MFMA.

Report Submitted by

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Mr. Charl Du Plessis (Municipal Manager)

Acknowledgement of section 71 reports by the Executive Mayor for the period July 2018 to March 2019.

I hereby acknowledge the receipt of section 71 report in terms of the Municipal Finance Management Act No. 56 of 2003.

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Executive Mayor

6. Municipal Manager's Quality Certificate

I CHARL DU PLESSIS Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality

Print Name CHARL DU PLESSIS

Municipal Manager of Kouga Local Municipal

Signature ____________________

Date 12/04/2019

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD 1 JULY 2018 TO 31 MARCH 2019

Below is an analysis of the operating revenue and expenditure performance

Description	Budget Year 2018/19		
	Adjusted Budget	Actuals as at 31 March 2019	%
R thousands			
Revenue By Source			
Property rates	184 711	153 206	82,94%
Service charges - electricity revenue	245 041	185 468	75,69%
Service charges - water revenue	70 795	56 381	79,64%
Service charges - sanitation revenue	43 314	34 298	79,18%
Service charges - refuse revenue	51 176	39 438	77,06%
Rental of facilities and equipment	3 043	504	16,56%
Interest earned - external investments	8 681	7 296	84,05%
Interest earned - outstanding debtors	7 444	5 854	78,64%
Fines, penalties and forfeits	4 230	4 498	106,33%
Licences and permits	14 514	17 343	119,49%
Transfers and subsidies	121 753	119 455	98,11%
Other revenue	5 530	7 071	127,88%
Total Revenue (excluding capital transfers and contributions)	**760 233**	**630 811**	**82,98%**
Expenditure By Type			
Employee related costs	272 673	202 921	74,42%
Remuneration of councillors	12 243	9 117	74,47%
Debt impairment	36 150	3 130	8,66%
Depreciation & asset impairment	75 357	55 164	73,20%
Finance charges	3 021	5 316	175,99%
Bulk purchases	237 476	179 800	75,71%
Other materials	27 482	19 012	69,18%
Contracted services	68 721	31 004	45,12%
Other expenditure	86 638	56 853	65,62%
Total Expenditure	**819 759**	**562 317**	**68,60%**
Surplus/(Deficit)	**(59 527)**	**68 495**	

The statement of financial performance indicates a surplus of R 68,495 million.

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

Revenue Variations

Rental of Facilities and Equipment

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

Interest Earned – External Investments

Interest earnings are influenced by the extent of the municipality's investment portfolio.

Fines, penalties and forfeits

Fines, penalties and forfeits are largely influenced by a higher than anticipated revenue from traffic fines.

Licences and permits

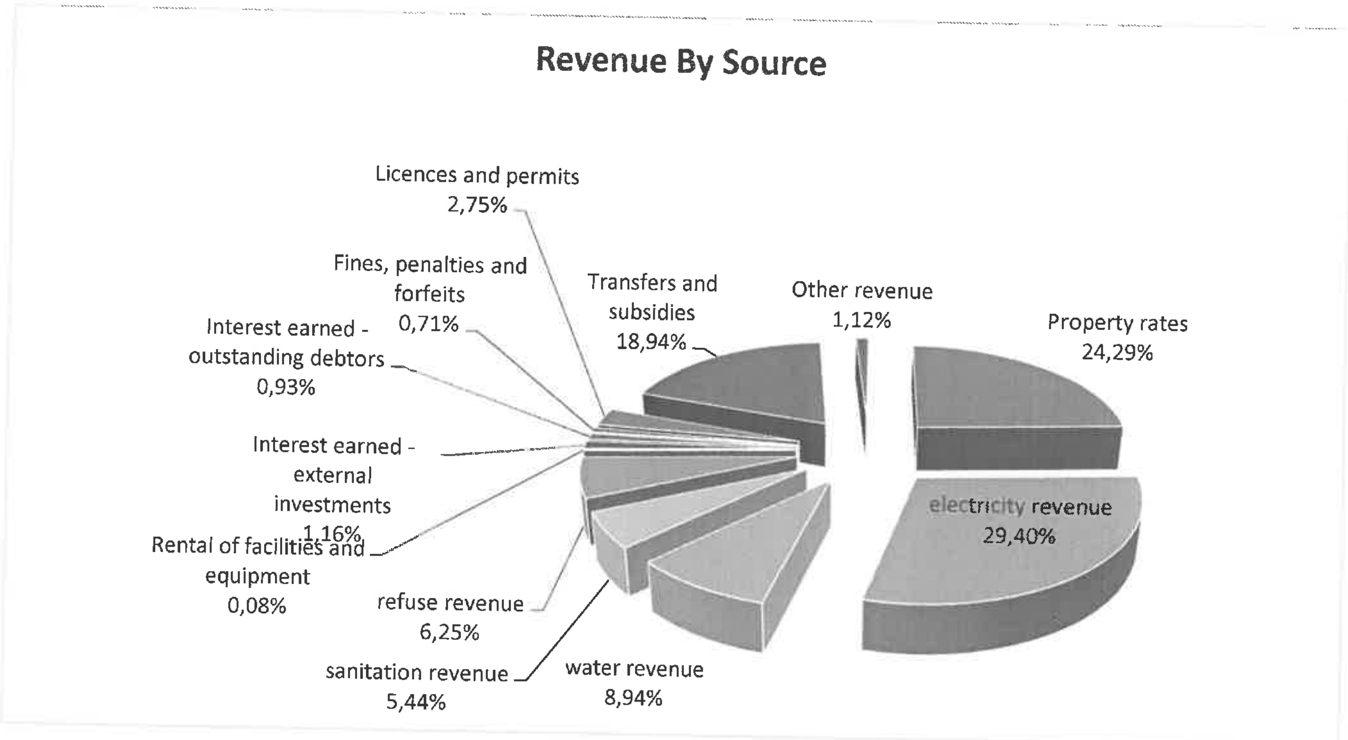
Licences and permits are largely influenced by a higher than anticipated revenue from vehicle licences.

Transfers and Subsidies

Transfers and subsidies received include an Equitable Share Allocation in the amount of R 113,151 million, MIG Admin fees amounting to R 1,097 million, Expanded Public Works grant of R 1,013 million and an Environmental Health Subsidy amounting to R 1,853 million.

Other revenue

Other revenue is largely influenced by a higher than anticipated revenue from rates clearance certificates and building related fees.



Expenditure Variations

Bad Debts

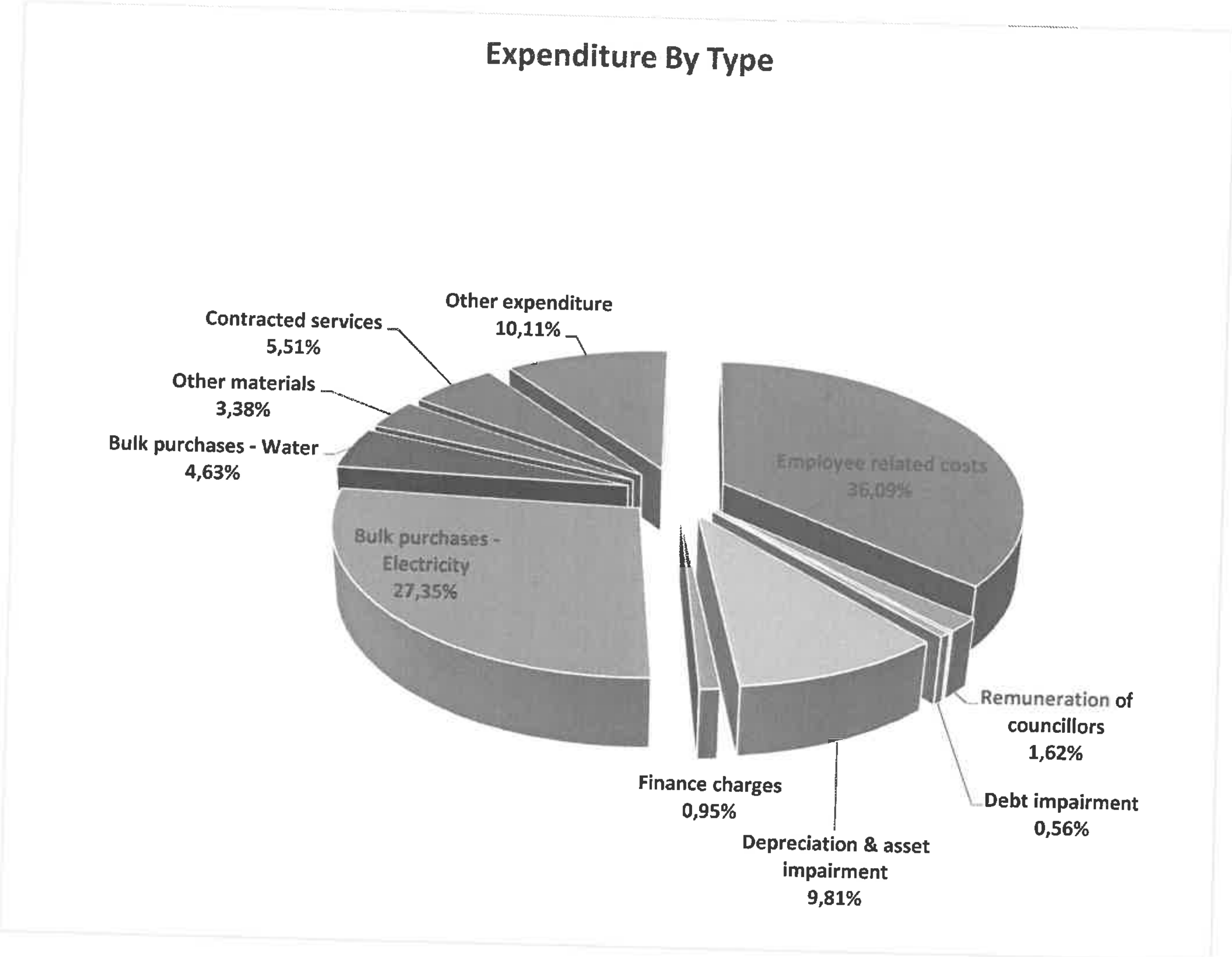
Bad debts are written off upon Council approval.

Finance Charges

Finance charges relate to the interest paid on long-term liabilities, in line with the loan repayment schedules.

Contracted Services

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees. This is largely influenced by the low spending on the repairs and maintenance budget.



Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2018/19 adjustments Budget.

Item Description	Approved Budget 2018/19	Adjustments Budget 2018/19	Actuals as at 31 March 2019	% of Budget
Executive & Council				
Contracted Services:Maintenance of Buildings and Facilities	-	200 000	-	0,00%
Contracted Services:Maintenance of Vehicles	10 000	10 000	450	4,50%
	10 000	**210 000**	**450**	0,21%
Corporate Services				
Contracted Services:Maintenance of Buildings and Facilities	300 000	300 000	97 057	32%
Contracted Services:Maintenance of Vehicles	35 000	35 000	-	0,00%
	335 000	**335 000**	**97 057**	28,97%
Finance				
Contracted Services:Maintenance of Buildings and Facilities	370 000	443 700	111 191	25,06%
Expenditure:Contracted Services:Contractors:Maintenance of Vehicles	90 000	90 000	14 999	16,67%
Inventory Consumed:Materials and Supplies	165 000	165 000	2 529	1,53%
	625 000	**698 700**	**128 719**	**18,42%**
Community Services				
Contracted Services:Maintenance of Buildings and Facilities	870 000	2 796 750	1 956 578	69,96%
Contracted Services:Maintenance of Vehicles	3 443 000	6 443 000	3 633 844	56,40%
Contracted Services:Maintenance of Equipment	122 400	122 400	62 246	50,85%
Inventory Consumed:Materials and Supplies	1 049 625	1 064 529	874 024	82,10%
Operational Cost:Hire Charges	2 000 000	2 332 261	1 469 925	63,03%
	7 485 025	**12 758 940**	**7 996 616**	**62,67%**
Planning, Development & Tourism				
Inventory Consumed:Materials and Supplies	50 000	50 000	42 123	84,25%
Contracted Services:Maintenance of Vehicles	20 000	20 000	4 240	21,20%
	70 000	**70 000**	**46 363**	**66,23%**
Infrastructure & Engineering				
Contracted Services:Maintenance of Equipment	226 000	281 213	99 646	35,43%
Contracted Services:Maintenance of Buildings and Facilities	175 193	161 612	160 021	99,02%
Contracted Services:Maintenance of Vehicles	12 524 000	20 245 732	8 881 040	43,87%
Inventory Consumed:Materials and Supplies	12 605 000	11 288 561	7 043 561	62,40%
Operational Cost:Hire Charges	3 010 435	2 008 000	1 423 856	70,91%
	28 540 628	**33 985 118**	**17 608 125**	**51,81%**
Total	**37 065 653**	**48 057 758**	**25 877 330**	**53,85%**

It is to be noted that actual repairs and maintenance expenditure constituted 53,85% of the 2018/19 Adjustments Budget.

Annexure "A2"

CAPITAL BUDGET PERFORMANCE

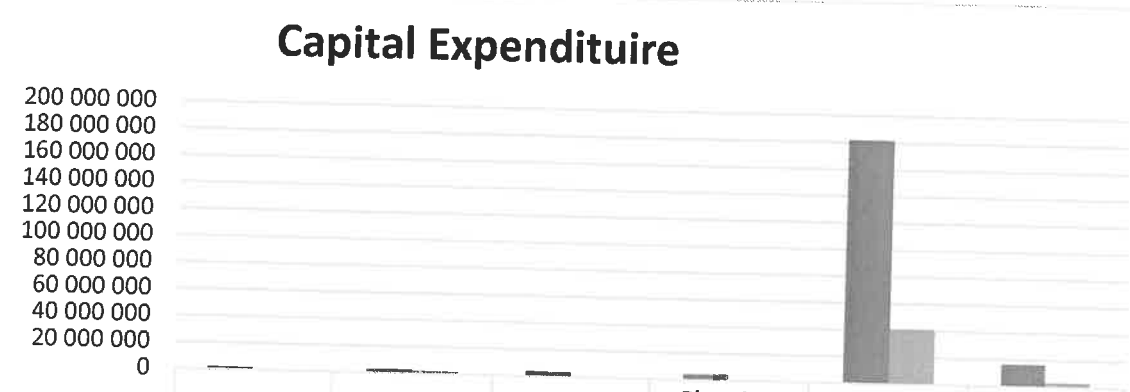
Below is an analysis of the capital expenditure compared to the 2018/19 Adjusted Capital adjustment Budget.

PROJECTS	Funding Source	Original Budget 2018/19	Adjustments Budget 2018/19	Actuals as at 31 March 2019	% of Budget
CORPORATE SERVICES					
Computer Equipment	Internal	157 000	247 402	117 149	47,35%
Furniture and Equipment	Internal	2 000	649 783	58 888	9,06%
Library upgrade (phase 2)	Internal	500 000	1 321 134	399 305	30,22%
EDMS	Internal	-	759 494	-	0,00%
Biometric system	Internal	-	120 000	-	0,00%
Fencing of main building	Internal	-	120 000	-	0,00%
Main Office Building Upgrade	Internal	300 000	47 254	26 765	56,64%
Computer Software and Applications	Internal	600 000	100 000	53 043	53,04%
UPGRADE COMMUNITY CENTER WARD 14	Internal	-	-	-	
PABX UPGRADE	Internal	750 000	-	-	
		2 309 000	**3 365 067**	**655 150**	**19,47%**
PROJECTS	**Funding Source**	**Original Budget 2018/19**	**Adjustments Budget 2018/19**	**Actuals as at 08 April 2019**	
EXECUTIVE & COUNCIL					
Computer Equipment	Internal	110 000	140 231	89 636	63,92%
Furniture and Equipment	Internal	75 000	273 105	249 350	91,30%
Wards Capital Programmes	Internal	750 000	1 437 229	154 160	10,73%
		935 000	**1 850 565**	**493 147**	**26,65%**
FINANCIAL SERVICES					
Furniture and Equipment	Internal	115 700	232 100	78 830	33,96%
Computer Equipment	Internal	1 391 200	590 978	831 932	140,77%
IT Server	Internal	-	626 268	-	0,00%
Office upgrade ICT	Internal	-	200 000	16 650	8,33%
Disaster Recovery Server	FMG	-	644 106	644 106	100,00%
Vehicle	Internal	-	300 000	-	0,00%
		1 506 900	**2 593 452**	**1 571 518**	**60,60%**
PLANNING, DEVELOPMENT & TOURISM				-	
Computer Software and Applications	Internal	700 000	200 000	62 217	31,11%
Computer Equipment	Internal	60 000	120 000	54 821	45,68%
Upgrading of Kouga Cultural Centre	Internal	1 000 000	1 000 000	150 000	15,00%
Furniture and equipment	Internal	200 000	200 000	22 647	11,32%
Informal Traders - Building	MIG	1 220 951	1 220 951	-	0,00%
Land acquisition housing projects	Internal	1 000 000	1 000 000	-	0,00%
Machinery and Equipment	Internal	30 000	30 000	-	0,00%
Arts and Creative Industries	DISTRICT	-	-	-	
Lowrie Flower Project	DEDEAT	-	65 000	-	0,00%
		4 210 951	**3 835 951**	**289 685**	**7,55%**
PROJECTS	**Funding Source**	**Original Budget 2018/19**	**Adjustments Budget 2018/19**		
COMMUNITY SERVICES					
Fencing of caravan parks & camping sites	Internal	500 000	500 000	80 510	16,10%
Fencing of Sport and Recreational Facilities	Internal	500 000	-	-	
Machinery and Equipment	Internal	844 010	984 010	344 554	35,02%
Computer Equipment	Internal	160 000	84 000	109 187	129,98%
Security Cameras	Internal	150 000	-	-	
Vehicle	Internal	4 000 000	5 850 000	2 251 171	38,48%
Furniture and Equipment	Internal	70 000	55 000	22 571	41,04%
Wheelie Bins	Internal	1 000 000	2 475 260	-	0,00%
Life Gaurds Beach Tower	Internal	250 000	50 000	26 400	52,80%
Upgrading of Sports Facilities	MIG	3 864 352	3 864 352	-	0,00%
Fencing of Hankey Fire Station	Internal	200 000	200 000	-	0,00%
Fencing of existing cemeteries	Internal	500 000	24 739	24 739	100,00%
Weston Library Upgrade	Internal	100 000	100 000	-	0,00%
Table and Chairs-Community Facilities	Internal	100 000	160 000	58 304	36,44%
Machinery and Equipment	DISTRICT	-	265 100	-	0,00%
Vehicle	DISTRICT	-	1 700 000	-	0,00%
		12 238 362	**16 312 461**	**2 917 436**	**17,88%**

PROJECTS	Funding Source	Original Budget 2018/19	Adjustments Budget 2018/19	Actuals as at 31 March 2019	% of Budget
INFRASTRUCTURE & ENGINEERING					
Furniture and Equipment	Internal	198 000	155 000	46 730	30,15%
Computer Equipment	Internal	35 000	102 000	88 418	86,68%
Computer Equipment	MIG	50 000	50 000	33 759	67,52%
Machinery and Equipment	Internal	415 000	391 000	194 802	49,82%
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	900 000	-	-	
upgrading of infrastructure for new township establishment	Internal	500 000	500 000	294 888	58,98%
Vehicles	Internal	2 500 000	8 610 264	3 124 795	36,29%
MV Networks Capital	INEP	8 869 565	8 869 565	400 122	4,51%
New overheadlines 66kv overheadlines(Jbay to Melkhout)	Internal	3 000 000	2 000 000	1 922 729	96,14%
Jeffreys Bay- North Bulk main outfall sewer-area north of R102	Internal	1 200 000	1 300 000	-	0,00%
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG_NT	-	13 521 739	4 900 716	36,24%
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-	9 130 435	275 058	3,01%
RETICULATION REPLACE PIPELINES (OYSTER BAY)	WSIG_NT	-	391 304	86 223	22,03%
Upgrading of the Sea Vista Wastewater Treatment Works	MIG	18 503 132	18 503 132	15 646 003	84,56%
Humansdorp - Upgrade Kruisfontein Waste Water Treatment Works	MIG	2 173 913	2 173 913	1 057 365	48,64%
Computer Equipment	MIG	50 000	50 000	33 759	67,52%
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-	9 565 217	192 274	2,01%
Illegal electricity connections (LV Network)	Internal	1 000 000	400 000	312 794	78,20%
Fencing: New x Loerie Sewer pump station	Internal	900 000	-	-	
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-	5 139 130	414 811	8,07%
DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP	WSIG_NT	-	17 391 304	368 370	2,12%
HANKEY WATER SUPPLY	WSIG_DWS	-	28 851 304	3 906 892	13,54%
HUMANSDORP WATER SUPPLY	WSIG_DWS	-	4 719 130	2 663 757	56,45%
Water Infrastructure Boreholes	Internal	1 500 000	-	464 230	
Roads Upgrade	Internal	2 500 000	2 500 000	829 222	33,17%
REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFR	WSIG_NT	-	30 434 783	1 058 265	3,48%
PATENSIE WATER SUPPLY	WSIG_DWS	-	7 305 217	68 234	0,93%
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-	3 913 043	1 849 066	47,25%
OYSTER BAY WATER SUPPLY	WSIG_DWS	-	1 140 000	456 166	40,01%
Bucket Eradication Programme	Internal	2 300 000	2 300 000	45 652	1,98%
conversion from conventional meter to pre paid meter and moving of meter to boundary wall	Internal	-	200 000	-	0,00%
purchase of mini sub station 11000/400,22000/400	Internal	-	600 000	-	0,00%
High Mast Lights	Internal	-	1 000 000	-	0,00%
refurbishment of truck and rebuild into cherry picker truck	Internal	-	400 000	-	0,00%
		46 594 610	**181 607 480**	**40 735 102**	**22,43%**
		67 794 823	**209 564 976**	**46 662 039**	**22,27%**
Internally generated funds		33 112 910	40 706 251	12 640 851	31,05%
Transfers recognised - capital		34 681 913	168 858 725	34 021 188	20,15%
Total		**67 794 823**	**209 564 976**	**46 662 039**	**22,27%**

It is to be noted that capital expenditure as at 31 March 2019 amounted to 22,27%, compared to the adjusted capital adjustments budget of R 209,564,976.

The capital expenditure as at 31 March 2019 would have been amounted to 39.50%, upon exclusion of the Water Services Infrastructure Grant.



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Adjusted Budget 2018/19	1 850 565	2 593 452	3 365 067	3 835 951	181 607 480	16 312 461
Actuals as at 31 March 2019	493 147	1 571 518	655 150	289 685	40 735 102	2 917 436

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2018/19 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 March 2019

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

Table C7 Monthly Budget Statement – Cash Flow – M09 March 2019

Description	Ref	2017/18	Budget Year 2018/19							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	164 393	173 628	12 119	144 461	130 221	14 240	11%	173 628
Service charges		–	372 090	385 707	42 959	320 138	289 280	30 858	11%	385 707
Other revenue		–	30 689	27 317	(4 058)	39 148	20 488	18 661	91%	27 317
Government - operating		–	123 618	121 753	28 288	157 820	91 315	66 505	73%	121 753
Government - capital		–	39 827	193 020	123 144	155 984	144 765	11 219	8%	193 020
Interest		–	21 498	15 678	2 113	13 711	11 759	1 953	17%	15 678
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(674 270)	(705 232)	(64 464)	(520 950)	(528 924)	(7 974)	2%	(705 232)
Finance charges		–	(3 021)	(3 021)	(227)	(2 185)	(2 265)	(80)	4%	(3 021)
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**74 823**	**208 851**	**139 873**	**308 128**	**156 638**	**(151 490)**	**-97%**	**208 851**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		–	(67 745)	(209 515)	(6 691)	(91 572)	(157 136)	(65 564)	42%	(209 515)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(67 745)**	**(209 515)**	**(6 691)**	**(91 572)**	**(157 136)**	**(65 564)**	**42%**	**(209 515)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(13 247)	(8 944)	(623)	(5 465)	(6 708)	(1 243)	19%	(8 944)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(13 247)**	**(8 944)**	**(623)**	**(5 465)**	**(6 708)**	**(1 243)**	**19%**	**(8 944)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(6 169)**	**(9 608)**	**132 559**	**211 091**	**(7 206)**			**(9 608)**
Cash/cash equivalents at beginning:		–	59 729	94 315		94 315	94 315			94 315
Cash/cash equivalents at month/year end:		–	53 561	84 707		305 406	87 109			84 707

Annexure "A4"

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2018/19 budget performance for the period July 2018 to March 2019 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M09 March 2019

Description R thousands	2017/18 Audited Outcome	Budget Year 2018/19 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	176 766	184 711	10 451	153 206	138 533	14 672	11%	184 711
Service charges	–	400 096	410 327	30 993	315 585	307 745	7 840	3%	410 327
Investment revenue	–	7 561	8 681	1 199	7 296	6 510	785	12%	8 681
Transfers and subsidies	–	123 618	121 753	28 484	119 455	91 315	28 140	31%	121 753
Other own revenue	–	45 675	34 761	3 569	35 270	26 071	9 199	35%	34 761
Total Revenue (excluding capital transfers and contributions)	–	753 717	760 233	74 695	630 811	570 174	60 637	11%	760 233
Employee costs	–	272 802	272 673	21 098	202 921	204 504	(1 584)	-1%	272 673
Remuneration of Councillors	–	12 784	12 243	1 041	9 117	9 182	(65)	-1%	12 243
Depreciation & asset impairment	–	75 357	75 357	6 127	55 164	56 518	(1 354)	-2%	75 357
Finance charges	–	3 021	3 021	1 046	5 316	2 265	3 051	135%	3 021
Materials and bulk purchases	–	269 933	264 992	33 177	198 813	198 744	69	0%	264 992
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	–	162 887	191 475	12 973	90 987	143 606	(52 619)	-37%	191 475
Total Expenditure	–	796 785	819 759	75 462	562 317	614 820	(52 503)	-9%	819 759
Surplus/(Deficit)	–	(43 068)	(59 527)	(767)	68 495	(44 645)	113 140	-253%	(59 527)
Transfers and subsidies - capital (monetary alloc	–	39 827	193 020	7 062	33 113	144 765	(111 652)	-77%	193 020
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	–	(3 241)	133 493	6 295	101 607	100 120	1 488	1%	133 493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	(3 241)	133 493	6 295	101 607	100 120	1 488	1%	133 493
Capital expenditure & funds sources									
Capital expenditure	–	67 745	209 515	5 818	46 662	157 121	(110 459)	-70%	209 495
Capital transfers recognised	–	34 682	168 859	4 595	34 021	126 644	(92 623)	-73%	168 859
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	33 063	40 656	1 224	12 641	30 492	(17 851)	-59%	40 656
Total sources of capital funds	–	67 745	209 515	5 818	46 662	157 136	(110 474)	-70%	209 515
Financial position									
Total current assets	–	131 820	164 621		344 874				131 820
Total non current assets	–	2 442 954	2 474 873		2 266 533				2 442 954
Total current liabilities	–	133 877	175 201		281 721				133 877
Total non current liabilities	–	183 244	185 581		185 581				183 244
Community wealth/Equity	–	2 257 653	2 278 712		2 144 105				2 257 653
Cash flows									
Net cash from (used) operating	–	74 823	208 851	139 873	308 128	156 638	(151 490)	-97%	208 851
Net cash from (used) investing	–	(67 745)	(209 515)	(6 691)	(91 572)	(157 136)	(65 564)	42%	(209 515)
Net cash from (used) financing	–	(13 247)	(8 944)	(623)	(5 465)	(6 708)	(1 243)	19%	(8 944)
Cash/cash equivalents at the month/year end	–	53 561	84 707	–	305 406	87 109	(218 297)	-251%	84 707

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	27 873	6 603	4 759	4 186	3 839	4 121	28 174	91 562	171 116
Creditors Age Analysis									
Total Creditors	19 878	598	487	554	682	429	3 012	53 906	79 546

Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M09 March 2019

Description	Ref	2017/18	Budget Year 2018/19							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		–	**511 046**	**312 182**	**39 365**	**281 325**	**234 137**	47 189	20%	**511 046**
Executive and council		–	26	26	2	8	19	(11)	-59%	26
Finance and administration		–	511 020	312 157	39 363	281 317	234 117	47 200	20%	511 020
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**15 404**	**13 357**	**233**	**9 458**	**10 018**	(559)	-6%	**15 404**
Community and social services		–	2 458	2 458	24	2 023	1 843	180	10%	2 458
Sport and recreation		–	9 151	7 003	194	4 569	5 252	(683)	-13%	9 151
Public safety		–	1 869	1 969	2	863	1 477	(613)	-42%	1 869
Housing		–	–	–	–	–	–	–		–
Health		–	1 927	1 927	13	2 003	1 445	558	39%	1 927
Economic and environmental services		–	**30 942**	**16 141**	**1 988**	**19 450**	**12 106**	7 344	61%	**30 942**
Planning and development		–	6 312	5 087	433	3 880	3 815	65	2%	6 312
Road transport		–	10 005	10 005	1 554	14 676	7 503	7 173	96%	10 005
Environmental protection		–	14 625	1 050	1	893	788	106	13%	14 625
Trading services		–	**235 706**	**611 127**	**40 169**	**353 684**	**458 345**	(104 661)	-23%	**235 706**
Energy sources		–	61 809	260 285	17 866	186 924	195 214	(8 290)	-4%	61 809
Water management		–	70 200	223 782	5 827	66 906	167 836	(100 930)	-60%	70 200
Waste water management		–	72 249	74 017	12 179	58 770	55 513	3 257	6%	72 249
Waste management		–	31 448	53 043	4 297	41 084	39 782	1 301	3%	31 448
Other	4	–	**445**	**445**	**–**	**7**	**334**	**(327)**	**-98%**	**445**
Total Revenue - Functional	2	–	**793 544**	**953 252**	**81 755**	**663 924**	**714 939**	**(51 015)**	**-7%**	**793 544**
Expenditure - Functional										
Governance and administration		–	**189 348**	**190 276**	**11 503**	**121 006**	**142 707**	(21 701)	-15%	**189 348**
Executive and council		–	52 250	38 161	2 272	26 684	28 620	(1 936)	-7%	52 250
Finance and administration		–	137 097	152 115	9 231	94 322	114 086	(19 765)	-17%	137 097
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**86 568**	**77 431**	**5 474**	**57 968**	**58 073**	(105)	0%	**86 568**
Community and social services		–	9 513	10 055	695	6 749	7 541	(792)	-11%	9 513
Sport and recreation		–	46 668	40 230	2 556	30 844	30 172	672	2%	46 668
Public safety		–	21 090	20 527	1 613	15 207	15 395	(188)	-1%	21 090
Housing		–	3 531	1 875	204	1 941	1 406	535	38%	3 531
Health		–	5 767	4 746	406	3 227	3 560	(333)	-9%	5 767
Economic and environmental services		–	**110 969**	**114 388**	**8 244**	**71 278**	**85 791**	(14 513)	-17%	**110 969**
Planning and development		–	33 954	33 520	2 171	21 335	25 140	(3 805)	-15%	33 954
Road transport		–	67 770	77 414	5 967	49 222	58 060	(8 838)	-15%	67 770
Environmental protection		–	9 245	3 454	106	721	2 591	(1 869)	-72%	9 245
Trading services		–	**405 898**	**434 239**	**46 796**	**311 039**	**325 679**	(14 640)	-4%	**405 898**
Energy sources		–	248 404	254 148	30 886	181 163	190 611	(9 448)	-5%	248 404
Water management		–	80 154	78 117	6 169	57 901	58 588	(687)	-1%	80 154
Waste water management		–	41 745	48 988	3 843	37 261	36 741	520	1%	41 745
Waste management		–	35 595	52 986	5 897	34 714	39 739	(5 025)	-13%	35 595
Other		–	**4 032**	**3 426**	**315**	**1 026**	**2 569**	**(1 543)**	**-60%**	**4 032**
Total Expenditure - Functional	3	–	**796 815**	**819 759**	**72 332**	**562 317**	**614 820**	**(52 503)**	**-9%**	**796 815**
Surplus/ (Deficit) for the year		–	**(3 271)**	**133 493**	**9 423**	**101 607**	**100 120**	**1 488**	**1%**	**(3 271)**

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

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M09 March 2019

Vote Description	Budget Year 2018/19							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - EXECUTIVE COUNCIL	–	–	–	–	–	–		663 924
Vote 2 - FINANCIAL SERVICES	310 697	307 483	40 292	327 205	207 132	120 073	58,0%	310 697
Vote 3 - CORPORATE SERVICES	26	26	2	19	17	1	8,7%	26
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	3 316	3 316	286	2 319	2 210	109	4,9%	3 316
Vote 5 - INFRASTRUCTURE AND ENGINEERING	405 491	562 442	34 746	282 168	270 327	11 840	4,4%	405 491
Vote 6 - COMMUNITY SERVICES	17 634	17 734	1 713	13 909	11 756	2 153	18,3%	17 634
Vote 7 - COMMUNITY SERVICES (CONTINUED)	56 380	62 252	4 717	38 305	37 587	718	1,9%	56 380
Total Revenue by Vote	**793 544**	**953 252**	**81 755**	**663 924**	**529 029**	**134 895**	**25,5%**	**1 457 468**
Expenditure by Vote								
Vote 1 - EXECUTIVE COUNCIL	36 603	31 989	2 123	22 701	24 402	(1 701)	-7,0%	36 603
Vote 2 - FINANCIAL SERVICES	79 397	79 573	4 921	45 454	52 932	(7 478)	-14,1%	79 397
Vote 3 - CORPORATE SERVICES	49 336	48 915	3 608	30 777	32 891	(2 114)	-6,4%	49 336
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	21 159	19 984	1 413	12 122	14 106	(1 985)	-14,1%	21 159
Vote 5 - INFRASTRUCTURE AND ENGINEERING	455 521	476 197	48 466	336 560	303 680	32 880	10,8%	455 521
Vote 6 - COMMUNITY SERVICES	51 470	47 739	3 810	36 385	34 313	2 072	6,0%	51 470
Vote 7 - COMMUNITY SERVICES (CONTINUED)	103 328	115 363	7 991	78 318	68 886	9 432	13,7%	103 328
Total Expenditure by Vote	**796 815**	**819 759**	**72 332**	**562 317**	**531 210**	**31 107**	**5,9%**	**796 815**
Surplus/ (Deficit) for the year	**(3 271)**	**133 493**	**9 423**	**101 607**	**(2 181)**	**103 788**	**-4759,3%**	**660 653**

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

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segment into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M09 March 2019

Description R thousands	Ref	2017/18 Audited Outcome	Budget Year 2018/19 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		–	176 766	184 711	10 451	153 206	138 533	14 672	11%	184 711
Service charges - electricity revenue		–	247 165	245 041	17 796	185 468	183 781	1 688	1%	245 041
Service charges - water revenue		–	67 702	70 795	5 550	56 381	53 097	3 284	6%	70 795
Service charges - sanitation revenue		–	41 658	43 314	3 583	34 298	32 486	1 813	6%	43 314
Service charges - refuse revenue		–	43 571	51 176	4 065	39 438	38 382	1 055	3%	51 176
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		–	1 881	3 043	158	504	2 283	(1 779)	-78%	3 043
Interest earned - external investments		–	7 561	8 681	1 199	7 296	6 510	785	12%	8 681
Interest earned - outstanding debtors		–	14 986	7 444	812	5 854	5 583	271	5%	7 444
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	4 230	4 230	388	4 498	3 172	1 325	42%	4 230
Licences and permits		–	16 661	14 514	1 620	17 343	10 885	6 458	59%	14 514
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		–	123 618	121 753	28 484	119 455	91 315	28 140	31%	121 753
Other revenue		–	7 917	5 530	591	7 071	4 147	2 924	71%	5 530
Gains on disposal of PPE		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	**753 717**	**760 233**	**74 695**	**630 811**	**570 174**	**60 637**	**11%**	**760 233**
Expenditure By Type										
Employee related costs		–	272 802	272 673	21 098	202 921	204 504	(1 584)	-1%	272 673
Remuneration of councillors		–	12 784	12 243	1 041	9 117	9 182	(65)	-1%	12 243
Debt impairment		–	41 429	36 150	3 130	3 130	27 112	(23 982)	-88%	36 150
Depreciation & asset impairment		–	75 357	75 357	6 127	55 164	56 518	(1 354)	-2%	75 357
Finance charges		–	3 021	3 021	1 046	5 316	2 265	3 051	135%	3 021
Bulk purchases		–	241 476	237 476	31 232	179 800	178 107	1 694	1%	237 476
Other materials		–	28 458	27 516	1 945	19 012	20 637	(1 625)	-8%	27 516
Contracted services		–	45 111	68 096	4 599	31 004	51 072	(20 068)	-39%	68 096
Transfers and subsidies		–	–	–	–	–	–	–		–
Other expenditure		–	76 346	87 229	5 244	56 853	65 422	(8 569)	-13%	87 229
Loss on disposal of PPE		–	–	–	–	–	–	–		–
Total Expenditure		–	**796 785**	**819 759**	**75 462**	**562 317**	**614 820**	**(52 503)**	**-9%**	**819 759**
Surplus/(Deficit)		–	**(43 068)**	**(59 527)**	**(767)**	**68 495**	**(44 645)**	**113 140**	**(0)**	**(59 527)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			39 827	193 020	10 190	33 113	144 765	(111 652)	(0)	193 020
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–		–	–	–		
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		
Surplus/(Deficit) after capital transfers & contributions		–	**(3 241)**	**133 493**	**9 423**	**101 607**	**100 120**			**133 493**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		–	**(3 241)**	**133 493**	**9 423**	**101 607**	**100 120**			**133 493**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		–	**(3 241)**	**133 493**	**9 423**	**101 607**	**100 120**			**133 493**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		–	**(3 241)**	**133 493**	**9 423**	**101 607**	**100 120**			**133 493**

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

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M09 March 2019

Vote Description	Budget Year 2018/19							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Single Year expenditure appropriation								
Vote 1 - EXECUTIVE COUNCIL	860	1 776	13	425	1 317	(891)	-68%	1 756
Vote 2 - FINANCIAL SERVICES	1 507	2 593	17	1 572	1 945	(374)	-19%	2 593
Vote 3 - CORPORATE SERVICES	2 309	3 365	209	655	2 524	(1 869)	-74%	3 365
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	4 211	3 836	13	290	2 877	(2 587)	-90%	3 836
Vote 5 - INFRASTRUCTURE AND ENGINEERING	46 545	181 557	5 341	40 735	136 168	(95 433)	-70%	181 557
Vote 6 - COMMUNITY SERVICES	1 644	4 959	30	1 815	3 719	(1 904)	-51%	4 959
Vote 7 - COMMUNITY SERVICES (CONTINUED)	10 669	11 429	195	1 170	8 571	(7 402)	-86%	11 429
Total Capital single-year expenditure	67 745	209 515	5 818	46 662	157 121	**(110 459)**	**-70%**	209 495
Total Capital Expenditure	**67 745**	**209 515**	**5 818**	**46 662**	**157 121**	**(110 459)**	**-70%**	**209 495**
Capital Expenditure - Functional Classification								
Governance and administration	**5 346**	**10 184**	**344**	**2 770**	**7 638**	(4 868)	-64%	**10 184**
Executive and council	985	2 590	59	474	1 943	(1 469)	-76%	2 590
Finance and administration	4 361	7 594	285	2 296	5 696	(3 399)	-60%	7 594
Internal audit	–	–	–	–	–	–		–
Community and public safety	**7 368**	**10 203**	**389**	**3 111**	**7 652**	(4 542)	-59%	**10 203**
Community and social services	679	199	34	272	149	123	82%	199
Sport and recreation	5 489	4 789	7	59	3 592	(3 533)	-98%	4 789
Public safety	200	4 215	348	2 780	3 161	(381)	-12%	4 215
Housing	1 000	1 000	–	–	750	(750)	-100%	1 000
Health	–	–	–	–	–	–		–
Economic and environmental services	**6 159**	**5 739**	**106**	**837**	**4 304**	(3 468)	-81%	**5 739**
Planning and development	3 509	3 113	47	370	2 335	(1 964)	-84%	3 113
Road transport	2 650	2 626	59	466	1 970	(1 503)	-76%	2 626
Environmental protection	–	–	–	–	–	–		–
Trading services	**48 872**	**183 324**	**4 975**	**39 914**	**137 493**	(97 579)	-71%	**183 324**
Energy sources	12 905	13 885	393	3 152	10 413	(7 262)	-70%	13 885
Water management	1 715	135 628	2 170	17 409	101 721	(84 312)	-83%	135 628
Waste water management	28 977	29 077	2 412	19 354	21 808	(2 454)	-11%	29 077
Waste management	5 275	4 734	–	–	3 551	(3 551)	-100%	4 734
Other	–	65	4	30	49	(19)	-38%	65
Total Capital Expenditure - Functional Classification	**67 745**	**209 515**	**5 818**	**46 662**	**157 136**	**(110 474)**	**-70%**	**209 515**

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

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

Table C6 Monthly Budget Statement – Financial Position – M09 March 2019

Description R thousands	Ref 1	2017/18 Audited Outcome	Budget Year 2018/19 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		–	5 356	8 471	53 331	5 356
Call investment deposits		–	48 205	76 236	223 368	48 205
Consumer debtors		–	42 559	42 382	49 217	42 559
Other debtors		–	31 184	30 863	12 288	31 184
Current portion of long-term receivables		–	3	3	3	3
Inventory		–	4 513	6 666	6 666	4 513
Total current assets		**–**	**131 820**	**164 621**	**344 874**	**131 820**
Non current assets						
Long-term receivables		–	65	16		65
Investments		–		–		–
Investment property		–	285 199	284 612	283 612	285 199
Investments in Associate		–		–		–
Property, plant and equipment		–	2 157 628	2 189 943	1 982 603	2 157 628
Agricultural		–		–		–
Biological assets		–		–		–
Intangible assets		–	62	302	302	62
Other non-current assets		–		–	16	–
Total non current assets		**–**	**2 442 954**	**2 474 873**	**2 266 533**	**2 442 954**
TOTAL ASSETS		**–**	**2 574 775**	**2 639 494**	**2 611 407**	**2 574 775**
LIABILITIES						
Current liabilities						
Bank overdraft		–		–	–	–
Borrowing		–	13 247	8 944	8 944	13 247
Consumer deposits		–	10 479	15 241	15 241	10 479
Trade and other payables		–	87 054	126 511	233 032	87 054
Provisions		–	23 097	24 505	24 505	23 097
Total current liabilities		**–**	**133 877**	**175 201**	**281 721**	**133 877**
Non current liabilities						
Borrowing		–	23 112	23 600	23 600	23 112
Provisions		–	160 132	161 981	161 981	160 132
Total non current liabilities		**–**	**183 244**	**185 581**	**185 581**	**183 244**
TOTAL LIABILITIES		**–**	**317 122**	**360 782**	**467 303**	**317 122**
NET ASSETS	2	**–**	**2 257 653**	**2 278 712**	**2 144 105**	**2 257 653**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		–	2 257 653	2 278 712	2 144 105	2 257 653
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**–**	**2 257 653**	**2 278 712**	**2 144 105**	**2 257 653**

Explanatory notes to Table C6 – Budgeted Financial Position

i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position.

For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.

Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M09 March 2019

Description	Ref	2017/18	Budget Year 2018/19							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	164 393	173 628	12 119	144 461	130 221	14 240	11%	173 628
Service charges		–	372 090	385 707	42 959	320 138	289 280	30 858	11%	385 707
Other revenue		–	30 689	27 317	(4 058)	39 148	20 488	18 661	91%	27 317
Government - operating		–	123 618	121 753	28 288	157 820	91 315	66 505	73%	121 753
Government - capital		–	39 827	193 020	123 144	155 984	144 765	11 219	8%	193 020
Interest		–	21 498	15 678	2 113	13 711	11 759	1 953	17%	15 678
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(674 270)	(705 232)	(64 464)	(520 950)	(528 924)	(7 974)	2%	(705 232)
Finance charges		–	(3 021)	(3 021)	(227)	(2 185)	(2 265)	(80)	4%	(3 021)
Transfers and Grants		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**74 823**	**208 851**	**139 873**	**308 128**	**156 638**	**(151 490)**	**-97%**	**208 851**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		–	(67 745)	(209 515)	(6 691)	(91 572)	(157 136)	(65 564)	42%	(209 515)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(67 745)**	**(209 515)**	**(6 691)**	**(91 572)**	**(157 136)**	**(65 564)**	**42%**	**(209 515)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(13 247)	(8 944)	(623)	(5 465)	(6 708)	(1 243)	19%	(8 944)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(13 247)**	**(8 944)**	**(623)**	**(5 465)**	**(6 708)**	**(1 243)**	**19%**	**(8 944)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(6 169)**	**(9 608)**	**132 559**	**211 091**	**(7 206)**			**(9 608)**
Cash/cash equivalents at beginning:		–	59 729	94 315		94 315	94 315			94 315
Cash/cash equivalents at month/year end:		–	53 561	84 707		305 406	87 109			84 707

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

Annexure "A5"

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 30 June 2018, compared to the position as at 31 March 2019.

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2018

Description	Budget Year 2017/18								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	7 819	2 073	1 457	1 222	824	594	3 847	19 415	37 251
Trade and Other Receivables from Exchange Transactions - Electricity	14 563	1 349	602	402	331	226	1 908	6 001	25 382
Receivables from Non-exchange Transactions - Property Rates	8 069	700	494	394	318	297	6 758	16 539	33 569
Receivables from Exchange Transactions - Waste Water Management	4 267	897	631	483	380	258	1 714	8 652	17 282
Receivables from Exchange Transactions - Waste Management	4 202	1 023	842	600	356	335	1 778	11 769	20 905
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	1	1
Interest on Arrear Debtor Accounts	68	87	97	101	88	84	915	17 487	18 928
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(12 022)	608	306	257	267	159	2 034	7 106	(1 286)
Total By Income Source	**26 966**	**6 737**	**4 429**	**3 459**	**2 565**	**1 953**	**18 953**	**86 967**	**152 031**
Debtors Age Analysis By Customer Group									–
Organs of State	567	230	31	31	28	27	1 204	1 578	3 696
Commercial	6 132	385	256	238	282	115	983	2 878	11 269
Households	20 268	6 122	4 142	3 190	2 256	1 812	16 766	82 512	137 067
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**26 966**	**6 737**	**4 429**	**3 459**	**2 565**	**1 953**	**18 953**	**86 967**	**152 031**

Debtors' Age Analysis (Inclusive of VAT) as at 31 March 2019

R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	9 176	2 126	1 532	1 357	1 357	1 527	7 062	20 752	44 889
Trade and Other Receivables from Exchange Transactions - Electricity	15 857	1 102	600	409	293	254	2 066	5 626	26 208
Receivables from Non-exchange Transactions - Property Rates	8 003	664	462	395	314	291	7 629	17 672	35 429
Receivables from Exchange Transactions - Waste Water Management	4 785	997	697	659	597	621	3 060	8 893	20 309
Receivables from Exchange Transactions - Waste Management	4 152	1 028	940	893	845	839	4 041	12 274	25 011
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	1	1
Interest on Arrear Debtor Accounts	78	88	101	122	146	178	1 464	18 327	20 503
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(14 178)	599	428	351	286	410	2 853	8 017	(1 234)
Total By Income Source	**27 873**	**6 603**	**4 759**	**4 186**	**3 839**	**4 121**	**28 174**	**91 562**	**171 116**
Debtors Age Analysis By Customer Group									
Organs of State	688	282	191	118	30	21	1 874	1 904	5 108
Commercial	2 652	312	130	106	93	88	552	2 575	6 509
Households	24 532	6 009	4 437	3 961	3 716	4 012	25 749	87 084	159 499
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**27 873**	**6 603**	**4 759**	**4 186**	**3 839**	**4 121**	**28 174**	**91 562**	**171 116**

The aforementioned analysis indicates that from 30 June 2018 to 31 March 2019, the overdue debts have increased from R 125,064 million to R 143,243 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-18**	**31-Mar-19**	**Difference**
Trade and Other Receivables from Exchange Transactions - Water	29 432	35 714	6 282
Trade and Other Receivables from Exchange Transactions - Electricity	10 819	10 350	(468)
Receivables from Non-exchange Transactions - Property Rates	25 500	27 426	1 926
Receivables from Exchange Transactions - Waste Water Management	13 015	15 524	2 509
Receivables from Exchange Transactions - Waste Management	16 704	20 859	4 155
Receivables from Exchange Transactions - Property Rental Debtors	1	1	–
Interest on Arrear Debtor Accounts	18 860	20 425	1 566
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	10 736	12 944	2 208
Total By Income Source	**125 064**	**143 243**	**18 179**
Debtors Age Analysis By Customer Group			
Organs of State	3 128	4 420	1 292
Commercial	5 137	3 857	(1 281)
Households	116 799	134 967	18 168
Other	–	–	–
Total By Customer Group	**125 064**	**143 243**	**18 179**

2. Overview of Creditors position

Below is an analysis of the status of the major creditors

Description	Budget Year 2018/19								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	15 414	(0)	–	–	–	–	–	–	**15 414**
Bulk Water	1 222	410	409	411	410	429	3 012	53 906	**60 209**
PAYE deductions									–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repay ments									–
Trade Creditors	3 242	188	78	143	272	–	–	–	**3 923**
Auditor General									–
Other									–
Total By Customer Type	**19 878**	598	**487**	554	**682**	429	**3 012**	**53 906**	**79 546**

The above amounts represent invoices still to be paid. The major creditors as at 31 March 2019 are as follows:

Eskom	R 15,414 million
NMBM (Bulk water)	R 60,209 million
Other Creditors	R 3,923 million
TOTAL	**R 79,546 million**

It is to be noted that the Eskom amount of R 15,414 million, represents the current account for March 2019, which will be fully paid on 23 April 2019.

The municipality received a significant bulk water account in May 2016. According to the Nelson Mandela Bay Municipality, the Kouga municipality was incorrectly billed from December 2012 to April 2016.

The Kouga municipality's bulk water account was accordingly adjusted to reflect the correct billing for the aforementioned period, based on the relevant meter readings.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 31 March 2019.

	Balance as at 30 June 2018	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 March 2018
Standard Bank	18 653 721	-	918 023	-	-	19 571 744
ABSA	25 806 825	-	1 268 889	-	288	27 075 427
Nedbank	19 520 160	-	968 452	-	-	20 488 612
RMB	5 885 309	147 903 427	1 392 466	20 154 789	-	135 026 413
INVESTEC	20 188 841	-	1 017 454	-	-	21 206 295
Total	**90 054 856**	**147 903 427**	**5 565 285**	**(20 154 789)**	**(288)**	**223 368 491**
	Balance as at 30 June 2018	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 March 2018**
General Account	85 725 571	24 958 943	4 750 709	-	288	115 434 935
Conditional Grants	1 359 363	122 944 483	729 997	17 107 344	-	107 926 499
Housing Funds	2 969 923	-	84 579	3 047 445	-	7 057
Total	**90 054 856**	**147 903 427**	**5 565 285**	**(20 154 789)**	**(288)**	**223 368 491**
Bank	4 259 848	77 777 430				82 037 278
Total	**94 314 704**	**225 680 856**	**5 565 285**	**(20 154 789)**	**(288)**	**305 405 769**

The increase in the investment portfolio since 30 June 2018 amounts to R 211,091,065. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 82,037,278
Short-term Investment Deposits	R 223,368,491
	R 305,405,769

Application of Cash

Unspent Conditional Grants	153,486,088
Internally Generated Funds	28,065,400
Outstanding Creditors Liability	79 545 767
	261,097,255

Reserves in excess of Commitments	**R 44,308,514**

The cash backed reserves exceed the commitments at this stage by an amount of R 44,308,514. It should be noted that the excess of reserves over commitments as at 31 March 2019, is mainly due to an amount of R 28,288 million in respect of the Equitable share allocation received on 18 March 2019, but not yet fully spent.

4. Allocation and Grants receipts and expenditure for the 2018/2019 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M09 March 2019

Description	Budget Year 2018/19							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:								
Operating Transfers and Grants								
National Government:	**117 493**	**115 934**	**28 734**	**117 493**	**86 951**	**30 543**	**35,1%**	**115 934**
Local Government Equitable Share	113 151	113 151	28 288	113 151	84 863	28 288	33,3%	113 151
Finance Management	1 770	1 770	–	1 770	1 328	443		1 770
MIG - Administration Fees	1 559	–	446	1 559	–	1 559		–
EPWP Incentive	1 013	1 013	–	1 013	760	253	33,3%	1 013
Provincial Government:	**2 050**	**2 050**	**650**	**4 342**	**1 538**	**2 805**	**182,4%**	**2 050**
Housing	–	–	650	2 292	–	2 292	#DIV/0!	–
Sport and Recreation	2 050	2 050	–	2 050	1 538	513	33,3%	2 050
District Municipality:	**2 210**	**3 769**	–	**1 853**	**2 827**	(974)	-34,4%	**3 769**
Local Economic Development	**445**		–		–	–		–
Environmental Health Subsidy	1 765	**3 769**	–	1 853	2 827	(974)	-34,4%	3 769
Other grant providers:	**1 865**	–	–	**983**	–	983	#DIV/0!	–
Fire Subsidy	**1 865**		–	**983**	–	983		–
Total Operating Transfers and Grants	**123 618**	**121 753**	**29 383**	**124 672**	**91 315**	**33 357**	**36,5%**	**121 753**
Capital Transfers and Grants								
National Government:	**132 327**	**29 627**	**122 698**	**191 055**	**22 220**	**168 835**	**759,8%**	**29 627**
Municipal Infrastructure Grant (MIG)	29 627	29 627	8 470	29 627	22 220	7 407	33,3%	29 627
Water Infrastructure Grant	92 500		114 228	151 228	–	151 228		–
Intergrated National Electrification Programme	10 200		–	10 200	–	10 200	#DIV/0!	–
District Municipality:	–	**157 702**	–	–	**118 276**	(118 276)	-100,0%	**157 702**
[insert description]	–	**157 702**	–	–	**118 276**	(118 276)	-100,0%	**157 702**
Total Capital Transfers and Grants	**132 327**	**187 329**	**122 698**	**191 055**	**140 496**	**50 558**	**36,0%**	**187 329**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	255 945	309 082	152 082	315 726	231 811	83 915	36,2%	309 082

Below is an analysis of the spending associated with the grants as at 31 March 2019:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M09 March 2019

Description	Budget Year 2018/19							
R thousands	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**117 493**	–	**78**	**3 328**	**78 329**	**(75 000)**	**-95,8%**	**117 493**
Local Government Equitable Share	113 151				75 434	(75 434)	-100,0%	113 151
Finance Management	1 770		72	1 292	1 180	112	9,5%	1 770
MIG - Administration Fees	1 559		6	1 024	1 040	(16)	-1,5%	1 559
EPWP Incentive	1 013			1 013	675	338	50,0%	1 013
Provincial Government:	**2 050**	–	–	–	**1 367**	**(1 367)**	**-100,0%**	**2 050**
Sport and Recreation	2 050		–	–	1 367	(1 367)	-100,0%	2 050
District Municipality:	**2 210**	–	–	–	**1 473**	(1 473)	-100,0%	**2 210**
Local Economic Development	445		–	–	297	(297)	-100,0%	445
Environmental Health Subsidy	1 765				1 177	(1 177)	-100,0%	1 765
Other grant providers:	**1 865**	–	–	–	**1 243**	(1 243)	-100,0%	**1 865**
Fire Subsidy	1 865				1 243	(1 243)		1 865
Total operating expenditure of Transfers and Grants:	**123 618**	–	**78**	**3 328**	**82 412**	**(79 084)**	**-96,0%**	**123 618**
Capital expenditure of Transfers and Grants								
National Government:	**39 827**	–	**5 403**	**38 583**	**26 551**	**12 031**	**45,3%**	**39 827**
Municipal Infrastructure Grant (MIG)	29 627		120	19 447	19 751	(305)	-1,5%	29 627
Water Infrastructure Grant	–		5 284	18 676	–	18 676		–
Intergrated National Electrification Programme	10 200			460	6 800	(6 340)	-93,2%	10 200
Total capital expenditure of Transfers and Grants	**39 827**	–	**5 403**	**38 583**	**26 551**	**12 031**	**45,3%**	**39 827**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**163 445**	–	**5 481**	**41 911**	**108 963**	**(67 052)**	**-61,5%**	**163 445**

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

Grants received from National Government

DORA Operating Grants

Financial Management Grant (FMG)
The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,770,000
Amount of Grant Received:	R 1,770,000
Expenditure to date:	R 1,291,894
Unspent as at 31 March 2019:	R 478,106

The spending of the grant amounted to 72,99% as at 31 March 2019, compared to the amount of the grant received.

Expanded Public Works Programme (EPWP)
The purpose of this grant is to provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive methods can be maximised.

DORA Allocation:	R 1,013,000
Amount of Grant Received:	R 1,013,000
Expenditure to date:	R 1,013,000
Overspent as at 31 March 2019:	R 0

The spending of the grant amounted to 100% as at 31 March 2019, compared to the amount of the grant received.

DORA Capital Grants

Municipal Infrastructure Grant (MIG)
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 31,186,000
Amount of Grant Received:	R 31,186,000
Expenditure to date:	R 20,470,072
Unspent as at 31 March 2019:	R 10,715,928

The spending of the grant amounted to 65,64% as at 31 March 2019, compared to the amount of the grant received.

Integrated National Electrification Programme (INEP)
The purpose of this grant is to implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.

DORA Allocation:	R 10,200,000
Amount of Grant Received:	R 10,200,000
Expenditure to date:	R 460,140
Unspent as at 31 March 2019:	R 9,739,860

The spending of the grant amounted to 4,51% as at 31 March 2019, compared to the amount of the grant received.

Water Services Infrastructure Grant
The purpose of this grant is to implement the meter and internal leak audit, repairs of leaks and water meters, reticulation pipe replacement and reservoir level control.

DORA Allocation:	R 151,228,000
Amount of Grant Received:	R 151,228,000
Expenditure to date:	R 18,675,809
Unspent as at 31 March 2019:	R 132,552,191

The spending of the grant amounted to 12,35% as at 31 March 2019, compared to the amount of the grant received

5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M09 March 2019

Summary of Employee and Councillor remuneration	Budget Year 2018/19							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 232	8 247	682	5 414	6 924	(1 510)	-22%	8 247
Motor Vehicle Allowance	2 747	2 708	227	1 805	2 060	(256)	-12%	2 708
Cellphone Allowance	805	1 288	108	857	604	254	42%	1 288
Sub Total - Councillors	**12 784**	**12 243**	**1 018**	**8 076**	**9 588**	**(1 512)**	**-16%**	**12 243**
Senior Managers of the Municipality								
Basic Salaries and Wages	4 434	6 975	458	3 502	3 325	177	5%	6 975
Pension and UIF Contributions		9	1	6	–	6	#DIV/0!	9
Performance Bonus		158	–	–	–	–		158
Motor Vehicle Allowance		757	58	438	–	438	#DIV/0!	757
Cellphone Allowance		7	1	5	–	5	#DIV/0!	7
Other benefits and allowances	2 956	39	3	28	2 217	(2 189)	-99%	39
Payments in lieu of leave		3	0	1	–	1	#DIV/0!	3
Sub Total - Senior Managers of Municipality	**7 389**	**7 948**	**521**	**3 979**	**5 542**	**(1 564)**	**-28%**	**7 948**
Other Municipal Staff								
Basic Salaries and Wages	161 389	161 691	13 007	105 887	121 042	(15 155)	-13%	161 691
Pension and UIF Contributions	27 035	28 152	2 272	18 310	20 276	(1 967)	-10%	28 152
Medical Aid Contributions	16 559	14 279	1 258	9 532	12 419	(2 887)	-23%	14 279
Overtime	11 345	27 829	2 726	19 174	8 509	10 665	125%	27 829
Performance Bonus	16 117	–	–	–	12 088	(12 088)	-100%	–
Motor Vehicle Allowance	8 701	8 085	571	4 826	6 525	(1 699)	-26%	8 085
Cellphone Allowance		1	–	1	–	1	#DIV/0!	1
Housing Allowances	2 516	930	55	707	1 887	(1 179)	-63%	930
Other benefits and allowances	20 864	20 704	681	17 743	15 648	2 095	13%	20 704
Payments in lieu of leave		1 481	291	1 003	–	1 003	#DIV/0!	1 481
Long service awards	888	1 571	46	661	666	(5)	-1%	1 571
Sub Total - Other Municipal Staff	**265 413**	**264 725**	**20 906**	**177 844**	**199 060**	**(21 215)**	**-11%**	**264 725**
Total Parent Municipality	**285 586**	**284 915**	**22 445**	**189 899**	**214 190**	**(24 291)**	**-11%**	**284 915**
TOTAL SALARY, ALLOWANCES & BENEFITS	**285 586**	**284 915**	**22 445**	**189 899**	**214 190**	**(24 291)**	**-11%**	**284 915**
TOTAL MANAGERS AND STAFF	**272 802**	**272 673**	**21 427**	**181 823**	**204 602**	**(22 779)**	**-11%**	**272 673**

6. Key performance indicators

The table below reflects the key performance indicators as per the 2018/19 Adjustments Budget and the associated performance to date.

Borrowing Management		Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Adjustments Budget 2018/19	Actuals as at 31 March 2019
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	4.50%	3.67%	2.51%	1.77%	1%	1%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.05	0.04	0.03	0.02	0.05	0.06
Liquidity							
Current Ratio	Current assets / current liabilities	0.72	0.85	0.97	1.11	0.94	1,22
Liquidity Ratio	Monetary assets / current liabilities	0.22	0.40	0.47	0.52	0.48	0,98
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	98.91%	97.60%	95.81%	90.73%	94%	97,14%

Other indicators		Actuals as at 30 June 2015	Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Adjustments Budget 2018/19	Actuals as at 31 March 2019
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.82	1.60	1.62	1.72	1.4	2.6
Employee Costs	Employee Costs / Total Operating Expenditure	35.70%	35.62%	33.39%	32.99%	33.26%	36,09%
Capital Expenditure	Capital Expenditure / Capital Budget	241.30%	81.97%	72.92%	72.98%	95%	22,27%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.46%	4.61%	4.94%	3.79%	4.65%	4,60%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.06%	1.17%	1.65%	1.42%	1.72%	1,31%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	69.55%	74.74%	78.69%	80.57%	83.98%	81,06%

The above table is discussed in details below.

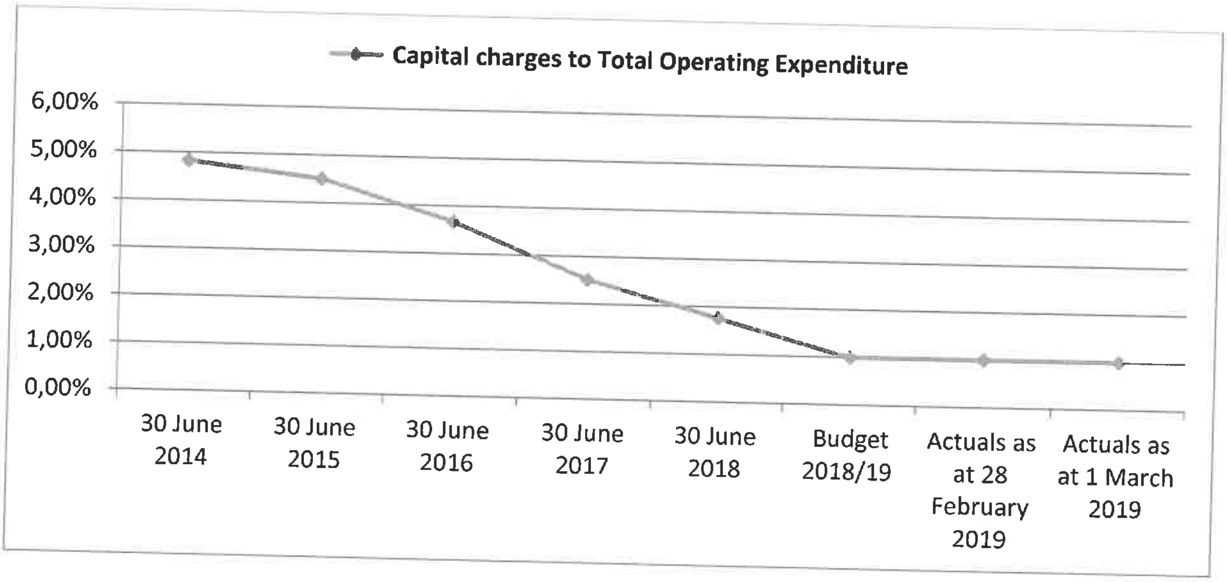
5.1. Borrowing Management

5.1.1. Capital charges to Operating Expenditure

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1% of the Total Operating Expenditure was utilised for capital charges as at 31 March 2019, compared to the budgeted ratio of 1%.



5.1.2. Borrowed funding of capital expenditure

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

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

The ratio is 0% as no capital expenditure was funded from borrowings, which is in line with the budgeted target as per the 2018/19 Operating Budget as no borrowing is planned for the 2018/19 to 2020/21 financial years.

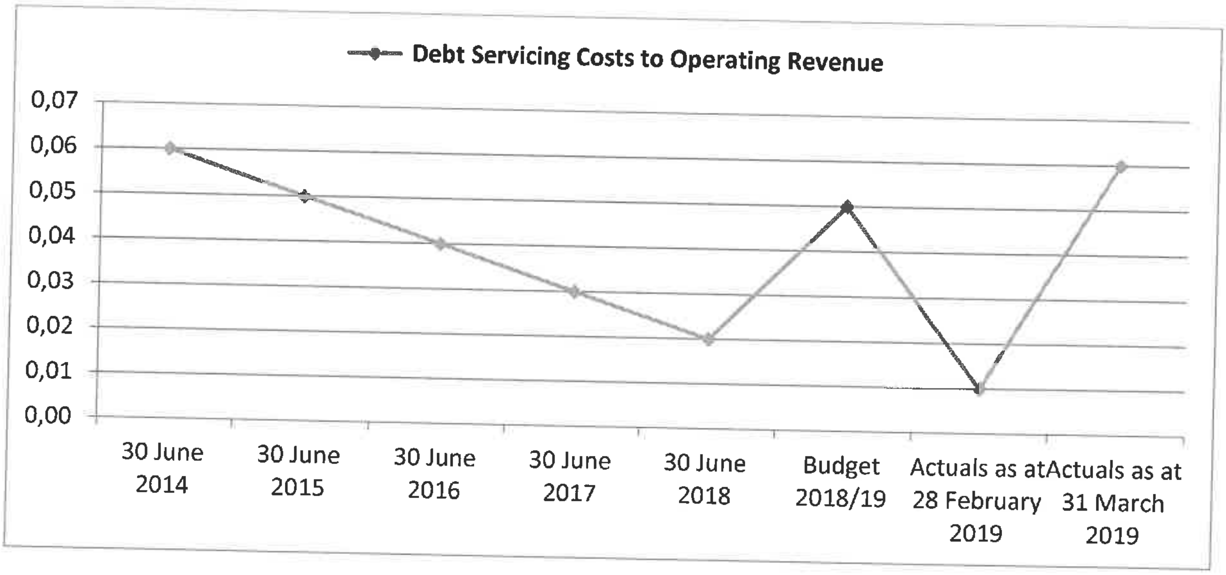
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 March 2019, the ratio was 0.06:1, compared to the budgeted ratio of 0.05:1.



5.2. Liquidity

5.2.1. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

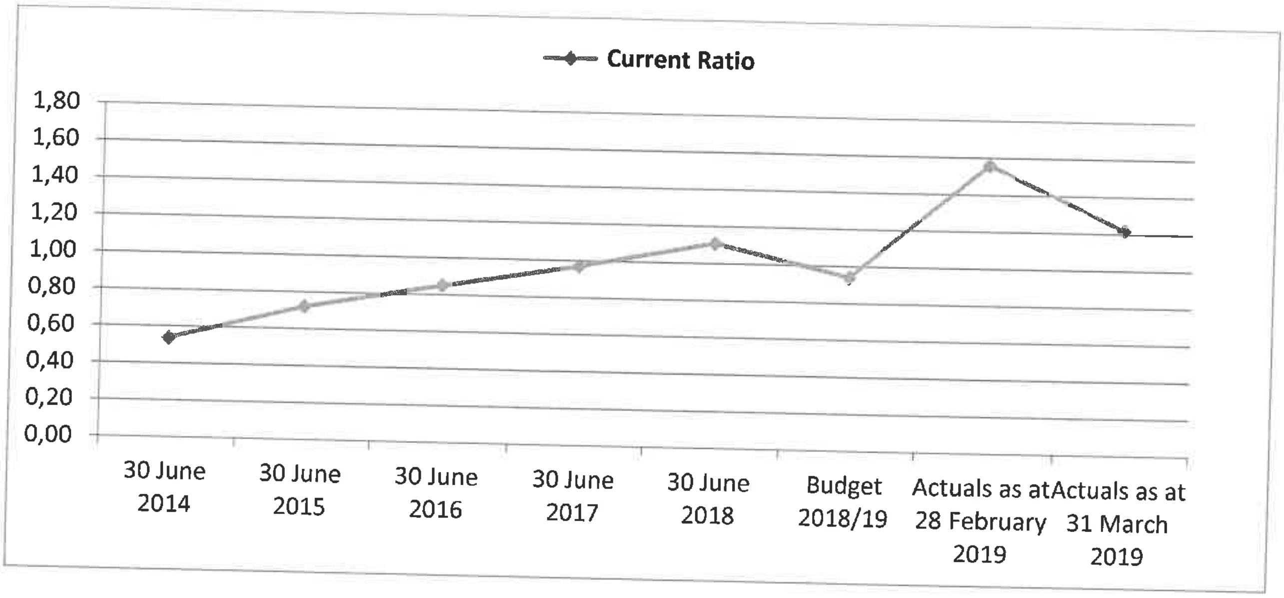
Current assets/Current liabilities

The ratio as at 31 March 2019 was 1.22:1, compared to the budgeted ratio of 0.94:1.

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



5.2.2. Liquidity Ratio

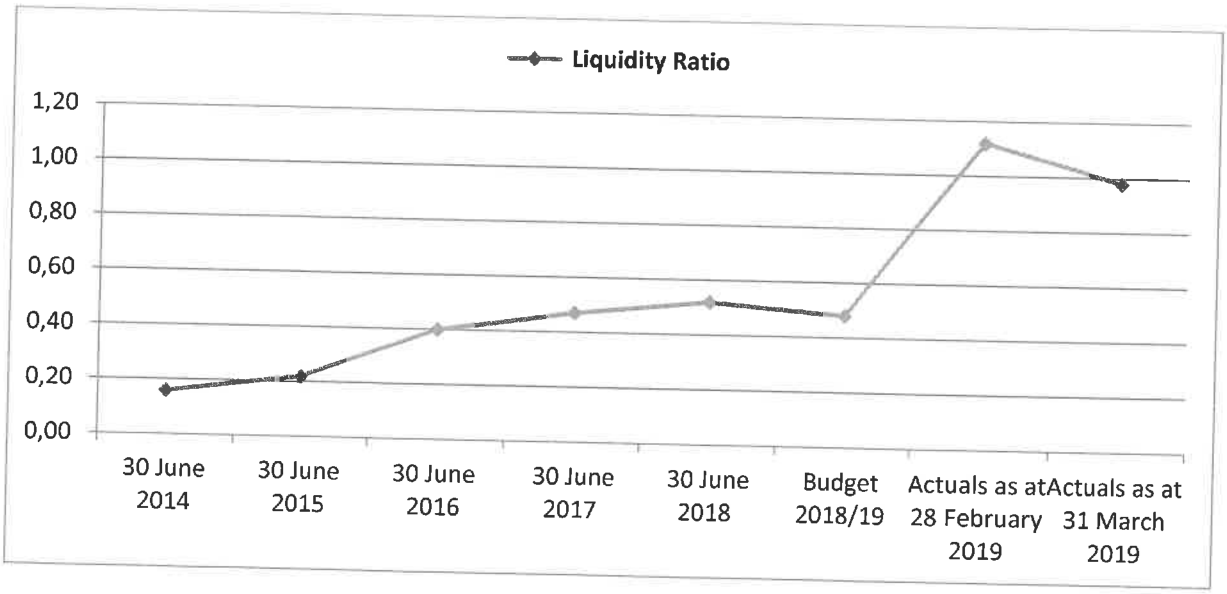
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 March 2019 was 0.98:1, compared to the budgeted ratio of 0.48:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



5.3. Revenue Management

5.3.1. Annual Debtors Collection Rate

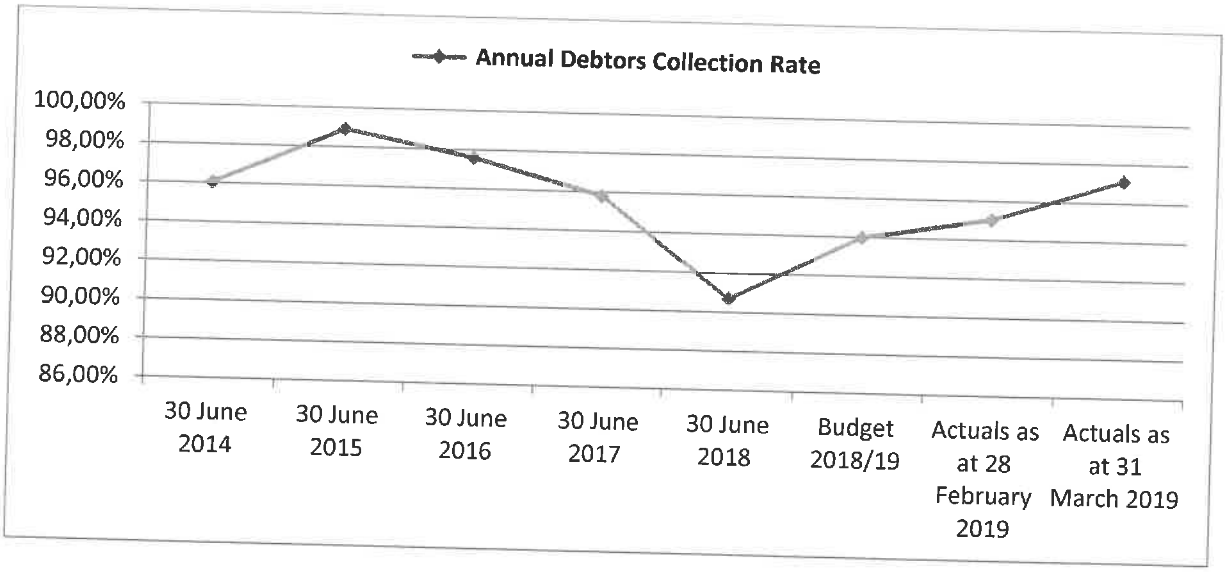
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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

Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100

Note: the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. account-holders are given one calendar month to pay their current accounts).

The average collection rate as at 31 March 2019 was 97,14%, compared to the budgeted collection rate of 94%. The collection rates have been calculated, based on the revenue receipted, compared to the revenue billed on a month – to - month basis.



5.4. Other indicators

5.4.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

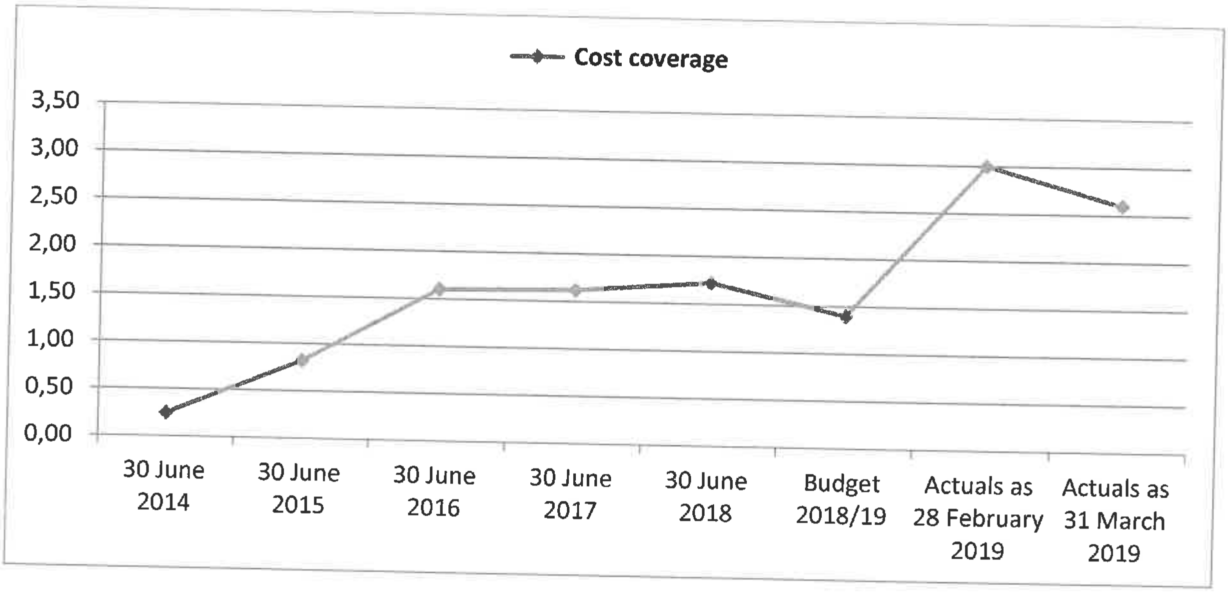
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 31 March 2019, the Ratio was 2.6 months, compared to the budgeted ratio of 1.4 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months



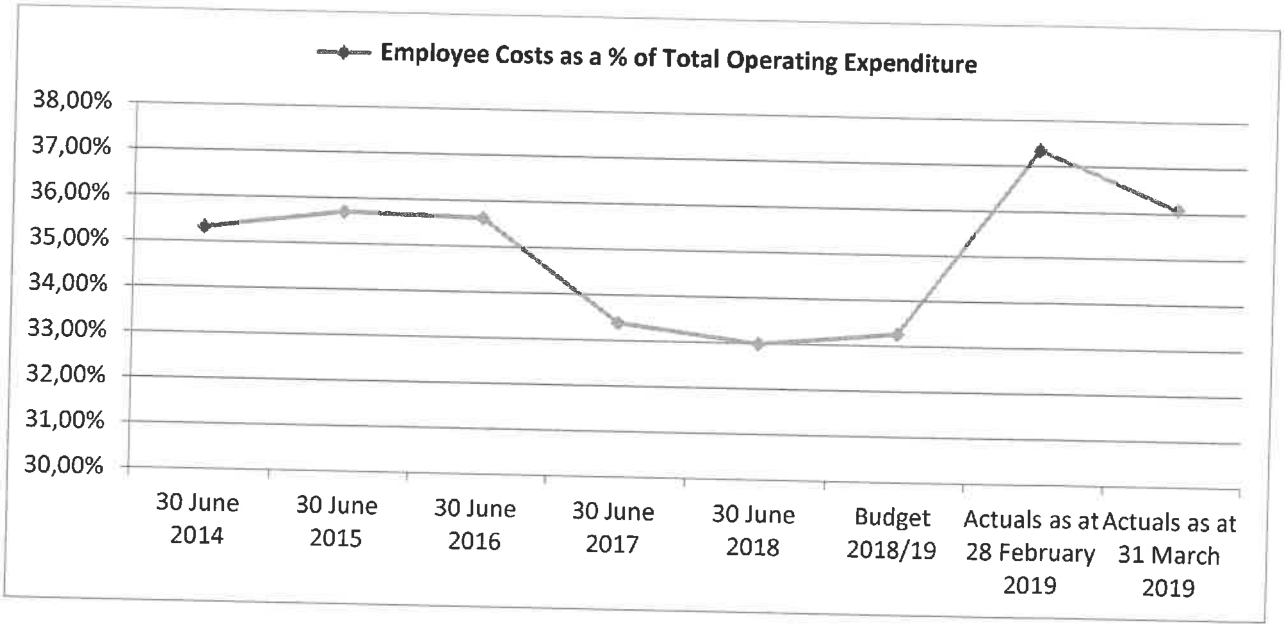
5.4.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 March 2019, Employee Related Costs constituted 36.09% of the Total Operating Expenditure, compared to the budgeted ratio of 33.26%.



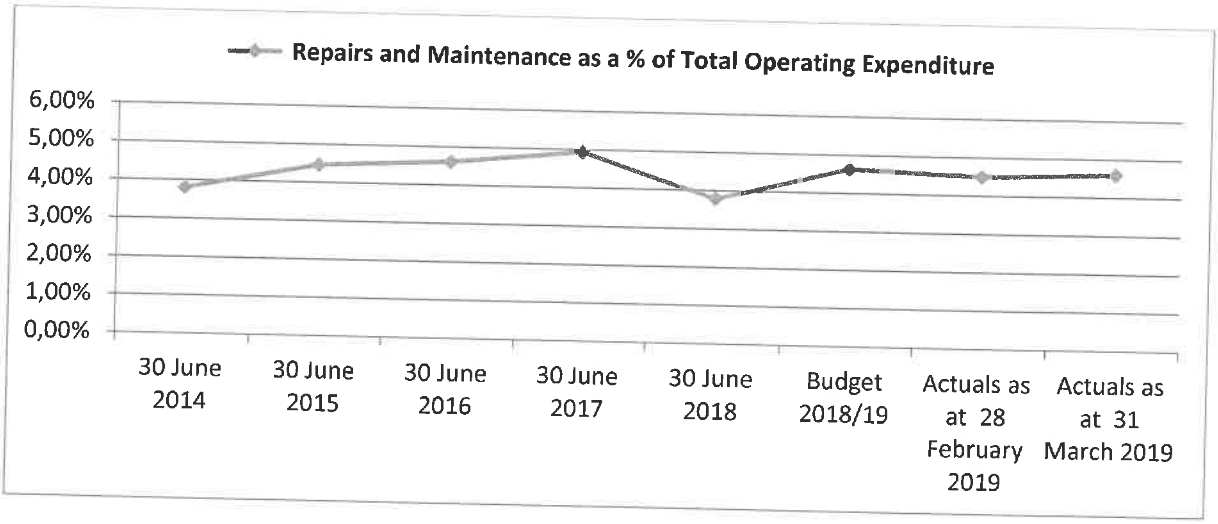
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 31 March 2019, the ratio was 4,60%, compared to the budgeted ratio of 4.65%.



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

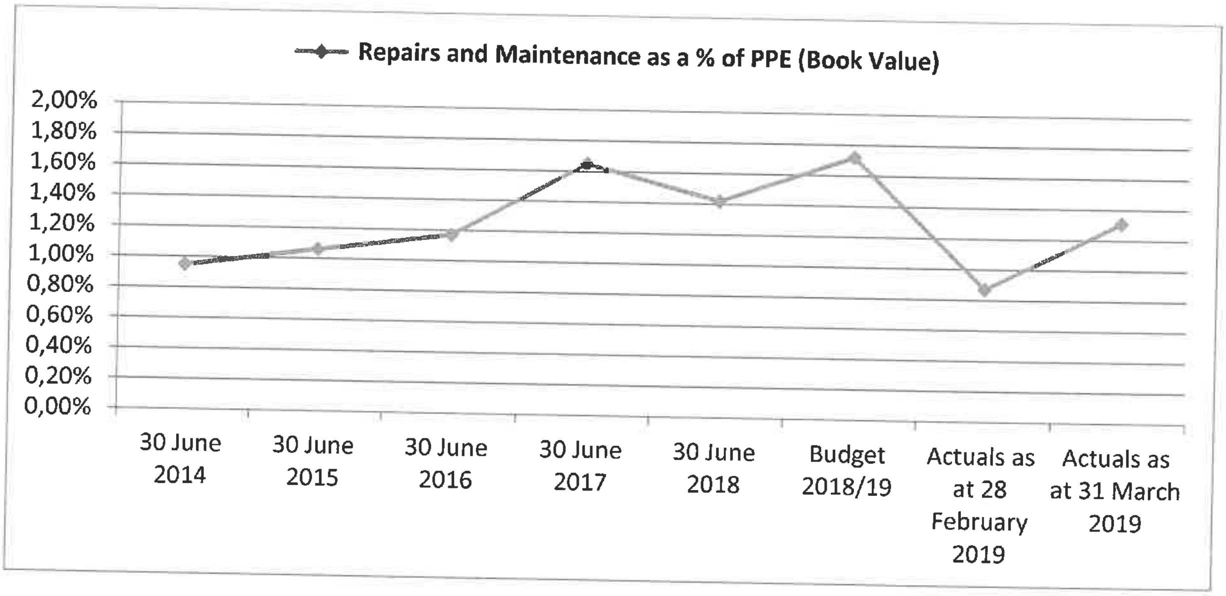
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 March 2019, repairs and maintenance expenditure constituted 1,31% of the book value of PPE, compared to the budgeted ratio of 1.72%.

In terms of the MFMA Circular No.71, the norm is 8%.



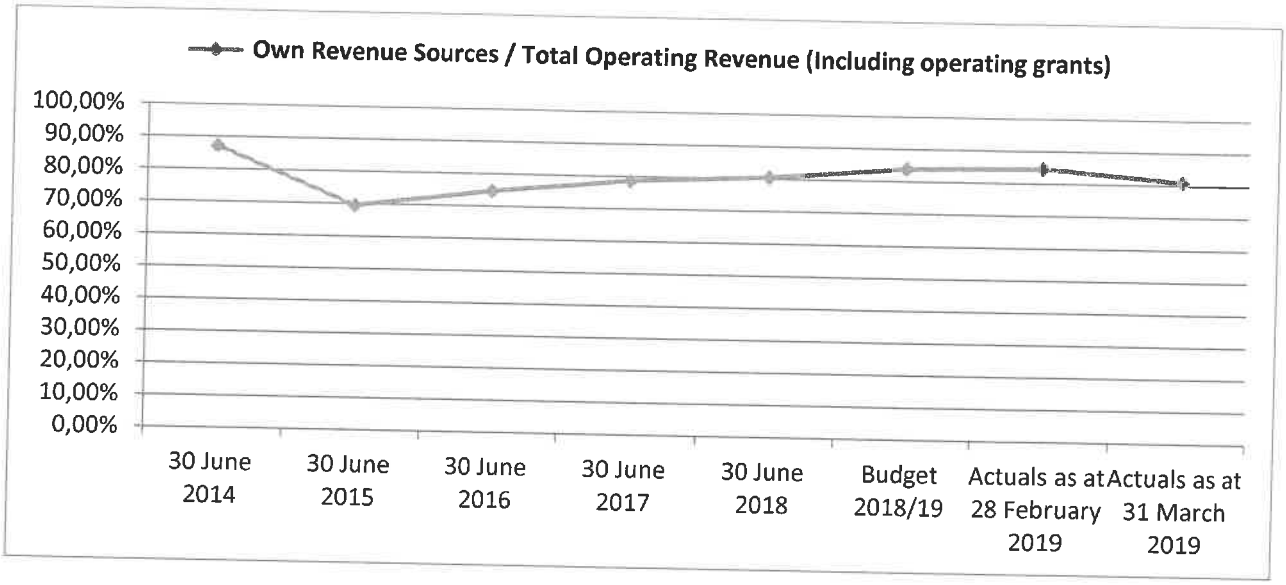
5.4.5. Own Revenue Generation

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

The ratio is determined as follows:

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

As at 31 March 2019, the Municipality's own revenue sources constituted 81.06% of its total Operating Income, compared to the budgeted ratio of 83.98%.



5.4.6. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of March 2019 amounted to 22.27% compared to the budgeted ratio of 95%.