KOUGA MUNICIPALITY (EC108)

FINANCE

DATE: **ITEM NO:**

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MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO NOVEMBER 2019 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 NOVEMBER 2019 (2019/20 FINANCIAL YEAR)

1. Purpose

This report is submitted in compliance with Section 71(1) 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 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 months of July 2019 to November 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 369,583 million, whilst operating expenditure amounted to R 343,458 million, resulting in an operating surplus of R 26,125 million.
- Capital expenditure constituted 21.89% of the 2019/20 Adjusted Capital Budget.
- Overdue consumer debts increased by R 24,337 million (16.68%) since June 2019.

- An amount of R 38,283 million is owing to creditors, of which R 32,705 million (85.43%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 7,126,397 (-3.33%) since June 2019, from R 214,227,548 to R 207,101,151.

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

Ratio	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 November 2018	Actuals as at 30 November 2019	Approved Budget 2019/20
Current Ratio	0.97:1	1.58:1	1.44:1	1.60:1	1.83:1	0.99:1
Liquidity Ratio	0.47:1	0.75:1	0.87:1	0.89:1	1.15:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.62 months	1.73 months	1.90 months	2.07 months	1.86 Months	1.01 months
Debtors Collection Rate	95.81%	90.73%	97.62%	92.03%	91.58%	96%
Capital Expenditure	72.92%	72.98%	44.59%	28.63%	21.89%	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 30 November 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)

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 12/12/2019

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO 30 NOVEMBER 2019.

Below is an analysis of the operating revenue and expenditure performance

	Approved Budget 2019/20	Actuals as at 30 November 2019	%
R thousands			
Revenue By Source			
Property rates	196 717	116 993	59.47%
Service charges - electricity revenue	277 068	98 156	35.43%
Service charges - water revenue	76 105	24 198	31.80%
Service charges - sanitation revenue	46 346	22 250	48.01%
Service charges - refuse revenue	53 732	22 837	42.50%
Rental of facilities and equipment	4 037	291	7.21%
Interest earned - external investments	10 375	6 116	58.95%
Interest earned - outstanding debtors	8 439	5 090	60.31%
Fines, penalties and forfeits	6 397	1 165	18.22%
Licences and permits	16 568	9 817	59.25%
Transfers and subsidies	133 112	57 922	43.51%
Other revenue	7 797	4 749	60.91%
Total Revenue (excluding capital transfers and contributions)	**836 693**	**369 583**	**44.17%**
Expenditure By Type			
Employee related costs	290 942	127 620	43.86%
Remuneration of councillors	13 063	5 180	39.65%
Debt impairment	26 336	–	0.00%
Depreciation & asset impairment	85 101	30 636	36.00%
Finance charges	2 201	1 031	46.83%
Bulk purchases	271 623	120 136	44.23%
Other materials	29 621	10 957	36.99%
Contracted services	80 814	14 774	18.28%
Other expenditure	97 436	33 124	34.00%
Total Expenditure	**897 137**	**343 458**	38.28%
Surplus/(Deficit)	**(60 444)**	**26 125**	

The statement of financial performance indicates a surplus of R 26,125 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 30 November 2019, the Municipality has recognised 59.47% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2019, amounting to R 74,414 million.

Service Charges – Water

This is influenced by the reversal of accrued water revenue amounting to R 7,615 million, recognised in the 2018/19 Annual Financial Statements.

Rental of Facilities

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

This is influenced by the extent of the municipality's investment portfolio, amounting to R 207,101 million.

Interest earned – outstanding debtors

this is influenced by overdue debtors, amounting to R 170,220 million.

Fines, penalties and forfeits

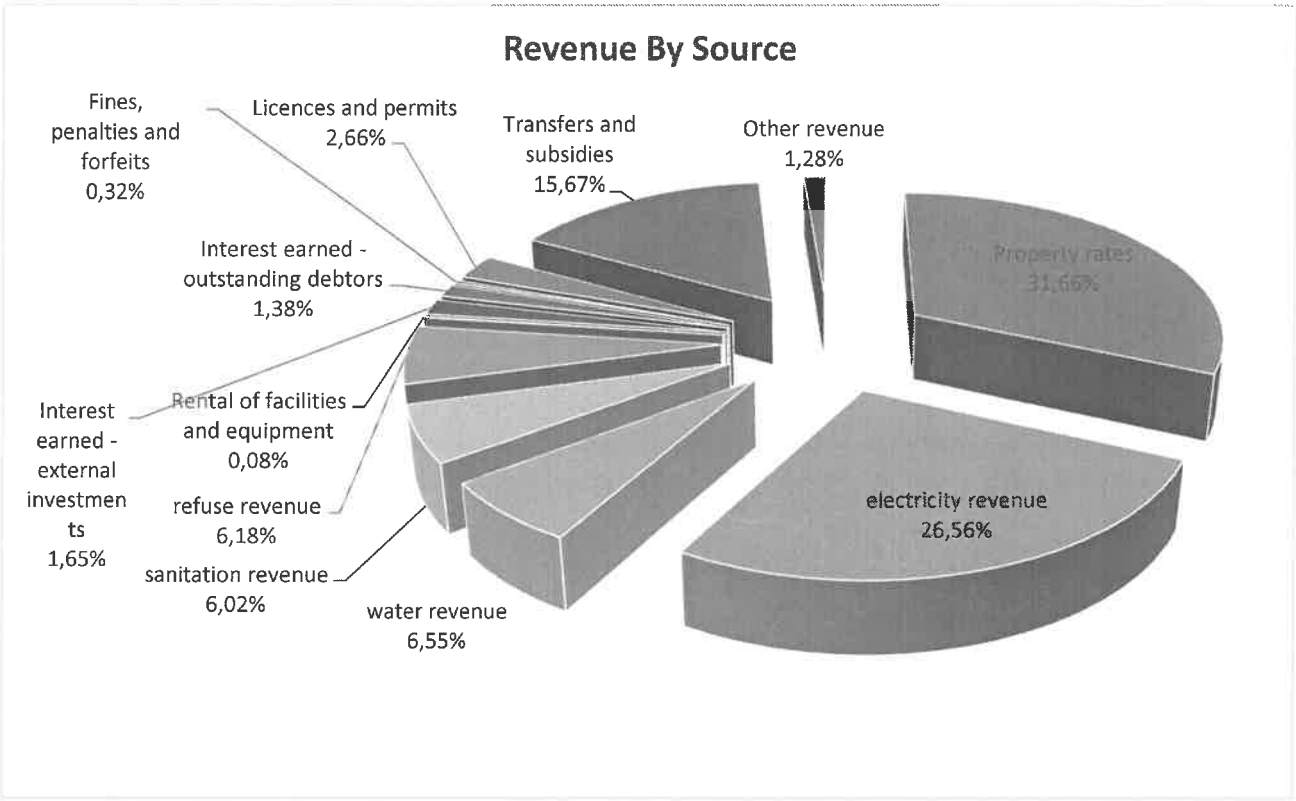
Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

Licences and permits

This is largely influenced by the extent of vehicle registrations.

Transfers and Subsidies

Transfers and subsidies received mainly represents the Equitable Share Allocation in the amount of R 52,058 million.



Expenditure Variations

Bad Debts

Bad debts are written off upon Council approval.

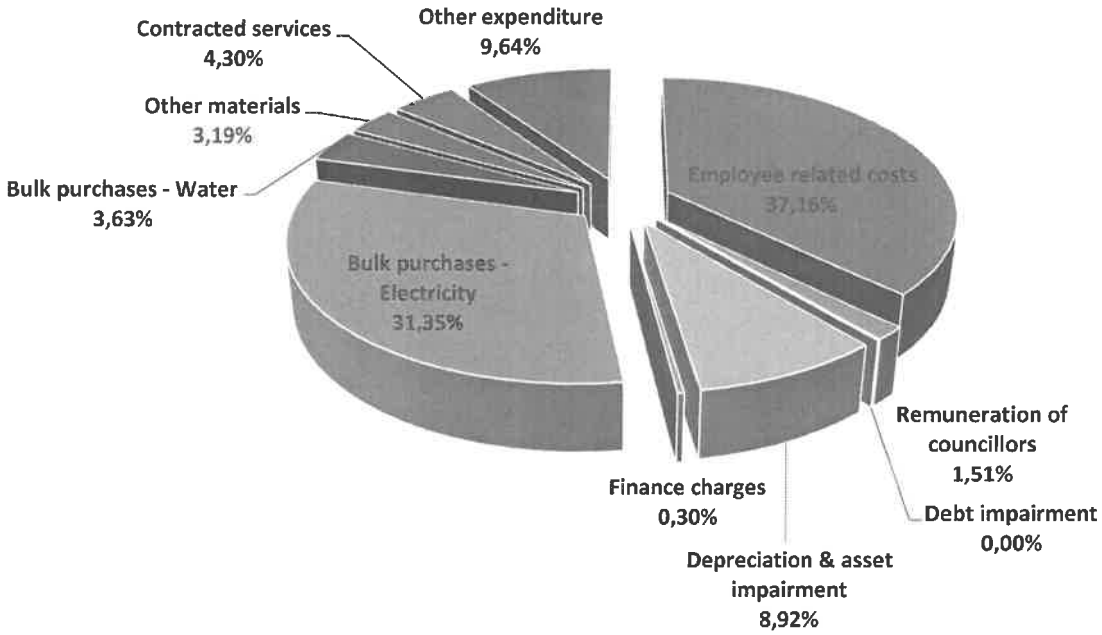
Contracted Services

Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

The contracted services are broken down as follows:

Item Description	Approved Budget 2019/20	Actuals as at 30 November 2019	%
Consultancy and Professional Services	21 484 352	4 265 868	19.86%
Special Rating Area	7 337 700		0.00%
Valuer: Evaluation Roll	2 182 900	9 390	0.43%
Maintenance of Buildings and Facilities	5 393 503	1 588 746	29.46%
Maintenance of Equipment	627 560	114 610	18.26%
Maintenance of Water Infrastructure	1 791 800	776 556	43.34%
Maintenance of Sanitation Infrastructure	847 385	143 609	16.95%
Maintenance of Roads	7 726 060	75 595	0.98%
Maintenance of Vehicles	7 405 488	2 951 409	39.85%
Maintenance of Electrical Infrastructure	3 751 140	1 445 062	38.52%
Maintenance of Other Municipal Infrastructure	1 765 507	720 448	40.81%
Catering Services	669 780	97 887	14.61%
Laboratory Services: Water	672 161	236 643	35.21%
Structural: New Building Offices	1 600 000	-	0.00%
Legal Cost: Legal Advice and Litigation	6 142 000	1 066 060	17.36%
Outsourced Services: Transport Services	599 380	16 750	2.79%
Outsourced Services: Cleaning Services	500 000	-	0.00%
Outsourced Services: Security Services	1 520 083	188 075	12.37%
Legal Cost: Collection	1 578 000	228 274	14.47%
Outsourced Services: Internal Auditors	841 600	27 074	3.22%
Business and Advisory: Qualification Verification	650 000	357 700	55.03%
Outsourced Services: Drivers Licence Cards	850 000	211 088	24.83%
Outsourced Services: Medical Health Surveillance	500 000	81 510	16.30%
Occupational Health and Safety	385 000	12 290	3.19%
Contractors: Employee Wellness	175 000	3 520	2.01%
Outsourced Services: Traffic Fines Management	1 578 000	51 382	3.26%
Outsourced Services: Illegal Dumping	100 000	-	0.00%
Outsourced Services: Litter Picking and Street Cleaning	340 000	26 600	7.82%
Other Contracted Services	1 799 144	78 082	4.34%
	80 813 543	**14 774 227**	**18.28%**

Expenditure By Type



Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2019/20 Approved Budget.

Item Description	Approved Budget 2019/20	Actuals as at 30 November 20	%
Corporate Services			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	20 000	738	3.69%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	300 000	118 486	39.50%
	320 000	**119 224**	**37.26%**
Executive & Council			
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	50 000	-	0.00%
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	10 520	2 942	27.97%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	210 400	98 522	46.83%
	270 920	**101 465**	**37.45%**
Finance			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	94 680	16 126	17.03%
Expenditure:Inventory Consumed:Materials and Supplies	173 580	-	0.00%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	368 200	25 802	7.01%
	636 460	**41 929**	**6.59%**
Infrastructure & Engineering			
Expenditure:Operational Cost:Hire Charges	3 075 800	572 503	18.61%
Expenditure:Inventory Consumed:Materials and Supplies	12 440 964	4 495 279	36.13%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	264 000	123 849	46.91%
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	17 355 640	3 842 166	22.14%
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	252 560	88 970	35.23%
	33 388 964	**9 122 767**	**27.32%**
Planning, Development and Tourism			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	20 000	12 684	63.42%
Expenditure:Inventory Consumed:Materials and Supplies	52 600	-	0.00%
	72 600	**12 684**	**17.47%**
Community Services			
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	3 556 521	1 091 988	30.70%
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	150 000	-	0.00%
Expenditure:Inventory Consumed:Materials and Supplies	1 350 120	509 596	37.74%
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	3 896 192	1 762 608	45.24%
	8 952 833	**3 364 192**	**37.58%**
Total	**43 641 777**	**12 762 260**	**29.24%**

It is to be noted that actual repairs and maintenance expenditure constituted 29.24% of the 2019/20 Approved Budget.

Annexure "A2"

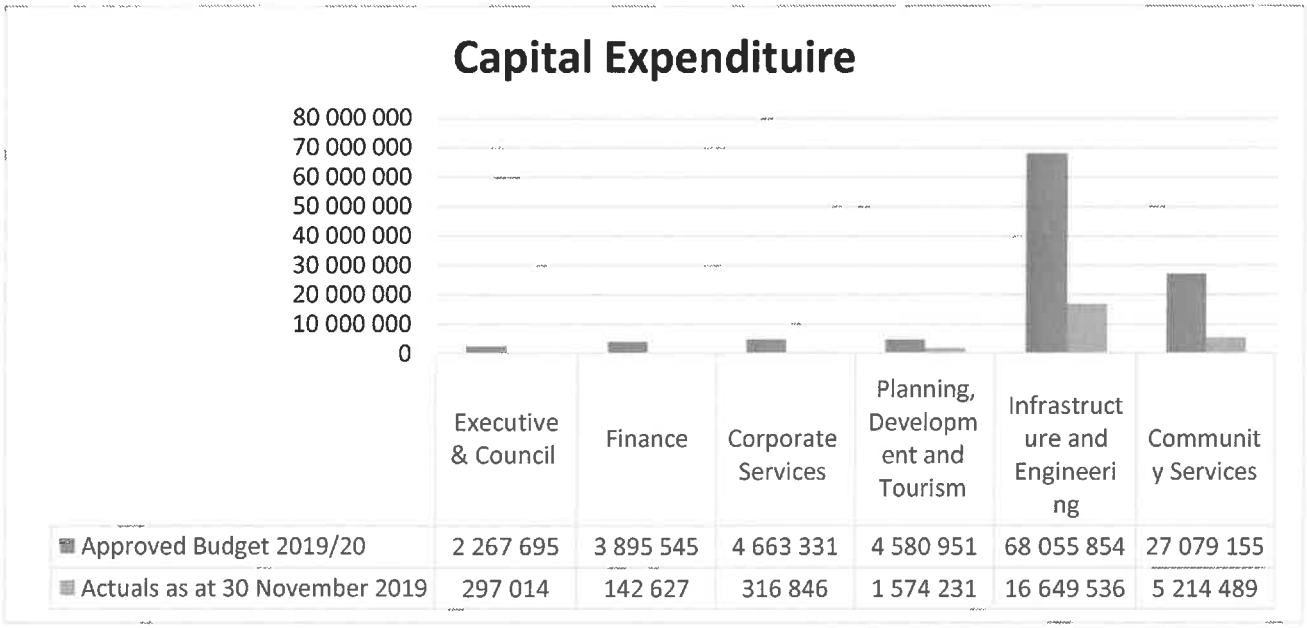
CAPITAL BUDGET PERFORMANCE

Below is an analysis of the capital expenditure compared to the 2019/20 Adjusted Capital Budget.

Projects	Funding	Approved Budget 2019/20	Adjustments	Amended Budget 2019/20	Actuals as at 30 November 2019	% of Budget
EXECUTIVE & COUNCIL						
Computer Equipment	Internal	130 000	60 000	190 000	6 168	3.25%
Furniture and Equipment	Internal	260 000	-	260 000	45 209	17.39%
Ward Councilors Capital (Markets)	Internal	750 000	1 067 695	1 817 695	245 637	13.51%
Security Camera	Internal	60 000	- 60 000			
		1 200 000	**1 067 695**	**2 267 695**	**297 014**	**13.10%**
CORPORATE SERVICES						
Biometric system	Internal	130 000	120 000	250 000	-	0.00%
Buildings	Internal	1 000 000	20 489	1 020 489	172 425	16.90%
Computer Equipment	Internal	198 000	140 582	338 582	1 606	0.47%
Computer Software and Applications	Internal	-	-	-	-	
EDMS	Internal	540 506	670 494	1 211 000	-	0.00%
Fencing of main building	Internal	-	120 000	120 000	-	0.00%
Furniture and Equipment	Internal	550 000	166 571	716 571	142 815	19.93%
Library upgrade Corporate Services	Internal	100 000	356 689	456 689	-	0.00%
Software upgrade	Internal	300 000	-	300 000	-	0.00%
Vehicle	Internal	250 000	-	250 000	-	0.00%
		3 068 506	**1 594 825**	**4 663 331**	**316 846**	**6.79%**
FINANCE						
Cibex Software	Internal	600 000	-	600 000	-	0.00%
Computer Equipment	Internal	300 000	-	300 000	46 883	15.63%
Container (Assets)	Internal	50 000	- 25 000	25 000	-	0.00%
Containers (SCM)	Internal	100 000	-	100 000	-	0.00%
Disaster Recovery Server	Internal	-	644 106	644 106	-	0.00%
DOT MATRIX PRINTER	Internal	-	197 489	197 489	-	0.00%
Fencing (Stores)	Internal	150 000	-	150 000	-	0.00%
Filing system (SCM)	Internal	350 000	-	350 000	-	0.00%
Furniture and Equipment	Internal	300 000	25 000	325 000	25 615	7.88%
Office upgrade ICT	Internal	-	153 950	153 950	70 130	45.55%
Shelving (SCM)	Internal	200 000	-	200 000	-	0.00%
Vehicle	Internal	300 000	300 000	600 000	-	0.00%
WIFI Solution	Internal	250 000	-	250 000	-	0.00%
		2 600 000	**1 295 545**	**3 895 545**	**142 627**	**3.66%**
PLANNING,DEVELOPMENT & TOURISM						
Arts and Creative Industries	DISTRICT	100 000	-	100 000	-	0.00%
Computer Equipment	Internal	60 000	-	60 000	41 188	68.65%
Computer Software and Applications	Internal	300 000	-	300 000	-	0.00%
Furniture and equipment	Internal	200 000	-	200 000	-	0.00%
Land acquisition housing projects	Internal	1 700 000	-	1 700 000	1 533 043	90.18%
LED Capital Projects	Internal	1 000 000	-	1 000 000	-	0.00%
Mini Fresh Food and Craft Markets in Jeffrey's Bay & Hankey	MIG	1 220 951	-	1 220 951	-	0.00%
		4 580 951	-	**4 580 951**	**1 574 231**	**34.36%**
COMMUNITY SERVICES						
Fencing - Hdorp	Internal	1 300 000	-	1 300 000	558 000	42.92%
Machinery and Equipment	Internal	1 400 000	253 637	1 653 637	521 575	31.54%
Vehicle	Internal	4 265 100	- 821 255	3 443 845	1 510 212	43.85%
Furniture and Equipment	Internal	350 000	- 11 900	338 100	71 846	21.25%
Bins _with_wheels	Internal	2 000 000	-	2 000 000	2 000 000	100.00%
Life Gaurds Beach Tower	Internal	100 000	123 600	223 600	96 212	43.03%
Upgrading of Sports Facilities	MIG	5 564 599	-	5 564 599	13 200	0.24%
Upgrading of Kwanomzamo Sports Facility	MIG	5 413 043	-	5 413 043	-	0.00%
Computer Equipment	Internal	300 000	-	300 000	242 521	80.84%
Fencing Fire Station Hankey	Internal	300 000	-	300 000	-	0.00%
Weston Library Upgrade	Internal	-	11 900	11 900	11 800	99.16%
Vehicle	DISTRICT		3 665 100	3 665 100	-	0.00%
Upgrading of Yellow Woods	Internal	150 000	-	150 000	-	0.00%
Upgrading of play parks	Internal	200 000	-	200 000	28 650	14.33%
Upgrading of Pellsrus, Kabeljous, Cape St Francis Beach parks	Internal	450 000	-	450 000	132 425	29.43%
Vehicles	Internal	1 150 000	-	1 150 000	-	0.00%
Upgrading of sport & recreation facilities	Internal	500 000	-	500 000	-	0.00%
HYDRAULICS RESCUE EQUIPMENT	Internal	-	415 331	415 331	28 048	6.75%
		23 442 742	**3 636 413**	**27 079 155**	**5 214 489**	**19.26%**

Projects	Funding			Approved Budget 2019/20	Actuals as at 31 October 2019	% of Budget
INFRASTRUCTURE & ENGINEERING						
Furniture and Equipment	Internal	10 000	-	10 000	-	0.00%
Computer Equipment	Internal	25 000	-	25 000	-	0.00%
Machinery and equipment	Internal	330 000	-	330 000	240 901	73.00%
Vehicles	Internal	2 600 000	5 085 469	7 685 469	5 124 053	66.67%
Energy and Demand Side Management	energy	-	3 478 261	3 478 261	- 1 739 130	-50.00%
Energy and Demand Side Management	INEP	3 478 261	- 3 478 261		-	
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	1 800 000	-	1 800 000	-	0.00%
Outfall Sewers Capital	Internal	-	882 619	882 619	195 473	22.15%
Upgrading of the Ses Vista Wastewater Treatment Wo	MIG	13 011 229	-	13 011 229	5 206 591	40.02%
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363 655	-	363 655	-	0.00%
Patensie Sewage Package Plant	MIG	5 650 392	-	5 650 392	-	0.00%
Upgrade Sanitation System Old Hankey	MIG	434 783	-	434 783	-	0.00%
LV Networks (Informal Areas, Electrification/illeg	Internal	1 000 000	-	1 000 000	-	0.00%
Pump Station Capital	Internal	750 000	-	750 000	-	0.00%
Security Camera	Internal	200 000	-	200 000	-	0.00%
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1 500 000	-	1 500 000	350 000	23.33%
Roads Capital	Internal	1 500 000	-	1 500 000	-	0.00%
Bucket Eradication Programme	Internal	2 300 000	2 131 523	4 431 523	214 942	4.85%
St Francis bulk main outfall sewer	Internal	500 000	-	500 000	-	0.00%
Sewer REPLACE OLD PUMPS	Internal	750 000	-	750 000	47 936	6.39%
Electrcial replacement of old and dangerous swith gear Saffery Sub station Humansdorp	Internal	2 000 000	-	2 000 000	-	0.00%
Electrcial Replacement of old mv cables to main sub staion Humansdorp	Internal	1 200 000	-	1 200 000	-	0.00%
Electrcial supply of tri switches St francis Bay	Internal	200 000	-	200 000	-	0.00%
Electrcial Supply auto recloser St Francis Bay	Internal	400 000	-	400 000	-	0.00%
Electrical Mini sub station 22 000/11000/400 St Francis Bay	Internal	700 000	-	700 000	-	0.00%
Electrcial 5 MV 22000/11000 transformer	Internal	1 400 000	-	1 400 000	-	0.00%
Electrical Oil circuit breakers replacement with vacuum or gas breakers	Internal	800 000	-	800 000	-	0.00%
Purchase storage containers (3)	Internal	200 000	-	200 000	38 478	19.24%
KwaNomzamo Wastewater Treatment Works	WSIG_NT	8 695 652	1	8 695 653	299 269	3.44%
Humansdorp, Kruisfontein and Osean View Electrification	INEP	5 219 130	-	5 219 130	101 400	1.94%
High Mast Lights	Internal	1 200 000	-	1 200 000	-	0.00%
CONCRETE POLES	Internal	-	197 246	197 246	171 518	86.96%
SOLAR LIGHTS	Internal	-	753 449	753 449	332 093	44.08%
conversion from conventional meter to pre paid meter and moving of meter to boundary wall	Internal	-	195 888	195 888	170 337	86.96%
purchase of mini sub station 11000/400,22000/400	Internal	-	591 557	591 557	-	0.00%
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-	-	-	153 873	
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-	-	-	167 996	
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-	-	-	311 216	
DEVELOP NATURAL SPRINGS AND CONVEYANCE	WSIG_NT	-	-	-	1 109 500	
HANKEY WATER SUPPLY	WSIG_DWS	-	-	-	1 566 624	
HUMANSDORP WATER SUPPLY	WSIG_DWS	-	-	-	84 873	
REFURBISH AND UPGRADE WATER TREATMENT WORKS	WSIG_NT	-	-	-	1 594 873	
PATENSIE WATER SUPPLY	WSIG_DWS	-	-	-	249 587	
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-	-	-	657 133	
		58 218 102	**9 837 752**	**68 055 854**	**16 649 536**	**24.46%**
		93 110 301	**17 432 230**	**110 542 531**	**24 194 744**	**21.89%**
Internally generated funds		41993506	15732229	57 725 735	14 417 739	24.98%
Transfers recognised - capital		51 116 795	1700001	52 816 796	9 777 005	18.51%
Total		**93 110 301**	**17 432 230**	**110 542 531**	**24 194 744**	**21.89%**

It is to be noted that capital expenditure as at 30 November 2019 amounted to 21.89%, compared to the adjusted capital budget of R 110,542,531.



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Approved Budget 2019/20	2 267 695	3 895 545	4 663 331	4 580 951	68 055 854	27 079 155
Actuals as at 30 November 2019	297 014	142 627	316 846	1 574 231	16 649 536	5 214 489

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2019/20 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 November 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 – M05 November 2019

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			188 848		14 245	109 997	78 687	31 310	40%	188 848
Service charges			435 121		33 858	177 102	181 300	(4 199)	-2%	435 121
Other revenue			34 799		5 768	37 549	14 500	23 050	159%	34 799
Government - operating			133 112		1 105	57 888	55 463	2 424	4%	133 112
Government - capital			58 063		–	20 768	24 193	(3 425)	-14%	58 063
Interest			18 476		2 289	11 597	7 699	3 899	51%	18 476
Dividends			–		–	–	–	–		–
Payments										
Suppliers and employees			(783 499)		(90 855)	(387 953)	(326 458)	61 496	-19%	(783 499)
Finance charges			(2 201)		(182)	(1 031)	(917)	114	-12%	(2 201)
Transfers and Grants			–			–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**82 720**	–	**(33 773)**	**25 917**	**34 467**	**8 550**	**25%**	**82 720**
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			(93 110)		(1 481)	(29 824)	(38 796)	(8 972)	23%	(93 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(93 110)**	–	**(1 481)**	**(29 824)**	**(38 796)**	**(8 972)**	**23%**	**(93 110)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–	–	–	–	–	–		–
Borrowing long term/refinancing			–	–	–	–	–	–		–
Increase (decrease) in consumer deposits			–	–	–	–	–	–		–
Payments										
Repayment of borrowing			(7 999)	–	(668)	(3 219)	(3 333)	(114)	3%	(7 999)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(7 999)**	–	**(668)**	**(3 219)**	**(3 333)**	**(114)**	**3%**	**(7 999)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(18 389)**	–	**(35 921)**	**(7 126)**	**(7 662)**			**(18 389)**
Cash/cash equivalents at beginning:			84 707	–		214 228	84 707			214 228
Cash/cash equivalents at month/year end:		–	66 318	–		207 101	77 045			195 838

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 2019/20 budget performance for the period July 2019 to November 2019 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M05 November 2019

Description R thousands	2018/19 Audited Outcome	Budget Year 2019/20 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	184 331	196 717	196 717	11 250	116 993	81 965	35 027	43%	196 717
Service charges	413 281	453 251	453 251	21 868	167 441	188 854	(21 413)	-11%	453 251
Investment revenue	11 947	10 375	10 375	1 185	6 116	4 323	1 793	41%	10 375
Transfers and subsidies	122 879	133 112	133 112	1 105	57 922	55 463	2 459	4%	133 112
Other own revenue	109 691	43 238	43 238	5 047	21 112	18 016	3 096	17%	43 238
Total Revenue (excluding capital transfers and contributions)	**842 129**	**836 693**	**836 693**	**40 454**	**369 583**	**348 622**	**20 961**	**6%**	**836 693**
Employee costs	274 158	290 942	290 942	36 801	127 620	121 225	6 395	5%	290 942
Remuneration of Councillors	12 202	13 063	13 063	1 043	5 180	5 443	(263)	-5%	13 063
Depreciation & asset impairment	75 856	85 101	85 101	6 127	30 636	35 459	(4 822)	-14%	85 101
Finance charges	6 638	2 201	2 201	182	1 031	917	114	12%	2 201
Materials and bulk purchases	260 452	301 244	301 378	38 572	131 094	125 574	5 520	4%	301 378
Transfers and subsidies	–	–	250	–	–	104	(104)	-100%	250
Other expenditure	188 780	204 586	204 366	10 924	47 898	85 151	(37 253)	-44%	204 366
Total Expenditure	**818 087**	**897 137**	**897 301**	**93 650**	**343 458**	**373 872**	**(30 414)**	**-8%**	**897 301**
Surplus/(Deficit)	**24 042**	**(60 444)**	**(60 608)**	**(53 196)**	**26 125**	**(25 251)**	**51 376**	**-203%**	**(60 608)**
Transfers and subsidies - capital (monetary allo	94 020	58 063	58 063	7 920	23 428	24 193	(765)	-3%	58 063
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**	**50 611**	**-4786%**	**(2 545)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**	**50 611**	**-4786%**	**(2 545)**
Capital expenditure & funds sources									
Capital expenditure	**164 098**	**93 110**	**110 543**	**1 288**	**24 195**	**46 059**	**(21 865)**	**-47%**	**110 543**
Capital transfers recognised	9 777	51 117	52 817	–	9 777	22 007	(12 230)	-56%	52 817
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	8 376	41 994	57 726	1 288	14 418	24 052	(9 635)	-40%	57 726
Total sources of capital funds	**18 153**	**93 110**	**110 543**	**1 288**	**24 195**	**46 059**	**(21 865)**	**-47%**	**110 543**
Financial position									
Total current assets	–	173 204	–		329 005				173 204
Total non current assets	–	2 317 635	–		2 261 606				2 317 635
Total current liabilities	–	175 225	–		179 430				175 225
Total non current liabilities	–	184 979	–		179 799				184 979
Community wealth/Equity	–	**2 130 635**	–		**2 231 381**				**2 130 635**
Cash flows									
Net cash from (used) operating	–	82 720	–	(33 773)	25 917	34 467	8 550	25%	82 720
Net cash from (used) investing	–	(93 110)	–	(1 481)	(29 824)	(38 796)	(8 972)	23%	(93 110)
Net cash from (used) financing	–	(7 999)	–	(668)	(3 219)	(3 333)	(114)	3%	(7 999)
Cash/cash equivalents at the month/year end	–	**66 318**	–	–	**207 101**	**77 045**	**(130 056)**	**-169%**	**195 838**
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	30 588	6 610	4 994	18 066	3 627	3 533	19 366	114 026	200 809
Creditors Age Analysis									
Total Creditors	32 705	5 477	125	36	50	8	13	(131)	38 283

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) – M05 November 2019

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**395 119**	**339 475**	**339 475**	**31 305**	**179 735**	**141 448**	38 287	27%	**339 475**
Executive and council		18	27	27	–	4	11	(8)	-68%	27
Finance and administration		395 101	339 448	339 448	31 305	179 731	141 437	38 294	27%	339 448
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**11 923**	**14 266**	**14 266**	**1 075**	**5 561**	**5 944**	(384)	-6%	**14 266**
Community and social services		2 378	2 479	2 479	27	1 925	1 033	892	86%	2 479
Sport and recreation		5 048	7 867	7 867	384	2 930	3 278	(348)	-11%	7 867
Public safety		1 855	1 984	1 984	1	11	827	(816)	-99%	1 984
Housing		–	–	–	–	–	–	–		–
Health		2 642	1 936	1 936	663	695	807	(112)	-14%	1 936
Economic and environmental services		**18 987**	**19 616**	**19 616**	**2 913**	**12 888**	**8 173**	4 714	58%	**19 616**
Planning and development		5 606	6 667	6 667	362	4 432	2 778	1 654	60%	6 667
Road transport		12 873	11 844	11 844	2 454	7 892	4 935	2 957	60%	11 844
Environmental protection		507	1 105	1 105	98	563	460	103	22%	1 105
Trading services		**510 113**	**521 398**	**521 398**	**13 079**	**194 828**	**217 249**	(22 421)	-10%	**521 398**
Energy sources		250 976	293 789	293 789	3 479	98 701	122 412	(23 712)	-19%	293 789
Water management		130 577	87 929	87 929	14 198	44 671	36 637	8 034	22%	87 929
Waste water management		74 949	83 574	83 574	(9 042)	27 305	34 823	(7 518)	-22%	83 574
Waste management		53 612	56 106	56 106	4 445	24 152	23 377	774	3%	56 106
Other	4	**7**	–	–	–	–	–	–		–
Total Revenue - Functional	2	**936 150**	**894 756**	**894 756**	**48 373**	**393 011**	**372 815**	**20 196**	**5%**	**894 756**
Expenditure - Functional										
Governance and administration		**185 960**	**222 961**	**222 375**	**17 865**	**71 821**	**92 655**	(20 834)	-22%	**222 375**
Executive and council		37 959	45 089	44 608	4 383	16 571	18 586	(2 015)	-11%	44 608
Finance and administration		148 001	177 872	177 748	13 482	55 249	74 061	(18 811)	-25%	177 748
Internal audit		–	–	20	–	–	8	(8)	-100%	20
Community and public safety		**79 412**	**85 190**	**87 040**	**10 358**	**34 406**	**36 266**	(1 860)	-5%	**87 040**
Community and social services		8 862	10 612	10 612	1 067	3 596	4 422	(826)	-19%	10 612
Sport and recreation		42 452	44 086	44 836	4 934	16 684	18 681	(1 997)	-11%	44 836
Public safety		20 994	22 264	22 264	3 192	10 498	9 277	1 221	13%	22 264
Housing		2 614	3 228	4 328	539	1 644	1 803	(160)	-9%	4 328
Health		4 489	4 999	4 999	627	1 984	2 083	(99)	-5%	4 999
Economic and environmental services		**105 416**	**116 851**	**116 936**	**9 851**	**41 434**	**48 723**	(7 289)	-15%	**116 936**
Planning and development		27 587	34 459	34 444	2 880	11 714	14 351	(2 638)	-18%	34 444
Road transport		75 517	80 642	80 642	6 925	29 041	33 601	(4 560)	-14%	80 642
Environmental protection		2 313	1 751	1 851	46	680	771	(91)	-12%	1 851
Trading services		**444 073**	**467 649**	**467 549**	**55 577**	**195 776**	**194 811**	965	0%	**467 549**
Energy sources		234 943	285 024	285 024	36 921	122 306	118 760	3 547	3%	285 024
Water management		88 242	80 898	79 388	6 907	29 505	33 078	(3 573)	-11%	79 388
Waste water management		59 124	51 081	52 591	5 438	24 017	21 913	2 104	10%	52 591
Waste management		61 765	50 646	50 546	6 311	19 948	21 061	(1 112)	-5%	50 546
Other		**3 225**	**4 486**	**3 401**	–	**21**	**1 417**	**(1 396)**	**-99%**	**3 401**
Total Expenditure - Functional	3	**818 087**	**897 137**	**897 301**	**93 650**	**343 458**	**373 872**	**(30 414)**	**-8%**	**897 301**
Surplus/ (Deficit) for the year		**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**	**50 611**	**-4786%**	**(2 545)**

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 – M05 November 2019

Vote Description	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Revenue by Vote								
Vote 1 - EXECUTIVE COUNCIL	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES	333 857	333 857	13 367	178 473	139 107	39 366	28.3%	333 857
Vote 3 - CORPORATE SERVICES	27	27	–	270	11	259	2296.1%	27
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	4 052	4 052	291	1 637	1 688	(51)	-3.0%	4 052
Vote 5 - INFRASTRUCTURE AND ENGINEERING	468 908	468 908	26 667	174 171	195 378	(21 207)	-10.9%	468 908
Vote 6 - COMMUNITY SERVICES	20 256	20 256	2 801	10 674	8 440	2 234	26.5%	20 256
Vote 7 - COMMUNITY SERVICES (CONTINUED)	67 656	67 656	5 249	27 786	28 190	(404)	-1.4%	67 656
Total Revenue by Vote	**894 756**	**894 756**	**48 373**	**393 011**	**372 815**	**20 196**	**5.4%**	**894 756**
Expenditure by Vote								
Vote 1 - EXECUTIVE COUNCIL	43 826	43 076	4 043	15 007	17 948	(2 941)	-16.4%	43 076
Vote 2 - FINANCIAL SERVICES	93 059	93 059	5 719	25 839	38 774	(12 934)	-33.4%	93 059
Vote 3 - CORPORATE SERVICES	51 140	51 140	4 461	17 322	21 308	(3 986)	-18.7%	51 140
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	22 412	22 412	2 207	7 508	9 338	(1 830)	-19.6%	22 412
Vote 5 - INFRASTRUCTURE AND ENGINEERING	515 897	515 897	56 963	209 325	214 956	(5 631)	-2.6%	515 897
Vote 6 - COMMUNITY SERVICES	54 604	54 604	6 553	21 996	22 751	(755)	-3.3%	54 604
Vote 7 - COMMUNITY SERVICES (CONTINUED)	116 198	117 113	13 704	46 460	48 797	(2 337)	-4.8%	117 113
Total Expenditure by Vote	**897 137**	**897 301**	**93 650**	**343 458**	**373 872**	**(30 414)**	**-8.1%**	**897 301**
Surplus/ (Deficit) for the year	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**	**50 611**	**-4785.9%**	**(2 545)**

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 segments 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) – M05 November 2019

Description	Ref	2018/19	Budget Year 2019/20							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		184 331	196 717	196 717	11 250	116 993	81 965	35 027	43%	196 717
Service charges - electricity revenue		242 848	277 068	277 068	20 911	98 156	115 445	(17 289)	-15%	277 068
Service charges - water revenue		75 591	76 105	76 105	5 969	24 198	31 710	(7 512)	-24%	76 105
Service charges - sanitation revenue		44 023	46 346	46 346	(9 189)	22 250	19 311	2 940	15%	46 346
Service charges - refuse revenue		50 819	53 732	53 732	4 176	22 837	22 388	448	2%	53 732
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		609	4 037	1 024	71	291	427	(136)	-32%	1 024
Interest earned - external investments		11 947	10 375	10 375	1 185	6 116	4 323	1 793	41%	10 375
Interest earned - outstanding debtors		8 288	8 439	8 439	990	5 090	3 516	1 573	45%	8 439
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		21 334	6 397	6 397	445	1 165	2 665	(1 500)	-56%	6 397
Licences and permits		15 793	16 568	16 568	2 376	9 817	6 903	2 913	42%	16 568
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		122 879	133 112	133 112	1 105	57 922	55 463	2 459	4%	133 112
Other revenue		63 468	7 797	10 810	1 164	4 749	4 504	245	5%	10 810
Gains on disposal of PPE		200	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**842 129**	**836 693**	**836 693**	**40 454**	**369 583**	**348 622**	**20 961**	**6%**	**836 693**
Expenditure By Type										
Employee related costs		274 158	290 942	290 942	36 801	127 620	121 225	6 395	5%	290 942
Remuneration of councillors		12 202	13 063	13 063	1 043	5 180	5 443	(263)	-5%	13 063
Debt impairment		44 146	26 336	26 336	–	–	10 973	(10 973)	-100%	26 336
Depreciation & asset impairment		75 856	85 101	85 101	6 127	30 636	35 459	(4 822)	-14%	85 101
Finance charges		6 638	2 201	2 201	182	1 031	917	114	12%	2 201
Bulk purchases		234 527	271 623	271 623	36 294	120 136	113 176	6 960	6%	271 623
Other materials		25 925	29 621	29 755	2 278	10 957	12 398	(1 440)	-12%	29 755
Contracted services		62 694	80 814	78 907	3 111	14 774	32 877	(18 103)	-55%	78 907
Transfers and subsidies		–	–	250	–	–	104	(104)	-100%	250
Other expenditure		80 991	97 436	99 123	7 813	33 124	41 300	(8 176)	-20%	99 123
Loss on disposal of PPE		950	–	–	–	–	–	–		–
Total Expenditure		**818 087**	**897 137**	**897 301**	**93 650**	**343 458**	**373 872**	**(30 414)**	**-8%**	**897 301**
Surplus/(Deficit)		**24 042**	**(60 444)**	**(60 608)**	**(53 196)**	**26 125**	**(25 251)**	**51 376**	**(0)**	**(60 608)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		94 020	58 063	58 063	7 920	23 428	24 193	(765)	(0)	58 063
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**			**(2 545)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**			**(2 545)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**			**(2 545)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**118 063**	**(2 381)**	**(2 545)**	**(45 276)**	**49 553**	**(1 058)**			**(2 545)**

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) – M05 November 2019

Vote Description	Budget Year 2019/20							
	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	1 200	2 268	23	297	945	(648)	-69%	2 268
Vote 2 - FINANCIAL SERVICES	2 600	3 896	1	143	1 623	(1 481)	-91%	3 896
Vote 3 - CORPORATE SERVICES	3 069	4 663	33	317	1 943	(1 626)	-84%	4 663
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	4 581	4 581	–	1 574	1 909	(334)	-18%	4 581
Vote 5 - INFRASTRUCTURE AND ENGINEERING	59 846	68 056	407	16 650	28 357	(11 707)	-41%	68 056
Vote 6 - COMMUNITY SERVICES	5 915	8 408	19	828	3 503	(2 675)	-76%	8 408
Vote 7 - COMMUNITY SERVICES (CONTINUED)	15 900	18 671	804	4 387	7 780	(3 393)	-44%	18 671
Total Capital single-year expenditure	93 110	110 543	1 288	24 195	46 059	**(21 865)**	**-47%**	110 543
Total Capital Expenditure	**93 110**	**110 543**	**1 288**	**24 195**	**46 059**	**(21 865)**	**-47%**	**110 543**
Capital Expenditure - Functional Classification								
Governance and administration	**8 169**	**10 827**	**782**	**2 458**	**4 511**	(2 054)	-46%	**10 827**
Executive and council	1 065	2 133	23	296	889	(593)	-67%	2 133
Finance and administration	6 969	8 634	759	2 162	3 597	(1 436)	-40%	8 634
Internal audit	135	60	–	–	25	(25)	-100%	60
Community and public safety	**20 215**	**26 779**	**99**	**3 046**	**11 158**	(8 112)	-73%	**26 779**
Community and social services	950	2 674	–	254	1 114	(860)	-77%	2 674
Sport and recreation	13 600	13 128	99	918	5 470	(4 552)	-83%	13 128
Public safety	3 965	9 278	–	341	3 866	(3 525)	-91%	9 278
Housing	1 700	1 700	–	1 533	708	825	116%	1 700
Health	–	–	–	–	–	–		–
Economic and environmental services	**5 325**	**5 325**	**9**	**216**	**2 219**	(2 003)	-90%	**5 325**
Planning and development	3 331	3 331	7	86	1 388	(1 301)	-94%	3 331
Road transport	1 994	1 994	2	129	831	(701)	-84%	1 994
Environmental protection	–	–	–	–	–	–		–
Trading services	**59 402**	**67 612**	**398**	**18 475**	**28 172**	(9 697)	-34%	**67 612**
Energy sources	19 432	21 171	–	(964)	8 821	(9 785)	-111%	21 171
Water management	11 446	12 231	20	7 124	5 096	2 027	40%	12 231
Waste water management	26 524	32 211	379	10 315	13 421	(3 106)	-23%	32 211
Waste management	2 000	2 000	–	2 000	833	1 167	140%	2 000
Other	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classificatio	**93 110**	**110 543**	**1 288**	**24 195**	**46 059**	**(21 865)**	**-47%**	**110 543**
Funded by:								
National Government	49 052	49 052	–	9 777	20 438	(10 661)	-52%	49 052
Provincial Government	–	–	–	–	–	–		–
District Municipality	2 065	3 765	–	–	1 569	(1 569)	-100%	3 765
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**51 117**	**52 817**	**–**	**9 777**	**22 007**	**(12 230)**	**-56%**	**52 817**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	41 994	57 726	1 288	14 418	24 052	(9 635)	-40%	57 726
Total Capital Funding	**93 110**	**110 543**	**1 288**	**24 195**	**46 059**	**(21 865)**	**-47%**	**110 543**

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 – M05 November 2019

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			6 632		21 132	6 632
Call investment deposits			59 686		185 969	59 686
Consumer debtors			67 067		36 714	67 067
Other debtors			33 150		75 937	33 150
Current portion of long-term receivables			3		3	3
Inventory			6 666		9 249	6 666
Total current assets		–	**173 204**	–	**329 005**	**173 204**
Non current assets						
Long-term receivables			16		13	16
Investments					–	
Investment property			354 389		242 552	354 389
Investments in Associate					–	
Property, plant and equipment			1 961 428		2 018 797	1 961 428
Agricultural					–	
Biological assets					–	
Intangible assets			1 802		244	1 802
Other non-current assets					–	
Total non current assets		–	**2 317 635**	–	**2 261 606**	**2 317 635**
TOTAL ASSETS		–	**2 490 839**	–	**2 590 611**	**2 490 839**
LIABILITIES						
Current liabilities						
Bank overdraft					–	
Borrowing			7 999		9 067	7 999
Consumer deposits			15 241		17 378	15 241
Trade and other payables			127 481		123 337	127 481
Provisions			24 505		29 649	24 505
Total current liabilities		–	**175 225**	–	**179 430**	**175 225**
Non current liabilities						
Borrowing			15 602		111 162	15 602
Provisions			169 378		68 637	169 378
Total non current liabilities		–	**184 979**	–	**179 799**	**184 979**
TOTAL LIABILITIES		–	**360 204**	–	**359 229**	**360 204**
NET ASSETS	2	–	**2 130 635**	–	**2 231 381**	**2 130 635**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 130 635	–	2 231 381	2 130 635
Reserves				–	–	
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 130 635**	–	**2 231 381**	**2 130 635**

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 – M05 November 2019

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			188 848		14 245	109 997	(65 829)	175 826	-267%	188 848
Service charges			435 121		33 858	177 102	(101 975)	279 077	-274%	435 121
Other revenue			34 799		5 768	37 549	126 329	(88 780)	-70%	34 799
Government - operating			133 112		1 105	57 888	11 382	46 506	409%	133 112
Government - capital			58 063		–	20 768	1 493	19 276	1291%	58 063
Interest			18 476		2 289	11 597	3 346	8 251	247%	18 476
Dividends			–		–	–	–	–		–
Payments										
Suppliers and employees			(783 499)		(90 855)	(387 953)	(326 418)	61 536	-19%	(783 499)
Finance charges			(2 201)		(182)	(1 031)	(917)	114	-12%	(2 201)
Transfers and Grants			–			–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	82 720	–	(33 773)	25 917	(352 589)	(378 506)	107%	82 720
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			(93 110)		(1 481)	(29 824)	(45 997)	(16 173)	35%	(93 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(93 110)	–	(1 481)	(29 824)	(45 997)	(16 173)	35%	(93 110)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–	–	–	–	–	–		–
Borrowing long term/refinancing			–	–	–	–	–	–		–
Increase (decrease) in consumer deposits			–	–	–	–	–	–		–
Payments										
Repayment of borrowing			(7 999)	–	(668)	(3 219)	–	3 219	0%	(7 999)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(7 999)	–	(668)	(3 219)	–	3 219	0%	(7 999)
NET INCREASE/ (DECREASE) IN CASH HELD		–	(18 389)	–	(35 921)	(7 126)	(398 585)			(18 389)
Cash/cash equivalents at beginning:			84 707	–		214 228	84 707			214 228
Cash/cash equivalents at month/year end:		–	66 318	–		207 101	(313 878)			195 838

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 2019, compared to the position as at 30 November 2019.

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2019

Description	Budget Year 2018/19								
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	8 079	1 885	1 407	1 463	1 386	1 158	7 243	22 495	45 116
Trade and Other Receivables from Exchange Transactions - Electricity	15 574	1 126	646	474	465	291	1 941	5 553	26 069
Receivables from Non-exchange Transactions - Property Rates	7 749	672	489	399	332	292	6 910	16 661	33 504
Receivables from Exchange Transactions - Waste Water Management	4 548	915	665	654	604	538	3 205	9 498	20 626
Receivables from Exchange Transactions - Waste Management	4 044	968	864	820	789	768	4 178	13 431	25 861
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	62	121	96	125	143	150	1 692	19 388	21 776
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	(11 847)	487	418	318	405	308	2 686	8 364	1 139
Total By Income Source	**28 208**	**6 174**	**4 585**	**4 254**	**4 123**	**3 503**	**27 855**	**95 390**	**174 092**
2017/18 - totals only									-
Debtors Age Analysis By Customer Group									
Organs of State	857	397	360	202	240	84	1 885	1 921	5 945
Commercial	5 199	340	176	125	140	81	588	2 630	9 278
Households	22 153	5 437	4 049	3 927	3 743	3 338	25 383	90 839	158 869
Other	-	-	-	-	-	-	-	-	-
Total By Customer Group	**28 208**	**6 174**	**4 585**	**4 254**	**4 123**	**3 503**	**27 855**	**95 390**	**174 092**

Debtors' Age Analysis (Inclusive of VAT) as at 30 November 2019

Description		Budget Year 2019/20							
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	9 116	1 896	1 623	2 606	1 249	1 256	6 655	27 195	51 597
Trade and Other Receivables from Exchange Transactions - Electricity	17 187	1 109	538	2 170	261	228	1 122	6 420	29 036
Receivables from Non-exchange Transactions - Property Rates	10 533	1 001	695	9 349	308	278	1 322	20 443	43 929
Receivables from Exchange Transactions - Waste Water Management	5 062	973	766	1 251	595	545	2 998	11 479	23 669
Receivables from Exchange Transactions - Waste Management	4 237	1 066	948	902	801	747	4 240	16 082	29 023
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	80	116	110	509	137	156	1 334	22 629	25 070
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(15 626)	448	314	1 279	276	322	1 694	9 778	(1 515)
Total By Income Source	**30 588**	**6 610**	**4 994**	**18 066**	**3 627**	**3 533**	**19 366**	**114 026**	**200 809**
									–
Debtors Age Analysis By Customer Group									–
Organs of State	1 149	446	245	776	32	19	105	3 213	5 986
Commercial	3 543	223	136	379	83	82	527	2 891	7 864
Households	25 895	5 940	4 612	16 911	3 512	3 432	18 734	107 922	186 959
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**30 588**	**6 610**	**4 994**	**18 066**	**3 627**	**3 533**	**19 366**	**114 026**	**200 809**

The aforementioned analysis indicates that from 30 June 2019 to 30 November 2019, the overdue debts have increased from R 145,884 million to R 170,220 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-19**	**30-Nov-19**	**Difference**
Trade and Other Receivables from Exchange Transactions - Water	37 037	42 481	5 444
Trade and Other Receivables from Exchange Transactions - Electricity	10 495	11 849	1 354
Receivables from Non-exchange Transactions - Property Rates	25 755	33 396	7 641
Receivables from Exchange Transactions - Waste Water Management	16 078	18 608	2 530
Receivables from Exchange Transactions - Waste Management	21 817	24 786	2 969
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	21 714	24 990	3 276
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	12 987	14 111	1 124
Total By Income Source	**145 884**	**170 220**	**24 337**
	–	–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	5 088	4 837	(251)
Commercial	4 080	4 321	241
Households	136 716	161 063	24 347
Other	–	–	
Total By Customer Group	**145 884**	**170 220**	**24 337**

2. Overview of Creditors position

Below is an analysis of the status of the major creditors

Description	Budget Year 2019/20								
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	19 764								**19 764**
Bulk Water	1 291	–	4	–	–	–	13	(180)	**1 129**
PAYE deductions	3 824								**3 824**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	7 826	5 477	120	36	50	8	–	49	**13 566**
Auditor General									**–**
Other									**–**
Total By Customer Type	**32 705**	**5 477**	125	36	50	8	13	(131)	**38 283**

The above amounts represent invoices still to be paid. The major creditors as at 30 November 2019 are as follows:

Eskom	R 19,764 million
NMBM	R 1,129 million
SARS (PAYE)	R 3,824 million
Other Creditors	R 13,566 million
TOTAL	**R 38,283 million**

It is to be noted that the Eskom amount of R 19,764 million, represents the current account for November 2019, which will be fully paid on 20 December 2019.

The PAYE deductions represent employee related costs for the month of November 2019, with the amounts in question being paid on 3 December 2019 to SARS.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 30 November 2019.

	Balance as at 30 June 2019	INVESTED	INTEREST	WITHDRAWN	CHARGES	Balance as at 30 November 2019
Standard Bank	19 896 645	-	530 012	-	-	20 426 658
ABSA	27 519 504	-	737 242	-	270	28 256 477
Nedbank	20 827 601	-	562 942	-	-	21 390 542
RMB	110 820 349	1 960 397	2 916 438	21 960 397	-	93 736 786
INVESTEC	21 562 503	-	595 934	-	-	22 158 437
Total	**200 626 602**	**1 960 397**	**5 342 568**	**-21 960 397**	**-270**	**185 968 900**
INVESTMENT	**Balance as at 30 June 2019**	**INVESTED**	**INTEREST**	**WITHDRAWN**	**CHARGES**	**Balance as at 30 November 2019**
General Account	90 965 278	1 960 397	2 504 676	-	270	95 430 081
Conditional Grants	109 654 154	-	2 837 703	21 960 397	-	90 531 461
Housing Funds	7 170	-	189	-	-	7 359
Total	**200 626 602**	**1 960 397**	**5 342 568**	**-21 960 397**	**-270**	**185 968 900**
Bank	13 600 946	7 531 305				**21 132 250**
TOTAL	**214 227 548**	**9 491 701**	**5 342 568**	**-21 960 397**	**-270**	**207 101 151**

The decrease in the investment portfolio since 30 June 2019 amounts to R 7,126,397.
The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 21,132,250
Short-term Investment Deposits	R 185,968,900
	R 207,101,151

Application of Cash

Unspent Conditional Grants	85,053,850
Internally Generated Funds	43,307,996
Outstanding Creditors Liability	38,282,869
	166,644,715
Reserves in excess of Commitments	**R 40,456,436**

The cash backed reserves exceed the commitments at this stage by an amount of R 40,456,436. It should be noted that the excess of reserves over commitments as at 30 November 2019, is mainly due to an amount of R 52,058 million in respect of the Equitable share allocation received on 8 July 2019, but not yet fully spent.

These funds are already committed towards spending in the 2019/20 Operating budget.

4. Allocation and Grants receipts and expenditure for the 2019/2020 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M05 November 2019

Description	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	**129 297**	**129 297**	**450**	**55 288**	**53 874**	**1 414**	**2.6%**	**129 297**
Operational Revenue:General Revenue Equitable Share	124 938	124 938	–	52 058	52 057	1	0.0%	124 938
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 000	450	700	417	283	68.0%	1 000
Local Government Financial Management Grant [Schedule 5B]	1 770	1 770	–	1 770	738	1 033	140.0%	1 770
Municipal Infrastructure Grant [Schedule 5B]	1 589	1 589	–	760	662	98	14.8%	1 589
Provincial Government:	**2 050**	**2 050**	**–**	**2 050**	**854**	**1 196**	**140.0%**	**–**
Sports and Recreation	2 050	2 050	–	2 050	854	1 196	140.0%	–
District Municipality:	**1 765**	**1 765**	**655**	**1 310**	**735**	574	78.1%	**3 815**
Environmental Health Subsidy	**1 765**	**1 765**	**655**	**1 310**	**735**	574	78.1%	**3 815**
Other grant providers:	**–**	**–**	**–**	**176**	**–**	176		**–**
Skills Development Grant	**–**	**–**	**–**	**176**	**–**	176		**–**
Total Operating Transfers and Grants	**133 112**	**133 112**	**1 105**	**58 823**	**55 463**	**3 360**	**6.1%**	**133 112**
Capital Transfers and Grants								
National Government:	**56 098**	**56 098**	**–**	**19 938**	**23 374**	**(3 436)**	**-14.7%**	**56 098**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	6 002	6 002	–	1 500	2 501	(1 001)	-40.0%	6 002
Municipal Infrastructure Grant [Schedule 5B]	36 096	36 096	–	14 438	15 040	(602)	-4.0%	36 096
Energy Efficiency and Demand Side Management Grant	4 000	4 000	–	2 000	1 667	333	20.0%	4 000
Water Services Infrastructure Grant [Schedule 5B]	10 000	10 000	–	2 000	4 167	(2 167)	-52.0%	10 000
District Municipality:	**1 965**	**1 965**	**–**	**–**	**819**	(819)	-100.0%	**1 965**
All Grants	**1 965**	**1 965**	**–**	**–**	**819**	(819)	-100.0%	**1 965**
Total Capital Transfers and Grants	**58 063**	**58 063**	**–**	**19 938**	**24 193**	**(4 255)**	**-17.6%**	**58 063**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	191 175	191 175	1 105	78 761	79 656	(895)	-1.1%	191 175

Below is an analysis of the spending associated with the grants as at 30 November 2019:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M05 November 2019

Description	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**129 297**	**–**	**6 888**	**26 620**	**53 874**	**(27 254)**	**-50.6%**	**63 978**
Operational Revenue:General Revenue:Equitable Share	124 938		6 528	24 952	52 057	(27 106)	-52.1%	60 748
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	–	63	311	417	(106)	-25.4%	2 350
Local Government Financial Management Grant [Schedule 5B]	1 770	–	59	522	738	(216)	-29.3%	768
Municipal Infrastructure Grant [Schedule 5B]	1 589	–	238	835	662	173	26.2%	112
Provincial Government:	**2 050**	**–**	**2 050**	**2 050**	**854**	**1 196**	**140.0%**	**–**
Sports and Recreation	2 050	–	2 050	2 050	854	1 196	140.0%	–
District Municipality:	**1 765**	**–**	**655**	**655**	**735**	(81)	-11.0%	**–**
Environmental Health Subsidy	1 765		655	655	735	(81)	-11.0%	–
Total operating expenditure of Transfers and Grants:	**133 112**	**–**	**9 593**	**29 324**	**55 463**	**(26 139)**	**-47.1%**	**63 978**
Capital expenditure of Transfers and Grants								
National Government:	**56 098**	**–**	**–**	**13 244**	**23 374**	**(10 131)**	**-43.3%**	**50 715**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	6 002	–	–	117	2 501	(2 384)	-95.3%	5 219
Municipal Infrastructure Grant [Schedule 5B]	36 096	–	–	6 003	15 040	(9 037)	-60.1%	33 322
Energy Efficiency and Demand Side Management Grant	4 000	–	–	–	1 667	(1 667)	-100.0%	3 478
Water Services Infrastructure Grant [Schedule 5B]	10 000	–	–	7 124	4 167	2 958	71.0%	8 696
District Municipality:	**1 965**	**–**	**–**	**–**	**819**	(819)	-100.0%	**3 765**
All Grants	1 965		–	–	819	(819)	-100.0%	3 765
Total capital expenditure of Transfers and Grants	**58 063**	**–**	**–**	**13 244**	**24 193**	**(10 949)**	**-45.3%**	**54 481**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**191 175**	**–**	**9 593**	**42 568**	**79 656**	**(37 088)**	**-46.6%**	**118 458**

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 547,507
Unspent as at 30 November 2019:	R 1,222,493

The spending of the grant amounted to 30.93% as at 30 November 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 1,000,000
Amount of Grant Received:	R 700,000
Expenditure to date:	R 310,954
Unspent as at 30 November 2019:	R 389,046

The spending of the grant amounted to 44.42% as at 30 November 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 37,684,750
Amount of Grant Received:	R 15,198,000
Expenditure to date:	R 6,839,359
Unspent as at 30 November 2019:	R 8,358,641

The spending of the grant amounted to 45% as at 30 November 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 6,002,000
Amount of Grant Received:	R 1,500,000
Expenditure to date:	R 116,610
Unspent as at 30 November 2019:	R 1,383,390

The spending of the grant amounted to 7,77% as at 30 November 2019, compared to the amount of the grant received.

Energy Efficiency and Demand Side Management Grant (EEDSM)
The purpose of this grant is to implement energy efficiency measures within municipality's own operations.

DORA Allocation:	R 4,000,000
Amount of Grant Received:	R 2,000,000
Expenditure to date:	R 0
Unspent as at 30 November 2019:	R 2,000,000

The spending of the grant amounted to 0% as at 30 November 2019, compared to the amount of the grant received.

Water Services Infrastructure Grant (Kwanomzamo Wastewater Treatment Works)
The purpose of this grant is to upgrade and refurbish the existing Kwanomzamo Wastewater Treatment Works located in Humansdorp. Decommissioning and dismantling of disused equipment; emptying and cleaning of out structures; site measurements; design.

DORA Allocation:	R 10,000,000
Amount of Grant Received:	R 2,000,000
Expenditure to date:	R 299,269
Unspent as at 30 November 2019:	**R 1,700,731**

The spending of the grant amounted to 2.99 % as at 30 November 2019, compared to the amount of the grant received.

Water Services Infrastructure Grant (Drought Funding)
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.

Unspent Grant as at 30 June 2019	R 98,017,338
Expenditure to date:	R 28,017,789
Unspent as at 30 November 2019:	**R 69,999,549**

The spending of the grant amounted to 28.58 % as at 30 November 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 – M05 November 2019

Summary of Employee and Councillor remuneration	Budget Year 2019/20							
	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	8 800	8 800	700	3 477	3 667	(189)	-5%	8 800
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	2	9	–	9		–
Motor Vehicle Allowance	2 889	2 889	233	1 161	1 204	(43)	-4%	2 889
Cellphone Allowance	1 374	1 374	107	532	572	(40)	-7%	1 374
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Councillors	**13 063**	**13 063**	**1 043**	**5 180**	**5 443**	**(263)**	**-5%**	**13 063**
Senior Managers of the Municipality								
Basic Salaries and Wages	7 445	7 445	610	2 441	3 102	(661)	-21%	7 445
Pension and UIF Contributions	23	23	1	4	9	(5)	-56%	23
Medical Aid Contributions	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–		–
Performance Bonus	169	169	0	138	70	68	97%	169
Motor Vehicle Allowance	804	804	55	276	335	(59)	-18%	804
Cellphone Allowance	7	7	1	3	3	(1)	-19%	7
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	51	51	4	19	21	(2)	-10%	51
Payments in lieu of leave	1 762	1 762	4	4	734	(730)	-99%	1 762
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**10 260**	**10 260**	**674**	**2 885**	**4 275**	**(1 390)**	**-33%**	**10 260**
Other Municipal Staff								
Basic Salaries and Wages	171 169	171 169	14 992	73 139	71 320	1 818	3%	171 169
Pension and UIF Contributions	29 339	29 339	2 529	12 571	12 224	347	3%	29 339
Medical Aid Contributions	15 119	15 119	1 266	6 237	6 300	(62)	-1%	15 119
Overtime	27 259	27 259	2 443	10 649	13 680	(3 031)	-22%	32 833
Performance Bonus	–	–	–	–	–	–		–
Motor Vehicle Allowance	7 551	7 551	746	3 620	3 146	474	15%	7 551
Cellphone Allowance	1	1	–	–	0	(0)	-100%	1
Housing Allowances	992	992	68	339	413	(75)	-18%	992
Other benefits and allowances	27 830	27 830	13 946	17 153	9 273	7 880	85%	22 256
Payments in lieu of leave	18	18	3	553	8	545	7218%	18
Long service awards	1 403	1 403	135	475	585	(110)	-19%	1 403
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**280 681**	**280 681**	**36 127**	**124 735**	**116 949**	**7 786**	**7%**	**280 681**
% increase	**5.1%**	**5.1%**						**5.1%**
Total Parent Municipality	**304 005**	**304 005**	**37 844**	**132 799**	**126 667**	**6 132**	**5%**	**304 005**
TOTAL SALARY, ALLOWANCES & BENEFITS	**304 005**	**304 005**	**37 844**	**132 799**	**126 667**	**6 132**	**5%**	**304 005**
% increase	**6.2%**	**6.2%**						**6.2%**
TOTAL MANAGERS AND STAFF	**290 942**	**290 942**	**36 801**	**127 620**	**121 225**	**6 395**	**5%**	**290 942**

6. Key performance indicators

The table below reflects the key performance indicators as per the 2019/20 Budget and the associated performance to date.

Borrowing Management		**Actuals as at 30 June 2016**	**Actuals as at 30 June 2017**	**Actuals as at 30 June 2018**	**Actuals as at 30 June 2019**	**Approved Budget 2019/20**	**Actuals as at 30 November 2019**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	3.67%	2.51%	1.78%	1.29%	1.14%	1.24%
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	0.04	0.03	0.02	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	0.85	0.97	1.58	1.44	0.99	1.83
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	1.15
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97.60%	95.81%	90.73%	97,62%	96%	91.58%

Other indicators		Actuals as at 30 June 2016	Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Approved Budget 2019/20	Actuals as at 30 November 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)	1.60	1.62	1.73	1.90	1.01	1.86
Employee Costs	Employee Costs / Total Operating Expenditure	35.62%	33.39%	33.21%	33.39%	32.42%	37.16%
Capital Expenditure	Capital Expenditure / Capital Budget	81.97%	72.92%	72.98%	44.59%	95%	21.89%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.61%	4.94%	3.82%	5.63%	4.87%	1.55%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.17%	1.65%	1.41%	2.29%	2.23%	0.63%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	74.74%	78.69%	80.22%	75.36%	84.09%	84.33%

The above table is discussed in detail below.

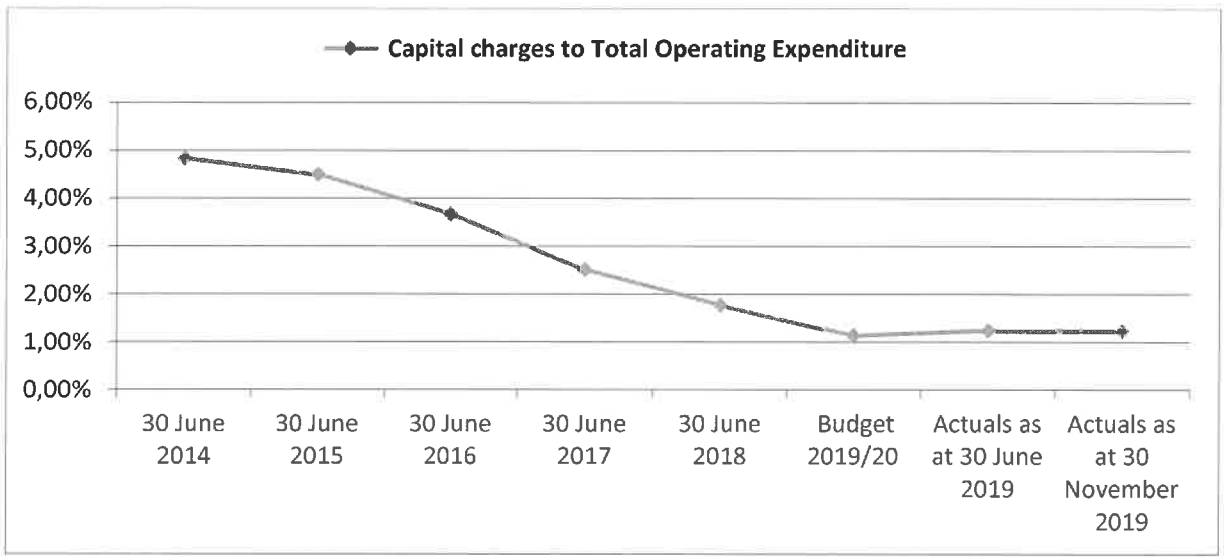
5.1. Borrowing Management

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 1.24% of the Total Operating Expenditure was utilised for capital charges as at 30 November 2019, compared to the budgeted ratio of 1.14%.



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 2019/20 Operating Budget as no borrowing is planned for the 2019/20 to 2021/22 financial years.

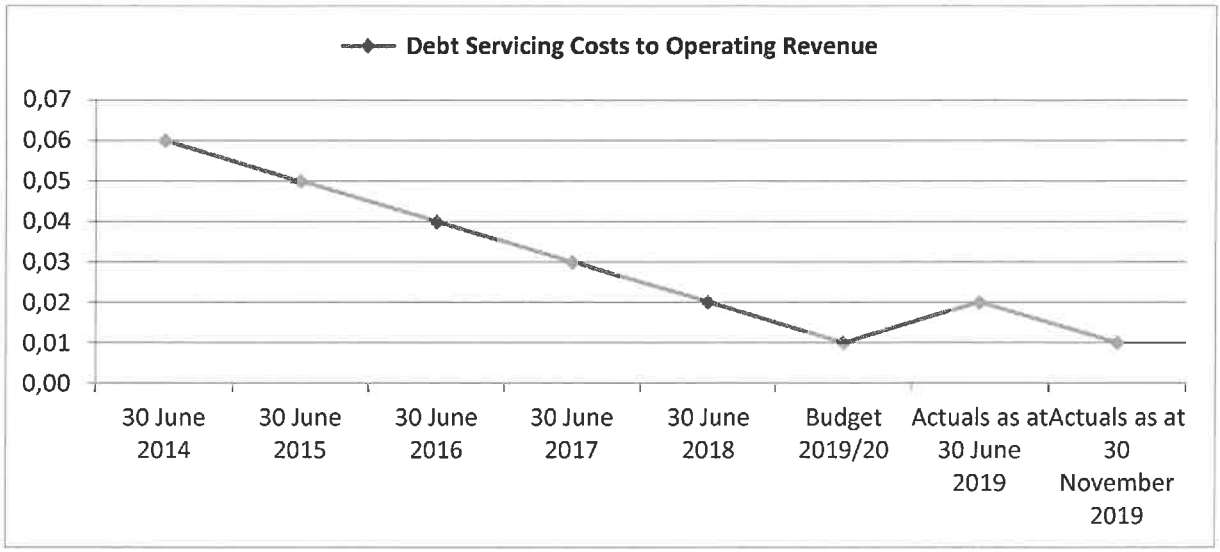
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 30 November 2019, the ratio was 0.01:1, compared to the budgeted ratio of 0.01:1.



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:

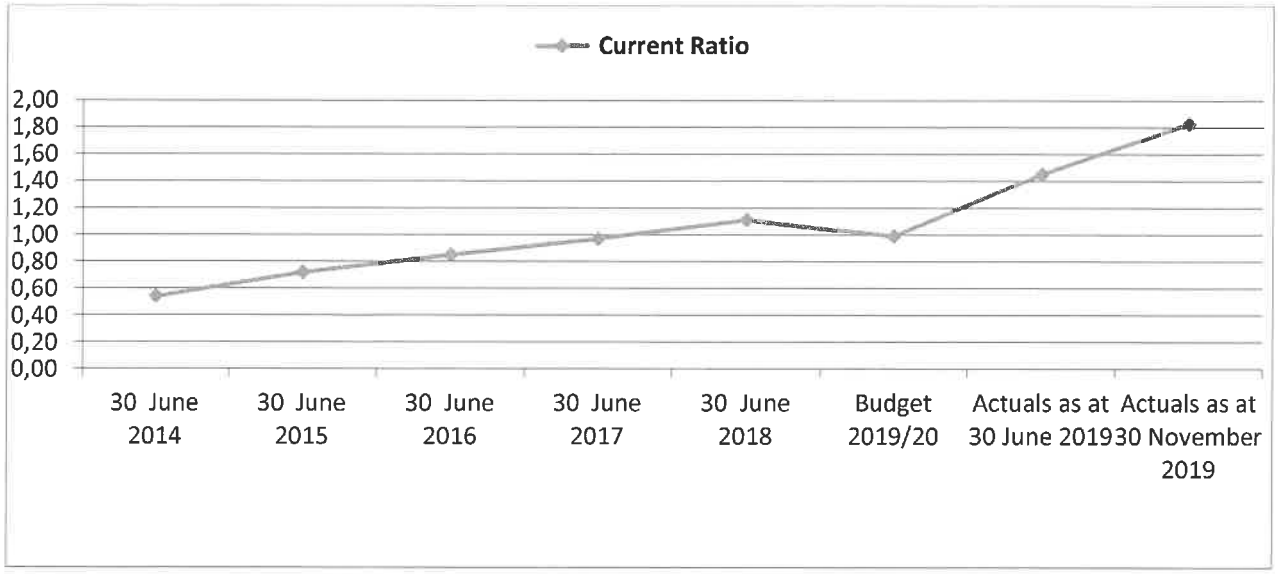
Current assets/Current liabilities

The ratio as at 30 November 2019 was 1.83:1, compared to the budgeted ratio of 0.99:1.

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

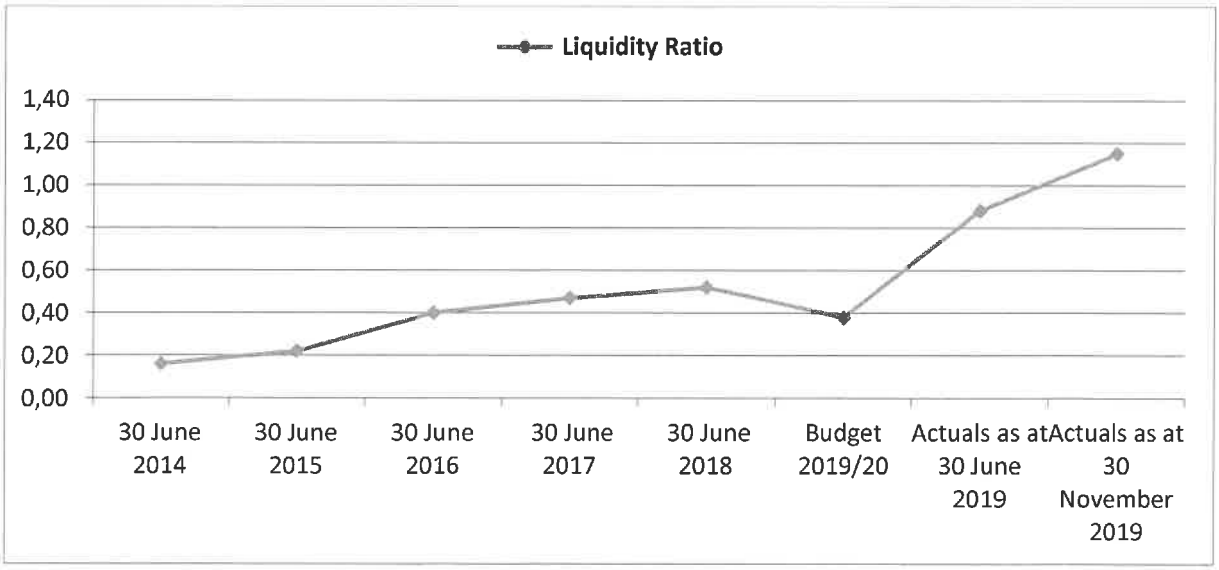
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 30 November 2019 was 1.15:1, compared to the budgeted ratio of 0.38:1.

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

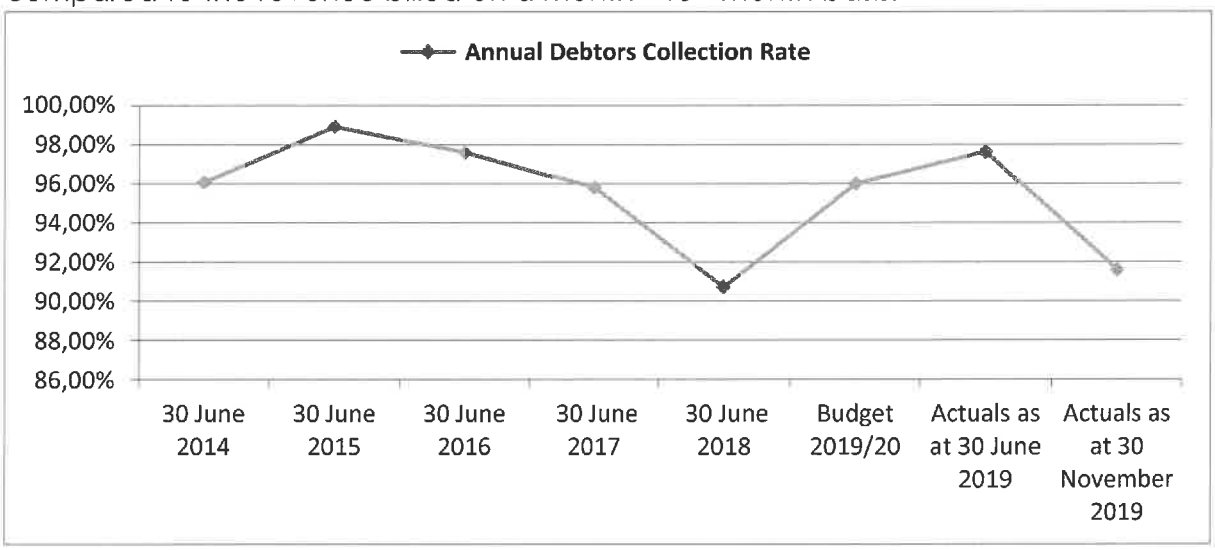
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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. accountholders are given one calendar month to pay their current accounts).

The average collection rate as at 30 November 2019 was 91.58%, compared to the budgeted collection rate of 96%. The collection rate of 91.58% as at 30 November 2019 is influenced by the annual property rates raised in July 2019, but not yet paid. 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.

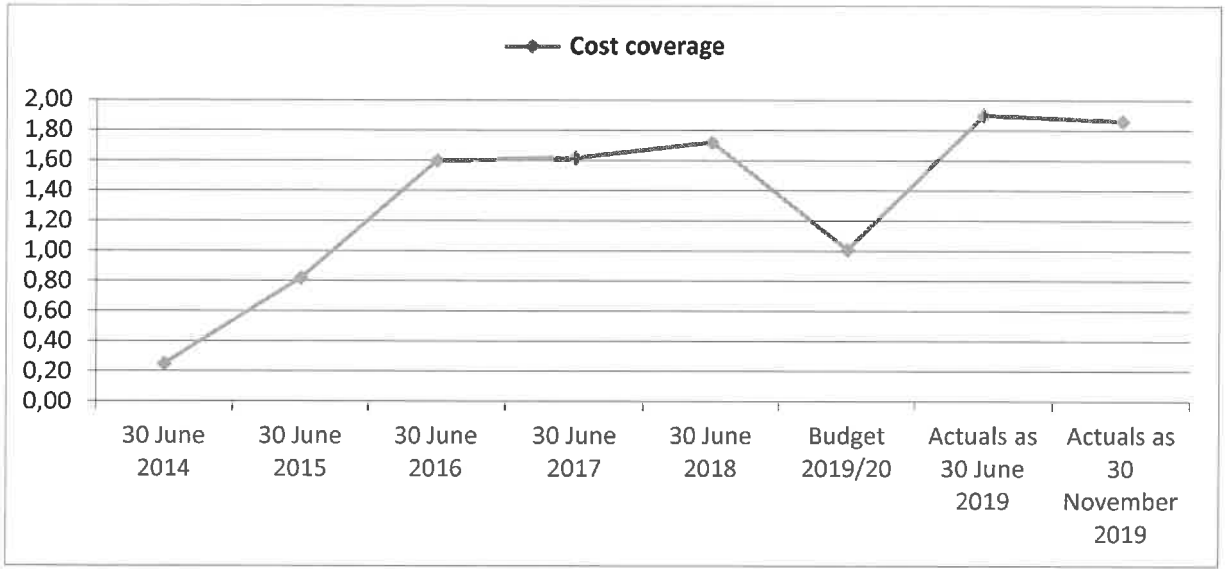
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 November 2019, the Ratio was 1.86 months, compared to the budgeted ratio of 1.01 months.

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



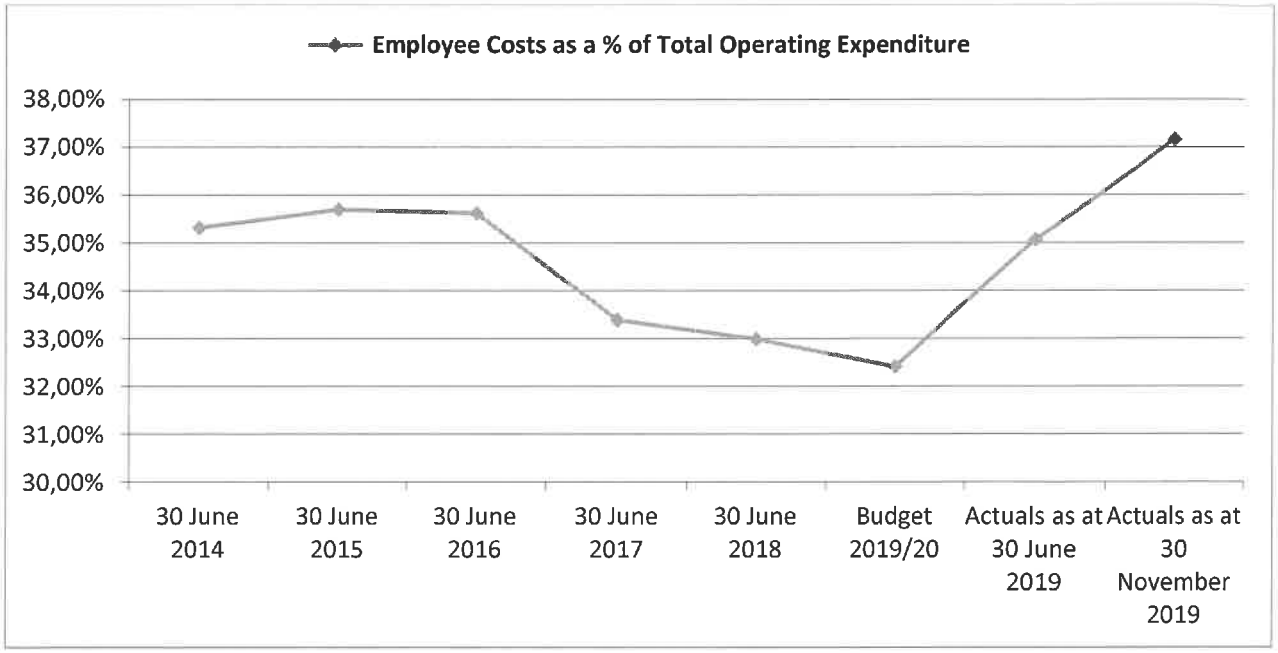
5.4.2. Employee costs as a % of Total Operating Expenditure

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 30 November 2019, Employee Related Costs constituted 37.16% of the Total Operating Expenditure, compared to the budgeted ratio of 32.42%.



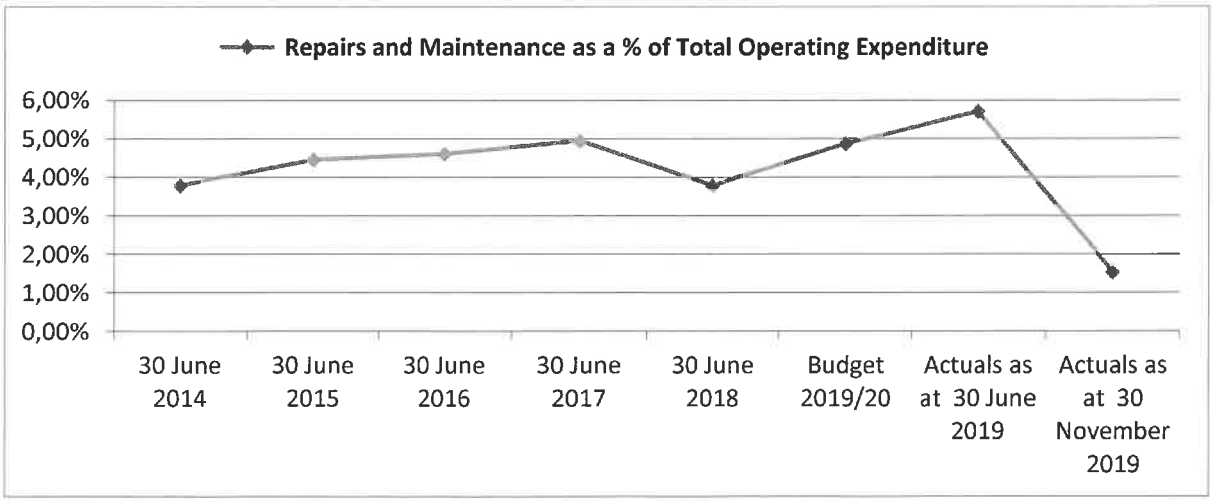
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 November 2019, the ratio was 1.55%, compared to the budgeted ratio of 4.87%.



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

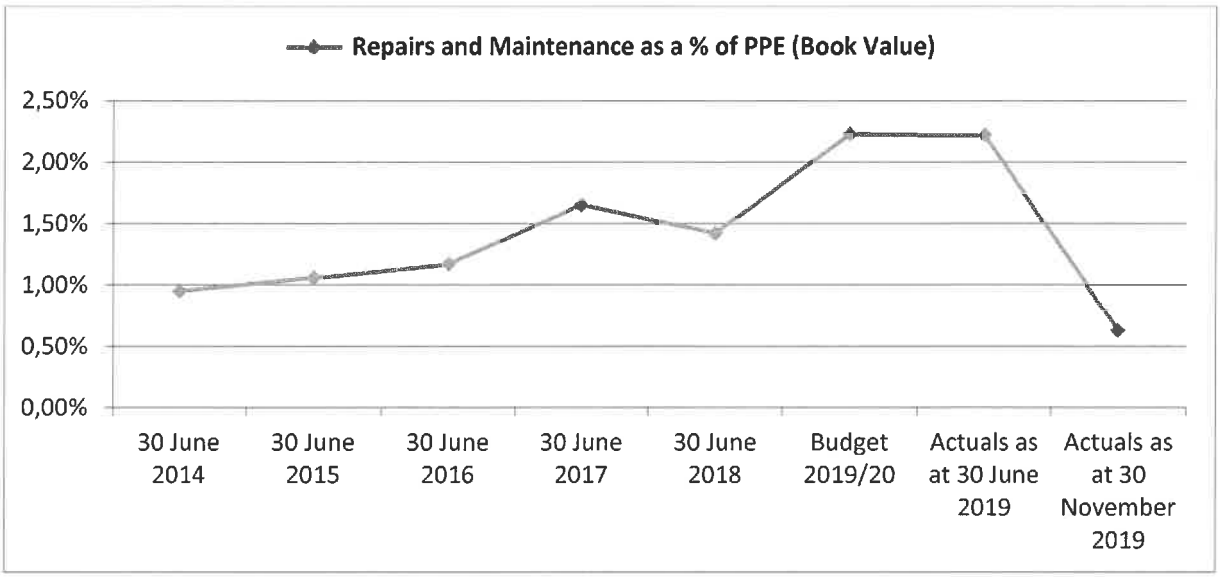
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 November 2019, repairs and maintenance expenditure constituted 0.63% of the book value of PPE, compared to the budgeted ratio of 2.23%.

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



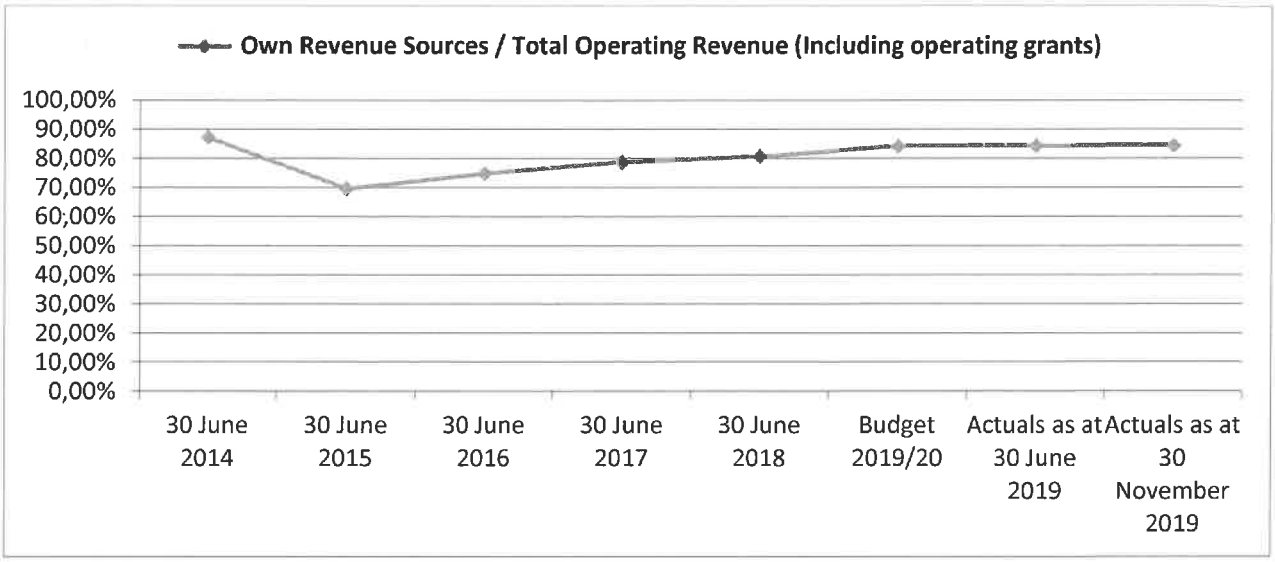
5.4.5. Own Revenue Generation

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 30 November 2019, the Municipality's own revenue sources constituted 84.33% of its total Operating Income, compared to the budgeted ratio of 84.09%.



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 November 2019 amounted to 21.89% compared to the budgeted ratio of 95%.

