KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: **ITEM NO:**

.....

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO JANUARY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JANUARY 2020 (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 January 2020, 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 518,370 million, whilst operating expenditure amounted to R 485,704 million, resulting in an operating surplus of R 32,666 million.
- Capital expenditure constituted 56,24%of the 2019/20 Adjusted Capital Budget.
- Overdue consumer debts increased by R 3,932 million (2,70%) since June 2019.

- An amount of R 182,984 million is owing to creditors, of which R 33,169 million (18,13%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 27,365,484 (12,77%) since June 2019, from R 214,227,548 to R 186,862,064.

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 31 January 2019	Actuals as at 31 January 2020	Approved Budget 2019/20
Current Ratio	0.97:1	1.58:1	1.44:1	2.10:1	1,86:1	0.99:1
Liquidity Ratio	0.47:1	0.75:1	0.87:1	1.24:1	1,34:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.62 months	1.73 months	1.90 months	2.65 months	2,09 months	1.01 months
Debtors Collection Rate	95.81%	90.73%	97.62%	94.54%	98,24%	96%
Capital Expenditure	72.92%	72.98%	44.59%	39.35%	56,24%	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 January 2020:

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

.....

Mr. Charl Du Plessis (Municipal Manager)

Acknowledgement of section 71 reports by the Executive Mayor for the period July 2019 to January 2020.

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

.....

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 14/02/2020

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO 31 JANUARY 2020.

Below is an analysis of the operating revenue and expenditure performance

Description	Aproved Budget 2019/20	Actuals as at 31 January 2020	%
R thousands			
Revenue By Source			
Property rates	196 717	139 941	71,14%
Service charges - electricity revenue	277 068	140 766	50,81%
Service charges - water revenue	76 105	37 543	49,33%
Service charges - sanitation revenue	46 346	30 633	66,10%
Service charges - refuse revenue	53 732	31 241	58,14%
Rental of facilities and equipment	1 024	384	37,46%
Interest earned - external investments	10 375	9 411	90,71%
Interest earned - outstanding debtors	8 439	6 922	82,03%
Fines, penalties and forfeits	6 397	1 515	23,68%
Licences and permits	16 568	13 656	82,42%
Transfers and subsidies	133 112	100 033	75,15%
Other revenue	10 810	6 324	58,51%
Total Revenue (excluding capital transfers and contributions)	**836 693**	**518 370**	**61,95%**
Expenditure By Type			
Employee related costs	290 942	179 094	61,56%
Remuneration of councillors	13 063	7 271	55,66%
Debt impairment	26 336	–	0,00%
Depreciation & asset impairment	85 101	42 891	50,40%
Finance charges	2 201	1 408	63,97%
Bulk purchases	271 623	161 855	59,59%
Other materials	30 594	16 592	54,23%
Contracted services	77 757	26 136	33,61%
Transfers and subsidies	250	–	0,00%
Other expenditure	99 433	50 457	50,74%
Total Expenditure	**897 301**	**485 704**	**54,13%**
Surplus/(Deficit)	**(60 608)**	**32 666**	

The statement of financial performance indicates a surplus of R 32,666 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 31 January 2020, the Municipality has recognised 71.14% 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.

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 186,862 million.

Interest earned – outstanding debtors

this is influenced by overdue debtors, amounting to R 149,815 million.

Fines, penalties and forfeits

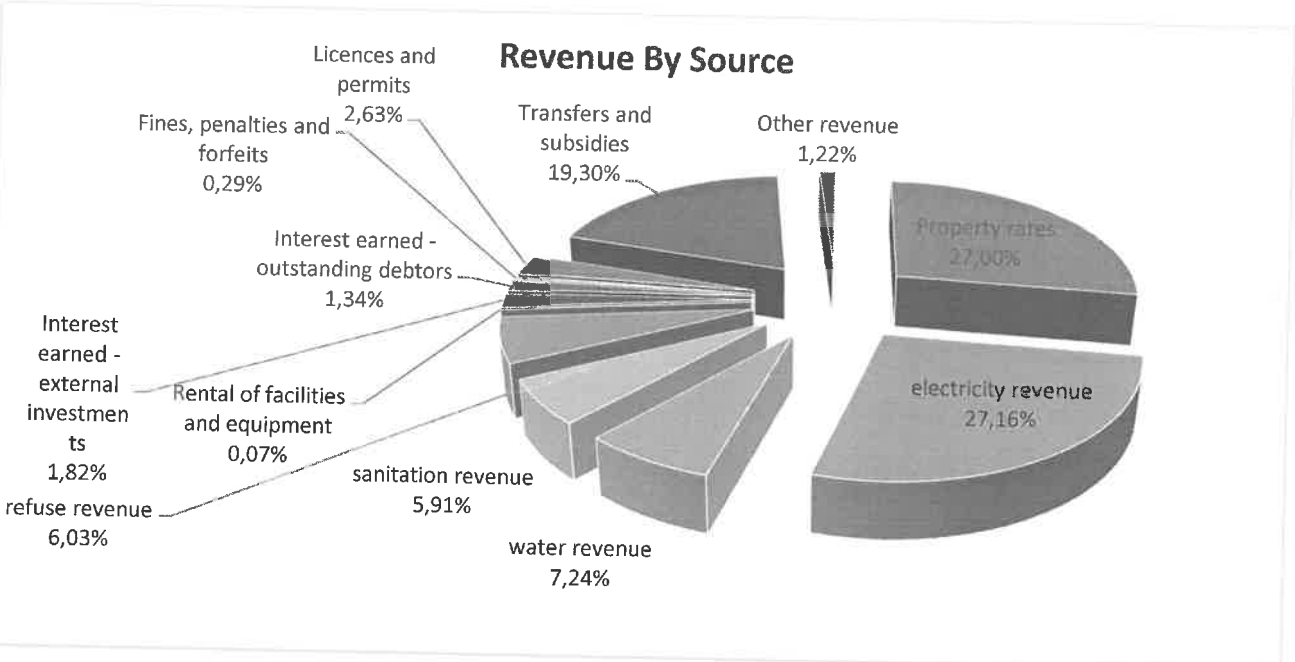
Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

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 93,704 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.

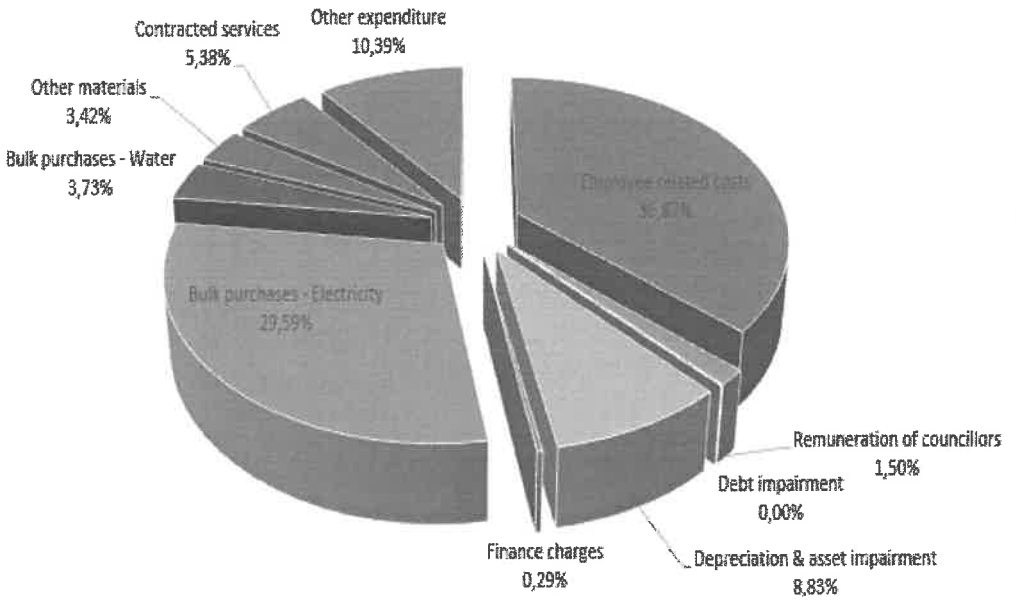
The contracted services are broken down as follows:

Item Description	Approved Budget 2019/20	Actuals as at 31 January 2020	%
Business and Advisory:Accounting and Auditing	589 120,00	180 091,78	30,57%
Business and Advisory:Actuaries	36 820,00	39 900,00	108,37%
Business and Advisory:Audit Committee	37 872,00	-	0,00%
Business and Advisory:Human Resources	420 000,00	343 156,14	81,70%
Business and Advisory:Occupational Health and Safe	385 000,00	12 290,00	3,19%
Business and Advisory:Project Management	22 676 472,00	9 396 484,93	41,44%
Business and Advisory:Qualification Verification	650 000,00	572 700,00	88,11%
Business and Advisory:Research and Advisory	1 610 400,00	61 661,48	3,83%
Business and Advisory:Valuer	2 182 900,00	15 151,96	0,69%
Contractors:Artists and Performers	273 000,00	35 000,00	12,82%
Contractors:Auctioneers	30 508,00	-	0,00%
Contractors:Catering Services	2 104,00	1 093,36	51,97%
Contractors:Employee Wellness	175 000,00	55 936,90	31,96%
Contractors:Event Promoters	42 080,00	-	0,00%
Contractors:Interior Decorator	31 560,00	-	0,00%
Contractors:Maintenance of Buildings and Facilitie	5 393 503,00	2 936 017,38	54,44%
Contractors:Maintenance of Equipment	627 560,00	187 060,29	29,81%
Contractors:Maintenance of Unspecified Assets	23 287 380,00	8 220 350,00	35,30%
Contractors:Medical Services	5 000,00	1 057,43	21,15%
Contractors:Pest Control and Fumigation	40 000,00	-	0,00%
Engineering:Civil	1 500 000,00	109 879,85	7,33%
Engineering:Electrical	300 000,00	19 088,70	6,36%
Engineering:Structural	1 600 000,00	-	0,00%
Infrastructure and Planning:Ecological	1 315 600,00	90 876,25	6,91%
Infrastructure and Planning:Land and Quantity Surv	82 600,00	34 231,00	41,44%
Laboratory Services:Agriculture	52 600,00	-	0,00%
Laboratory Services:Water	672 161,00	251 178,41	37,37%
Legal Cost:Collection	1 578 000,00	313 675,23	19,88%
Legal Cost:Legal Advice and Litigation	6 142 000,00	1 208 784,22	19,68%
Outsourced Services:Animal Care	350 000,00	350 000,00	100,00%
Outsourced Services:Burial Services	300 000,00	8 000,00	2,67%
Outsourced Services:Catering Services	669 780,00	153 831,20	22,97%
Outsourced Services:Cleaning Services	500 000,00	-	0,00%
Outsourced Services:Clearing and Grass Cutting Ser	-	250 843,75	
Outsourced Services:Drivers Licence Cards	850 000,00	271 918,00	31,99%
Outsourced Services:Fire Services	130 000,00	-	0,00%
Outsourced Services:Illegal Dumping	100 000,00	-	0,00%
Outsourced Services:Internal Auditors	841 600,00	27 074,45	3,22%
Outsourced Services:Litter Picking and Street Clea	340 000,00	26 600,00	7,82%
Outsourced Services:Medical Services [Medical Heal	500 000,00	389 688,08	77,94%
Outsourced Services:Professional Staff	710 460,00	19 689,76	2,77%
Outsourced Services:Refuse Removal	85 000,00	-	0,00%
Outsourced Services:Security Services	1 520 083,00	431 960,71	28,42%
Outsourced Services:Traffic Fines Management	1 578 000,00	76 131,57	4,82%
Outsourced Services:Transport Services	599 380,00	44 252,17	7,38%
	80 813 543,00	**26 135 655,00**	**32,34%**

It is to be noted that contracted services budget has been amended as follows:

Item Description	Approved Budget 2019/20	Virements	Adjusted Budget 2019/20	Actuals as at 31 January 2020	%
Contracted Services	80 813 543,00	(5 608 834,00)	75 204 709,00	26 135 655,00	34,75%

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 31 January 2020	% of Budget
Executive & Council			
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Gifts and Promotional Items	50 000	**23 955,00**	**47,91%**
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	8 246	2 942	35,68%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	210 400	127 362	60,53%
	268 646	**154 259**	57,42%
Corporate Services			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	14 465	2 356	16%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	600 000	249 661	41,61%
Expenditure:Inventory Consumed:Materials and Supplies	-	-	
	614 465	**252 016**	41,01%
Finance			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	71 825	20 567	28,64%
Expenditure:Inventory Consumed:Materials and Supplies	196 435	2 981	1,52%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	368 200	81 093	22,02%
	636 460	**104 642**	**16,44%**
Community Services			
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	3 356 521	1 774 365	52,86%
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	150 000	-	0,00%
Expenditure:Operational Cost:Hire Charges	-	-	
Expenditure:Inventory Consumed:Materials and Supplies	1 516 430	834 305	55,02%
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	3 661 092	2 610 230	71,30%
Expenditure:Operational Cost:Uniform and Protective Clothing	-	-	
	8 684 043	**5 218 900**	**60,10%**
Planning, Development & Tourism			
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	19 999	13 930	69,65%
Expenditure:Inventory Consumed:Materials and Supplies	52 600	-	0,00%
	72 599	**13 930**	**19,19%**
Infrastructure & Engineering			
Expenditure:Operational Cost:Hire Charges	2 603 165	954 480	36,67%
Expenditure:Inventory Consumed:Materials and Supplies	12 440 964	7 000 803	56,27%
Expenditure:Contracted Services:Contractors:Maintenance of Buildings and Facilities	264 000	160 338	60,73%
Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	19 089 779	5 072 730	26,57%
Expenditure:Contracted Services:Contractors:Maintenance of Equipment	252 560	122 164	48,37%
Expenditure:Operational Cost:Advertising, Publicity and Marketing:Tenders	-	-	
	34 650 468	**13 310 515**	**38,41%**
Total	**44 926 681**	**19 054 262**	**42,41%**

It is to be noted that actual repairs and maintenance expenditure constituted 42.41% of the 2019/20 Approved Budget.

Annexure "A2"

CAPITAL BUDET PERFORMANCE

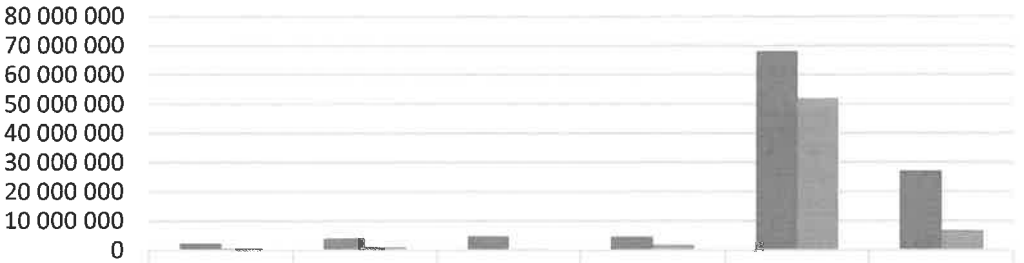
Below is an analysis of the capital expenditure compared to the 2019/20 Adjusted Capital Budget.

Projects	Funding	Approved Budget 2019/20	Adjustments	Amended Budget 2019/20	Actuals as at 31 January 2020	% of Budget
EXECUTIVE & COUNCIL						
Computer Equipment	Internal	130 000	60 001	190 001	15 722	8,27%
Furniture and Equipment	Internal	260 000	- 1	259 999	118 191	45,46%
Ward Councilors Capital (Markets)	Internal	750 000	1 067 695	1 817 695	313 937	17,27%
Security Camera	Internal	60 000	- 60 000			
		1 200 000	**1 067 695**	**2 267 695**	447 850	19,75%
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	155 233	21,66%
Library upgrade û Corporate Services	Internal	100 000	356 689	456 689	31 914	6,99%
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**	361 178	7,75%
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	56 465	156 465	-	0,00%
Disaster Recovery Server	Internal	-	644 106	644 106	-	0,00%
DOT MATRIX PRINTER	Internal	-	197 489	197 489	156 024	79,00%
Fencing (Stores)	Internal	150 000	- 150 000	-	-	
Filing system (SCM)	Internal	350 000	-	350 000	-	0,00%
Furniture and Equipment	Internal	300 000	64 820	364 820	82 838	22,71%
Office upgrade ICT	Internal	-	70 130	70 130	70 130	100,00%
Shelving (SCM)	Internal	200 000	- 60 000	140 000	4 369	3,12%
Vehicle	Internal	300 000	344 000	644 000	643 416	99,91%
WIFI Solution	Internal	250 000	-	250 000	-	0,00%
Machinery and Equipment	Internal	-	153 535	153 535	-	0,00%
		2 600 000	**1 295 545**	**3 895 545**	**1 003 659**	25,76%
PLANNING,DEVELOPMENT & TOURISM						
Arts and Creative Industries	DISTRICT	100 000	-	100 000	-	0,00%
Computer Equipment	Internal	60 000	73 300	133 300	41 188	30,90%
Computer Software and Applications	Internal	300 000	- 73 300	226 700	92 919	40,99%
Furniture and equipment	Internal	200 000	-	200 000	-	0,00%
Land acquisition housing projects	Internal	1 700 000	-	1 700 000	1 562 308	91,90%
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**	**1 696 416**	37,03%
COMMUNITY SERVICES						
Fencing - Hdorp	Internal	1 300 000	342 064	1 642 064	558 000	33,98%
Machinery and Equipment	Internal	1 400 000	383 637	1 783 637	535 177	30,00%
Vehicle	Internal	2 300 000	3 043 846	5 343 846	3 751 803	70,21%
Furniture and Equipment	Internal	350 000	78 100	428 100	93 740	21,90%
Bins _with_wheels	Internal	2 000 000	- 2 000 000	-	-	
Life Gaurds Beach Tower	Internal	100 000	- 3 788	96 212	96 212	100,00%
Upgrading of Sports Facilities	MIG	5 564 599	-	5 564 599	385 163	6,92%
Upgrading of Kwanomzamo Sports Facility	MIG	5 413 043	-	5 413 043	-	0,00%
Computer Equipment	Internal	300 000	- 1	299 999	242 521	80,84%
Fencing Fire Station Hankey	Internal	300 000	- 174 000	126 000	17 760	14,10%
Weston Library Upgrade	Internal	-	11 901	11 901	11 800	99,15%
Vehicle	DISTRICT	1 965 100	1 700 000	3 665 100	-	0,00%
Upgrading of Yellow Woods	Internal	150 000	170 623	320 623	4 679	1,46%
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	245 490	54,55%
Vehicles	Internal	1 150 000	- 220 623	929 377	425 518	45,79%
Upgrading of sport & recreation facilities	Internal	500 000	-	500 000	-	0,00%
HYDRAULICS RESCUE EQUIPMENT	Internal	-	304 655	304 655	288 703	94,76%
		23 442 742	**3 636 414**	**27 079 156**	**6 685 216**	**24,69%**

Projects	Funding	Approved Budget 2019/20	Adjustments	Amended Budget 2019/20	Actuals as at 31 January 2020	% 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	263 185	79,75%
Vehicles	Internal	2 600 000	5 085 469	7 685 469	6 541 584	85,12%
Energy and Demand Side Management	energy	-	3 478 262	3 478 262	18 578	0,53%
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	-	882 620	882 620	347 617	39,38%
Upgrading of the Ses Vista Wastewater Treatment Wo	MIG	13 011 229	-	13 011 229	9 049 354	69,55%
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	175 161	3,10%
Upgrade Sanitation System Old Hankey	MIG	434 783	- 1	434 782	236 491	54,39%
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	1 147 760	76,52%
Roads Capital	Internal	1 500 000	-	1 500 000	111 698	7,45%
Bucket Eradication Programme	Internal	2 300 000	2 131 523	4 431 523	1 145 442	25,85%
St Francis bulk main outfall sewer	Internal	500 000	-	500 000	-	0,00%
Sewer REPLACE OLD PUMPS	Internal	750 000	-	750 000	108 409	14,45%
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	146 263	2,80%
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	-	195 887	195 887	170 337	86,96%
purchase of mini sub station 11000/400,22000/400	Internal	-	591 557	591 557	508 597	85,98%
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG_NT	-	-	-	1 652 097	
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG_NT	-	-	-	382 375	
CAPE ST FRANCIS WATER SUPPLY	WSIG_DWS	-	-	-	704 092	
DEVELOP NATURAL SPRINGS AND CONVEYANCE	WSIG_NT	-	-	-	6 615 342	
HANKEY WATER SUPPLY	WSIG_DWS	-	-	-	6 920 725	
HUMANSDORP WATER SUPPLY	WSIG_DWS	-	-	-	89 219	
REFURBISH AND UPGRADE WATER TREATMENT WORKS	WSIG_NT	-	-	-	13 222 491	
PATENSIE WATER SUPPLY	WSIG_DWS	-	-	-	303 603	
JEFFREYS BAY WATER SUPPLY	WSIG_DWS	-	-	-	1 037 752	
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG_NT	-	-	-	232 457	
		58 218 102	**9 837 752**	**68 055 854**	**51 971 990**	**76,37%**
		93 110 301	**17 432 231**	**110 542 532**	**62 166 309**	**56,24%**
Internally generated funds		41 993 506,00	15 732 230,00	57 725 736,00	20 695 873	35,85%
Transfers recognised - capital		51 116 795	1700001	52 816 796	41 470 436	78,52%
Total		**93 110 301**	**17 432 231**	**110 542 532**	**62 166 309**	**56,24%**

It is to be noted that capital expenditure as at 31 January 2020 amounted to 56.24%, compared to the adjusted capital budget of R 110,542,532.

Capital Expenditure



	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	27 079 156
Actuals as at 31 January 2020	447 850	1 003 659	361 178	1 696 416	51 971 990	6 685 216

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2019/20 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 January 2020

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 – M07 January 2020

Description	Ref	2018/19	Budget Year 2019/20							
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			188 848		10 964	134 585	110 162	24 424	22%	188 848
Service charges			435 121		32 225	242 828	253 820	(10 992)	-4%	435 121
Other revenue			34 799		10 723	50 143	20 300	29 843	147%	34 799
Government - operating			133 112		–	99 534	77 648	21 885	28%	133 112
Government - capital			58 063		–	20 768	33 870	(13 102)	-39%	58 063
Interest			18 476		1 987	17 797	10 778	7 019	65%	18 476
Dividends			–		–	–	–	–		–
Payments										
Suppliers and employees			(783 499)		(60 537)	(513 564)	(457 041)	56 524	-12%	(783 499)
Finance charges			(2 201)		(182)	(1 396)	(1 284)	112	-9%	(2 201)
Transfers and Grants			–		–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**82 720**	–	**(4 821)**	**50 695**	**48 253**	**(2 442)**	**-5%**	**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)		(11 100)	(73 491)	(54 314)	19 177	-35%	(93 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(93 110)**	–	**(11 100)**	**(73 491)**	**(54 314)**	**19 177**	**-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)	(4 569)	(4 666)	(97)	2%	(7 999)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(7 999)**	–	**(668)**	**(4 569)**	**(4 666)**	**(97)**	**2%**	**(7 999)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(18 389)**	–	**(16 589)**	**(27 365)**	**(10 727)**			**(18 389)**
Cash/cash equivalents at beginning:			84 707			214 228	84 707			214 228
Cash/cash equivalents at month/year end:		–	66 318	–		186 862	73 980			195 838

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 January 2020 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M07 January 2020

Description	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
Financial Performance									
Property rates	–	196 717	196 717	11 534	139 941	114 752	25 189	22%	196 717
Service charges	–	453 251	453 251	36 772	240 183	264 396	(24 213)	-9%	453 251
Investment revenue	–	10 375	10 375	1 026	9 411	6 052	3 359	56%	10 375
Transfers and subsidies	–	133 112	133 112	260	100 033	77 648	22 385	29%	133 112
Other own revenue	–	43 238	43 238	4 813	28 801	25 222	3 579	14%	43 238
Total Revenue (excluding capital transfers and contributions)	–	**836 693**	**836 693**	**54 406**	**518 370**	**488 071**	**30 299**	**6%**	**836 693**
Employee costs	–	290 942	290 942	27 006	179 094	169 716	9 378	6%	290 942
Remuneration of Councillors	–	13 063	13 063	1 048	7 271	7 620	(349)	-5%	13 063
Depreciation & asset impairment	–	85 101	85 101	6 127	42 891	49 642	(6 751)	-14%	85 101
Finance charges	–	2 201	2 201	182	1 408	1 284	124	10%	2 201
Materials and bulk purchases	–	301 244	302 218	23 477	178 447	176 294	2 153	1%	302 218
Transfers and subsidies	–	–	250	–	–	146	(146)	-100%	250
Other expenditure	–	204 586	203 527	13 160	76 593	118 724	(42 131)	-35%	203 527
Total Expenditure	–	**897 137**	**897 301**	**71 001**	**485 704**	**523 426**	**(37 722)**	**-7%**	**897 301**
Surplus/(Deficit)	–	**(60 444)**	**(60 608)**	**(16 595)**	**32 666**	**(35 355)**	**68 021**	**-192%**	**(60 608)**
Transfers and subsidies - capital (monetary allo	–	58 063	58 063	1 395	29 366	33 870	(4 504)	-13%	58 063
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**	**63 516**	**-4278%**	**(2 545)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**	**63 516**	**-4278%**	**(2 545)**
Capital expenditure & funds sources									
Capital expenditure	–	**93 110**	**110 543**	**9 652**	**62 166**	**64 483**	**(2 317)**	**-4%**	**110 543**
Capital transfers recognised	–	51 117	52 817	7 725	41 470	30 810	10 661	35%	52 817
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**41 994**	**57 726**	**1 927**	**20 696**	**33 673**	**(12 977)**	**-39%**	**57 726**
Total sources of capital funds	–	**93 110**	**110 543**	**9 652**	**62 166**	**64 483**	**(2 317)**	**-4%**	**110 543**
Financial position									
Total current assets	–	173 204	–		260 159				173 204
Total non current assets	–	2 317 635	–		2 261 606				2 317 635
Total current liabilities	–	175 225	–		139 538				175 225
Total non current liabilities	–	184 979	–		179 799				184 979
Community wealth/Equity	–	**2 130 635**	–		**2 202 428**				**2 130 635**
Cash flows									
Net cash from (used) operating	–	82 720	–	(4 821)	50 695	48 253	(2 442)	-5%	82 720
Net cash from (used) investing	–	(93 110)	–	(11 100)	(73 491)	(54 314)	19 177	-35%	(93 110)
Net cash from (used) financing	–	(7 999)	–	(668)	(4 569)	(4 666)	(97)	2%	(7 999)
Cash/cash equivalents at the month/year end	–	**66 318**	–	–	**186 862**	**73 980**	**(112 882)**	**-153%**	**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	33 169	6 806	5 569	4 680	4 156	15 070	19 131	94 405	182 984
Creditors Age Analysis									
Total Creditors	31 418	438	1 377	2	3	21	59	(113)	33 204

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) – M07 January 2020

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		–	**339 475**	**339 475**	**13 015**	**248 607**	**198 027**	50 579	26%	**339 475**
Executive and council		–	27	27	–	4	16	(12)	-77%	27
Finance and administration		–	339 448	339 448	13 015	248 603	198 012	50 591	26%	339 448
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**14 266**	**14 266**	**1 644**	**7 601**	**8 322**	(721)	-9%	**14 266**
Community and social services		–	2 479	2 479	34	1 982	1 446	536	37%	2 479
Sport and recreation		–	7 867	7 867	1 597	4 763	4 589	174	4%	7 867
Public safety		–	1 984	1 984	2	14	1 158	(1 144)	-99%	1 984
Housing		–	–	–	–	–	–	–		–
Health		–	1 936	1 936	11	842	1 129	(287)	-25%	1 936
Economic and environmental services		–	**19 616**	**19 616**	**2 256**	**16 505**	**11 443**	5 062	44%	**19 616**
Planning and development		–	6 667	6 667	412	5 277	3 889	1 388	36%	6 667
Road transport		–	11 844	11 844	1 452	10 247	6 909	3 338	48%	11 844
Environmental protection		–	1 105	1 105	392	980	644	336	52%	1 105
Trading services		–	**521 398**	**521 398**	**38 886**	**274 988**	**304 149**	(29 161)	-10%	**521 398**
Energy sources		–	293 789	293 789	20 994	141 438	171 377	(29 939)	-17%	293 789
Water management		–	87 929	87 929	8 458	59 486	51 292	8 194	16%	87 929
Waste water management		–	83 574	83 574	5 004	41 009	48 752	(7 743)	-16%	83 574
Waste management		–	56 106	56 106	4 430	33 055	32 728	327	1%	56 106
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	–	**894 756**	**894 756**	**55 801**	**547 700**	**521 941**	**25 759**	**5%**	**894 756**
Expenditure - Functional										
Governance and administration		–	**222 961**	**222 875**	**15 077**	**105 024**	**130 010**	(24 986)	-19%	**222 875**
Executive and council		–	45 089	45 108	2 726	24 229	26 313	(2 084)	-8%	45 108
Finance and administration		–	177 872	177 748	12 351	80 795	103 686	(22 891)	-22%	177 748
Internal audit		–	–	20	–	–	12	(12)	-100%	20
Community and public safety		–	**85 190**	**87 040**	**8 873**	**51 313**	**50 773**	540	1%	**87 040**
Community and social services		–	10 612	10 612	660	4 960	6 190	(1 230)	-20%	10 612
Sport and recreation		–	44 086	44 836	5 517	26 603	26 154	449	2%	44 836
Public safety		–	22 264	22 264	1 948	14 360	12 987	1 373	11%	22 264
Housing		–	3 228	4 328	400	2 384	2 525	(141)	-6%	4 328
Health		–	4 999	4 999	348	3 006	2 916	89	3%	4 999
Economic and environmental services		–	**116 851**	**116 936**	**8 114**	**58 299**	**68 213**	(9 913)	-15%	**116 936**
Planning and development		–	34 459	34 444	2 145	16 096	20 092	(3 996)	-20%	34 444
Road transport		–	80 642	80 642	5 896	41 396	47 041	(5 645)	-12%	80 642
Environmental protection		–	1 751	1 851	73	808	1 080	(272)	-25%	1 851
Trading services		–	**467 649**	**467 049**	**37 199**	**269 303**	**272 445**	(3 142)	-1%	**467 049**
Energy sources		–	285 024	285 024	21 723	164 122	166 264	(2 143)	-1%	285 024
Water management		–	80 898	78 888	5 994	42 311	46 018	(3 707)	-8%	78 888
Waste water management		–	51 081	52 591	5 595	34 960	30 678	4 282	14%	52 591
Waste management		–	50 646	50 546	3 888	27 911	29 485	(1 574)	-5%	50 546
Other		–	**4 486**	**3 401**	**1 738**	**1 764**	**1 984**	**(220)**	**-11%**	**3 401**
Total Expenditure - Functional	3	–	**897 137**	**897 301**	**71 001**	**485 704**	**523 426**	**(37 722)**	**-7%**	**897 301**
Surplus/ (Deficit) for the year		–	**(2 381)**	**(2 545)**	**(15 200)**	**61 996**	**(1 485)**	**63 481**	**-4276%**	**(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 – M07 January 2020

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	12 892	247 034	194 750	52 284	26,8%	333 857
Vote 3 - CORPORATE SERVICES	27	27	–	270	16	254	1610,8%	27
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	4 052	4 052	217	2 097	2 364	(267)	-11,3%	4 052
Vote 5 - INFRASTRUCTURE AND ENGINEERING	468 908	468 908	34 651	245 813	273 530	(27 717)	-10,1%	468 908
Vote 6 - COMMUNITY SERVICES	20 256	20 256	2 239	14 126	11 816	2 310	19,6%	20 256
Vote 7 - COMMUNITY SERVICES (CONTINUED)	67 656	67 656	5 801	38 360	39 466	(1 106)	-2,8%	67 656
Total Revenue by Vote	**894 756**	**894 756**	**55 801**	**547 700**	**521 941**	**25 759**	**4,9%**	**894 756**
Expenditure by Vote								
Vote 1 - EXECUTIVE COUNCIL	43 826	43 076	2 150	21 383	25 128	(3 745)	-14,9%	43 076
Vote 2 - FINANCIAL SERVICES	93 059	93 059	5 128	38 228	54 284	(16 056)	-29,6%	93 059
Vote 3 - CORPORATE SERVICES	51 140	51 140	4 095	24 794	29 832	(5 038)	-16,9%	51 140
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	22 412	22 412	3 191	12 073	13 074	(1 000)	-7,7%	22 412
Vote 5 - INFRASTRUCTURE AND ENGINEERING	515 897	515 897	40 195	289 472	300 940	(11 468)	-3,8%	515 897
Vote 6 - COMMUNITY SERVICES	54 604	54 604	4 406	31 374	31 852	(479)	-1,5%	54 604
Vote 7 - COMMUNITY SERVICES (CONTINUED)	116 198	117 113	11 836	68 380	68 316	65	0,1%	117 113
Total Expenditure by Vote	**897 137**	**897 301**	**71 001**	**485 704**	**523 426**	**(37 722)**	**-7,2%**	**897 301**
Surplus/ (Deficit) for the year	**(2 381)**	**(2 545)**	**(15 200)**	**61 996**	**(1 485)**	**63 481**	**-4275,8%**	**(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) – M07 January 2020

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			196 717	196 717	11 534	139 941	114 752	25 189	22%	196 717
Service charges - electricity revenue			277 068	277 068	20 905	140 766	161 623	(20 856)	-13%	277 068
Service charges - water revenue			76 105	76 105	7 298	37 543	44 395	(6 852)	-15%	76 105
Service charges - sanitation revenue			46 346	46 346	4 370	30 633	27 035	3 598	13%	46 346
Service charges - refuse revenue			53 732	53 732	4 198	31 241	31 344	(102)	0%	53 732
Rental of facilities and equipment			4 037	1 024	49	384	597	(214)	-36%	1 024
Interest earned - external investments			10 375	10 375	1 026	9 411	6 052	3 359	56%	10 375
Interest earned - outstanding debtors			8 439	8 439	881	6 922	4 923	1 999	41%	8 439
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			6 397	6 397	152	1 515	3 732	(2 217)	-59%	6 397
Licences and permits			16 568	16 568	2 697	13 656	9 665	3 991	41%	16 568
Agency services			–	–	–	–	–	–		–
Transfers and subsidies			133 112	133 112	260	100 033	77 648	22 385	29%	133 112
Other revenue			7 797	10 810	1 036	6 324	6 306	19	0%	10 810
Gains on disposal of PPE				–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	**836 693**	**836 693**	**54 406**	**518 370**	**488 071**	**30 299**	**6%**	**836 693**
Expenditure By Type										
Employee related costs			290 942	290 942	27 006	179 094	169 716	9 378	6%	290 942
Remuneration of councillors			13 063	13 063	1 048	7 271	7 620	(349)	-5%	13 063
Debt impairment			26 336	26 336	–	–	15 363	(15 363)	-100%	26 336
Depreciation & asset impairment			85 101	85 101	6 127	42 891	49 642	(6 751)	-14%	85 101
Finance charges			2 201	2 201	182	1 408	1 284	124	10%	2 201
Bulk purchases			271 623	271 623	21 305	161 855	158 447	3 408	2%	271 623
Other materials			29 621	30 594	2 172	16 592	17 847	(1 255)	-7%	30 594
Contracted services			80 814	77 757	4 051	26 136	45 359	(19 223)	-42%	77 757
Transfers and subsidies				250	–	–	146	(146)	-100%	250
Other expenditure			97 436	99 433	9 108	50 457	58 003	(7 546)	-13%	99 433
Loss on disposal of PPE				–	–	–	–	–		–
Total Expenditure		–	**897 137**	**897 301**	**71 001**	**485 704**	**523 426**	**(37 722)**	**-7%**	**897 301**
Surplus/(Deficit)		–	**(60 444)**	**(60 608)**	**(16 595)**	**32 666**	**(35 355)**	**68 021**	**(0)**	**(60 608)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			58 063	58 063	1 395	29 366	33 870	(4 504)	(0)	58 063
(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		–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**			**(2 545)**
Taxation					–		–	–		
Surplus/(Deficit) after taxation		–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**			**(2 545)**
Attributable to minorities					–		–			
Surplus/(Deficit) attributable to municipality		–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**			**(2 545)**
Share of surplus/ (deficit) of associate					–		–			
Surplus/ (Deficit) for the year		–	**(2 381)**	**(2 545)**	**(15 200)**	**62 031**	**(1 485)**			**(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) – M07 January 2020

Vote Description	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								%	
Single Year expenditure appropriation									
Vote 1 - EXECUTIVE COUNCIL	–	1 200	2 268	–	448	1 323	(875)	-66%	2 268
Vote 2 - FINANCIAL SERVICES	–	2 600	3 896	805	1 004	2 272	(1 269)	-56%	3 896
Vote 3 - CORPORATE SERVICES	–	3 069	4 663	12	361	2 720	(2 359)	-87%	4 663
Vote 4 - PLANNING, DEVELOPMENT & TOURISM	–	4 581	4 581	29	1 696	2 672	(976)	-37%	4 581
Vote 5 - INFRASTRUCTURE AND ENGINEERING	–	59 846	68 056	7 897	51 972	39 699	12 273	31%	68 056
Vote 6 - COMMUNITY SERVICES	–	5 915	7 906	668	1 646	4 612	(2 966)	-64%	7 906
Vote 7 - COMMUNITY SERVICES (CONTINUED)	–	15 900	19 174	242	5 040	11 185	(6 145)	-55%	19 174
Total Capital single-year expenditure	–	93 110	110 543	9 652	62 166	64 483	**(2 317)**	**-4%**	110 543
Total Capital Expenditure	–	**93 110**	**110 543**	**9 652**	**62 166**	**64 483**	**(2 317)**	**-4%**	**110 543**
Capital Expenditure - Functional Classification									
Governance and administration	–	**8 169**	**13 210**	**817**	**1 813**	**7 706**	(5 893)	-76%	**13 210**
Executive and council		1 065	2 223	–	433	1 297	(863)	-67%	2 223
Finance and administration		6 969	10 913	817	1 380	6 366	(4 986)	-78%	10 913
Internal audit		135	75	–	–	44	(44)	-100%	75
Community and public safety	–	**20 215**	**24 395**	**697**	**6 349**	**14 231**	(7 881)	-55%	**24 395**
Community and social services		950	1 100	668	2 787	642	2 146	334%	1 100
Sport and recreation		13 600	15 546	–	–	9 068	(9 068)	-100%	15 546
Public safety		3 965	6 049	–	–	3 529	(3 529)	-100%	6 049
Housing		1 700	1 700	29	1 562	992	571	58%	1 700
Health		–	–	–	2 000	–	2 000	#DIV/0!	–
Economic and environmental services	–	**5 325**	**5 325**	**112**	**375**	**3 106**	(2 731)	-88%	**5 325**
Planning and development		3 331	3 331	–	134	1 943	(1 809)	-93%	3 331
Road transport		1 994	1 994	112	241	1 163	(922)	-79%	1 994
Environmental protection		–	–	–	–	–	–		–
Trading services	–	**59 402**	**67 612**	**7 785**	**51 686**	**39 440**	12 245	31%	**67 612**
Energy sources		19 432	21 171	1 745	1 347	12 349	(11 002)	-89%	21 171
Water management		11 446	12 231	5 743	33 828	7 135	26 693	374%	12 231
Waste water management		26 524	32 211	297	16 510	18 789	(2 279)	-12%	32 211
Waste management		2 000	2 000	–	–	1 167	(1 167)	-100%	2 000
Other		–	–	242	1 943	–	1 943	#DIV/0!	–
Total Capital Expenditure - Functional Classification	–	**93 110**	**110 543**	**9 652**	**62 166**	**64 483**	**(2 317)**	**-4%**	**110 543**
Funded by:									
National Government		49 052	49 052	7 725	41 470	28 613	12 857	45%	49 052
Provincial Government		–	–			–	–		–
District Municipality		2 065	3 765			2 196	(2 196)	-100%	3 765
Other transfers and grants		–	–			–	–		–
Transfers recognised - capital	–	**51 117**	**52 817**	**7 725**	**41 470**	**30 810**	**10 661**	**35%**	**52 817**
Borrowing			–			–	–		–
Internally generated funds		41 994	57 726	1 927	20 696	33 673	(12 977)	-39%	57 726
Total Capital Funding	–	**93 110**	**110 543**	**9 652**	**62 166**	**64 483**	**(2 317)**	**-4%**	**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 – M07 January 2020

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		14 126	6 632
Call investment deposits			59 686		172 736	59 686
Consumer debtors			67 067		49 947	67 067
Other debtors			33 150		14 097	33 150
Current portion of long-term receivables			3		3	3
Inventory			6 666		9 249	6 666
Total current assets		–	**173 204**	–	**260 159**	**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
Biological					–	
Intangible			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**	–	**2 521 765**	**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		83 444	127 481
Provisions			24 505		29 649	24 505
Total current liabilities		–	**175 225**	–	**139 538**	**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**	–	**319 337**	**360 204**
NET ASSETS	2	–	**2 130 635**	–	**2 202 428**	**2 130 635**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 130 635		2 202 428	2 130 635
Reserves						–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 130 635**	–	**2 202 428**	**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 – M07 January 2020

Description	Ref	2018/19	Budget Year 2019/20							
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			188 848		10 964	134 585	110 162	24 424	22%	188 848
Service charges			435 121		32 225	242 828	253 820	(10 992)	-4%	435 121
Other revenue			34 799		10 723	50 143	20 300	29 843	147%	34 799
Government - operating			133 112		–	99 534	77 648	21 885	28%	133 112
Government - capital			58 063		–	20 768	33 870	(13 102)	-39%	58 063
Interest			18 476		1 987	17 797	10 778	7 019	65%	18 476
Dividends			–		–	–	–	–		–
Payments										
Suppliers and employees			(783 499)		(60 537)	(513 564)	(457 041)	56 524	-12%	(783 499)
Finance charges			(2 201)		(182)	(1 396)	(1 284)	112	-9%	(2 201)
Transfers and Grants			–		–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**82 720**	–	**(4 821)**	**50 695**	**48 253**	**(2 442)**	**-5%**	**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)		(11 100)	(73 491)	(54 314)	19 177	-35%	(93 110)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(93 110)**	–	**(11 100)**	**(73 491)**	**(54 314)**	**19 177**	**-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)	(4 569)	(4 666)	(97)	2%	(7 999)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(7 999)**	–	**(668)**	**(4 569)**	**(4 666)**	**(97)**	**2%**	**(7 999)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(18 389)**	–	**(16 589)**	**(27 365)**	**(10 727)**			**(18 389)**
Cash/cash equivalents at beginning:			84 707			214 228	84 707			214 228
Cash/cash equivalents at month/year end:		–	66 318	–		186 862	73 980			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.

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 31 January 2020.

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 31 January 2020

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	9 991	2 044	1 887	1 514	1 440	2 266	6 721	22 257	48 119
Trade and Other Receivables from Exchange Transactions - Electricity	18 203	1 425	830	483	371	1 782	1 102	6 520	30 717
Receivables from Non-exchange Transactions - Property Rates	10 005	853	632	532	420	7 395	1 200	19 241	40 278
Receivables from Exchange Transactions - Waste Water Management	5 348	1 014	799	731	652	1 092	2 997	9 408	22 041
Receivables from Exchange Transactions - Waste Management	4 221	1 042	945	900	847	824	4 159	12 849	25 787
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	69	89	116	157	153	618	1 308	15 487	17 997
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(14 668)	338	360	363	274	1 093	1 644	8 643	(1 954)
Total By Income Source	**33 169**	**6 806**	**5 569**	**4 680**	**4 156**	**15 070**	**19 131**	**94 405**	**182 984**
2018/19 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1 047	494	386	205	101	647	122	2 455	5 456
Commercial	5 291	230	162	110	103	326	507	2 961	9 691
Households	26 831	6 081	5 021	4 366	3 952	14 096	18 501	88 988	167 837
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**33 169**	**6 806**	**5 569**	**4 680**	**4 156**	**15 070**	**19 131**	**94 405**	**182 984**

The aforementioned analysis indicates that from 30 June 2019 to 31 January 2020, the overdue debts have increased from R 145,884 million to R 149,815 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-19**	**31-Jan-20**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	37 037	38 128	1 091
Trade and Other Receivables from Exchange Transactions - Electricity	10 495	12 514	2 018
Receivables from Non-exchange Transactions - Property Rates	25 755	30 273	4 517
Receivables from Exchange Transactions - Waste Water Management	16 078	16 693	616
Receivables from Exchange Transactions - Waste Management	21 817	21 566	(252)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	21 714	17 928	(3 786)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	12 987	12 714	(273)
Total By Income Source	**145 884**	**149 815**	**3 932**
Debtors Age Analysis By Customer Group			–
Organs of State	5 088	4 409	(678)
Commercial	4 080	4 400	320
Households	136 716	141 006	4 290
Other	–	–	–
Total By Customer Group	**145 884**	**149 815**	**3 932**

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	21 146	-	-	-	-	-	-	-	**21 146**
Bulk Water	188	-	2	2	2	2	10	(177)	**30**
PAYE deductions	4 515								**4 515**
VAT (output less input)									**-**
Pensions / Retirement deductions									**-**
Loan repay ments									**-**
Trade Creditors	5 569	438	1 375	-	1	18	49	64	**7 513**
Auditor General									**-**
Other									**-**
Total By Customer Type	**31 418**	**438**	**1 377**	**2**	**3**	**21**	**59**	**(113)**	**33 204**

The above amounts represent invoices still to be paid. The major creditors as at 31 January 2020 are as follows:

Eskom	R 21,146 million
NMBM	R 30 million
SARS (PAYE)	R 4,515 million
Other Creditors	R 7,513 million
TOTAL	**R 33,204 million**

It is to be noted that the Eskom amount of R 21,146 million, represents the current account for January 2020, which will be fully paid on 19 February 2020.

The PAYE deductions represent employee related costs for the month of January 2020, with the amounts in question being paid on 4 February 2020 to SARS.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 31 January 2020.

	Balance as at 30 June 2019	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 January 2020
Standard Bank	19 896 645	-	750 864	-		20 647 510
ABSA	27 519 504	-	1 035 797	-		28 555 301
Nedbank	20 827 601	-	792 079	-		21 619 680
RMB	110 820 349	25 409 415	3 878 497	60 594 350		79 513 911
INVESTEC	21 562 503	-	837 039	-		22 399 542
						-
Total	**200 626 602**	**25 409 415**	**7 294 277**	**60 594 350**	-	**172 735 944**
	Balance as at 30 June 2019	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 January 2020**
General Account	90 965 278	3 639 415	3 549 440	-	-	98 154 133
Conditional Grants	109 654 154	21 770 000	3 744 573	60 594 350	-	74 574 377
Housing Funds	7 170	-	264	-	-	7 434
						-
Total	**200 626 602**	**25 409 415**	**7 294 277**	**60 594 350**	-	**172 735 944**
Cheque Accounts FNB	13 600 946	525 174				14 126 120
TOTAL Investments & Bank	**214 227 548**	**25 934 589**	**7 294 277**	**60 594 350**	-	**186 862 064**

The decrease in the investment portfolio since 30 June 2019 amounts to R 27,365 ,484. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 14,126,120
Short-term Investment Deposits	R 172,735,944
	R 186,862,064

Application of Cash

Unspent Conditional Grants	50,240,014
Internally Generated Funds	37,029,863
Outstanding Creditors Liability	33,204,132
	120,474,009

Reserves in excess of Commitments **R 66,388,055**

The cash backed reserves exceed the commitments at this stage by an amount of R 66,388,055. It should be noted that the excess of reserves over commitments as at 31 January 2020, is mainly due to an amount of R 41,646 million in respect of the Equitable share allocation received on 02 December 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 – M07 January 2020

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**	**–**	**96 934**	**75 423**	**20 824**	**27,6%**	**129 297**
Operational Revenue:General Revenue:Equitable Share	124 938	124 938	–	93 704	72 880	20 824	28,6%	124 938
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 000	–	700	583			1 000
Local Government Financial Management Grant [Schedule 5B]	1 770	1 770	–	1 770	1 033			1 770
Municipal Infrastructure Grant [Schedule 5B]	1 589	1 589	–	760	927			1 589
Provincial Government:	**2 050**	**2 050**	**–**	**2 050**	**1 196**	**854**	**71,4%**	**2 050**
Sport and Recreation	2 050	2 050	–	2 050	1 196	854	71,4%	2 050
District Municipality:	**1 765**	**1 765**	**–**	**1 310**	**1 030**	280	27,2%	**1 765**
Environment Health Subsidy	**1 765**	**1 765**	**–**	**1 310**	**1 030**	280	27,2%	**1 765**
Other grant providers:	–	–	–	**266**	–	266	#DIV/0!	–
Skills Development Grant		–		**266**	–	266	#DIV/0!	–
Total Operating Transfers and Grants	**133 112**	**133 112**	**–**	**100 560**	**77 648**	**22 224**	**28,6%**	**133 112**
Capital Transfers and Grants								
National Government:	56 098	56 098	–	19 938	32 724	(12 786)	**-39,1%**	56 098
Municipal Infrastructure Grant (MIG)	36 096	36 096	–	14 438	21 056	(6 618)	-31,4%	36 096
Integrated National Electrification Programme	6 002	6 002	–	1 500	3 501	(2 001)	-57,2%	6 002
Water Service Infrastructure Grant	10 000	10 000	–	2 000	5 833	(3 833)	-65,7%	10 000
Energy Efficiency and Demand Side Management Grant	4 000	4 000	–	2 000	2 333	(333)	-14,3%	4 000
Provincial Government:	–	–	–	**321**	–	321	#DIV/0!	–
Human Settlement				321	–	321	#DIV/0!	–
District Municipality:	**1 965**	**1 965**	**–**	**–**	**1 146**	(1 146)	-100,0%	**1 965**
Fire Subsidy	1 965	1 965	–		1 146	(1 146)	-100,0%	1 965
Other grant providers:	–	–	–	–	–	–		–
Total Capital Transfers and Grants	**58 063**	**58 063**	**–**	**20 259**	**33 870**	**(13 611)**	**-40,2%**	**58 063**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	191 175	191 175	–	120 819	111 519	8 613	7,7%	191 175

Below is an analysis of the spending associated with the grants as at 31 January 2020:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M07 January 2020

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**	**129 297**	**5 644**	**41 957**	**75 423**	**(33 466)**	**-44,4%**	**129 297**
Operational Revenue:General Revenue:Equitable Share	124 938	124 938	5 145	39 239	72 880	(33 642)	-46,2%	124 938
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 000	296	929	583	345	59,2%	1 000
Local Government Financial Management Grant [Schedule 5B]	1 770	1 770	57	661	1 033	(371)	-35,9%	1 770
Municipal Infrastructure Grant [Schedule 5B]	1 589	1 589	146	1 128	927	202	21,8%	1 589
Provincial Government:	**2 050**	**2 050**	**-**	**-**	**1 196**	**(1 196)**	**-100,0%**	**2 050**
Sport and Recreation	2 050	2 050			1 196	(1 196)	-100,0%	2 050
District Municipality:	**1 765**	**1 765**	**-**	**-**	**1 030**	(1 030)	-100,0%	**1 765**
Environment Health Subsidy	1 765	1 765			1 030	(1 030)	-100,0%	1 765
Total operating expenditure of Transfers and Grants:	**133 112**	**133 112**	**5 644**	**41 957**	**77 648**	**(35 691)**	**-46,0%**	**133 112**
Capital expenditure of Transfers and Grants								
National Government:	48 781	48 781	7 906	68 227	28 456	39 772	**139,8%**	48 781
Municipal Infrastructure Grant (MIG)	31 388	31 388	272	11 323	18 310	(6 987)	-38,2%	31 388
Integrated National Electrification Programme	5 219	5 219		168	3 044	(2 876)	-94,5%	5 219
Water Service Infrastructure Grant	8 696	8 696	7 627	56 714	5 072	51 642	1018,1%	8 696
Energy Efficiency and Demand Side Management Grant	3 478	3 478	6	21	2 029	(2 008)	-98,9%	3 478
Provincial Government:	-	-	-	-	-	-		-
Human Settlement	-	-			-	-		-
District Municipality:	**1 965**	**1 965**	**-**	**-**	**1 146**	(1 146)	-100,0%	**1 965**
Fire Subsidy	1 965	1 965			1 146	(1 146)	-100,0%	1 965
Total capital expenditure of Transfers and Grants	**50 746**	**50 746**	**7 906**	**68 227**	**29 602**	**38 625**	**130,5%**	**50 746**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**183 858**	**183 858**	**13 550**	**110 184**	**107 250**	**2 934**	**2,7%**	**183 858**

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 661,351
Unspent as at 31 January 2020:	R 1,108,649

The spending of the grant amounted to 37.36% as at 31 January 2020, 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 928,527
Overspent as at 31 January 2020:	R -228,527

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 12,451,397
Unspent as at 31 January 2020:	R 2,746,603

The spending of the grant amounted to 81.93% as at 31 January 2020, 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 168,203
Unspent as at 31 January 2020:	R 1,331,797

The spending of the grant amounted to 11.21% as at 31 January 2020, 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 21,365
Unspent as at 31 January 2020:	R 1,978,635

The spending of the grant amounted to 1.07% as at 31 January 2020, 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 344,160
Unspent as at 31 January 2020 :	**R 1,655,840**

The spending of the grant amounted to 17.21% as at 31 January 2020, 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 35,834,178
Unspent as at 31 January 2020:	**R 62,183,160**

The spending of the grant amounted to 36.56% as at 31 January 2020, 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 – M07 January 2020

Summary of Employee and Councillor remuneration	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									%	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			8 800	8 800	700	4 878	5 133	(256)	-5%	8 800
Medical Aid Contributions			–	–	8	19	–	19	#DIV/0!	–
Motor Vehicle Allowance			2 889	2 889	233	1 628	1 685	(58)	-3%	2 889
Cellphone Allowance			1 374	1 374	107	747	801	(54)	-7%	1 374
Sub Total - Councillors		–	**13 063**	**13 063**	**1 048**	**7 271**	**7 620**	**(349)**	**-5%**	**13 063**
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 923	7 445	378	3 269	4 343	(1 074)	-25%	7 445
Pension and UIF Contributions				23	1	6	13	(8)	-57%	23
Performance Bonus				169	–	413	98	315	320%	169
Motor Vehicle Allowance				804	49	380	469	(89)	-19%	804
Cellphone Allowance				7	0	3	4	(1)	-27%	7
Other benefits and allowances			3 282	51	2	27	30	(3)	-10%	51
Payments in lieu of leave				1 762	–	4	1 028	(1 024)	-100%	1 762
Sub Total - Senior Managers of Municipality		–	**8 204**	**10 260**	**430**	**4 101**	**5 985**	**(1 884)**	**-31%**	**10 260**
Other Municipal Staff										
Basic Salaries and Wages			173 244	171 169	16 038	104 292	99 849	4 444	4%	171 169
Pension and UIF Contributions			29 339	29 339	2 531	17 626	17 114	512	3%	29 339
Medical Aid Contributions			15 119	15 119	1 370	8 872	8 820	52	1%	15 119
Overtime			27 259	27 259	4 853	18 080	15 901	2 179	14%	27 259
Performance Bonus			12 972	–	–	–	–	–		–
Motor Vehicle Allowance			7 551	7 551	742	5 116	4 405	711	16%	7 551
Cellphone Allowance			1	1	–	–	0	(0)	-100%	1
Housing Allowances			992	992	68	474	579	(105)	-18%	992
Other benefits and allowances			14 858	27 830	824	18 864	16 234	2 630	16%	27 830
Payments in lieu of leave			–	18	19	750	11	739	6989%	18
Long service awards			1 403	1 403	131	919	819	101	12%	1 403
Sub Total - Other Municipal Staff		–	**282 737**	**280 681**	**26 576**	**174 993**	**163 731**	**11 262**	**7%**	**280 681**
Total Parent Municipality		–	**304 004**	**304 005**	**28 055**	**186 365**	**177 336**	**9 029**	**5%**	**304 005**
TOTAL SALARY, ALLOWANCES & BENEFITS		–	**304 004**	**304 005**	**28 055**	**186 365**	**177 336**	**9 029**	**5%**	**304 005**
TOTAL MANAGERS AND STAFF		–	**290 942**	**290 942**	**27 006**	**179 094**	**169 716**	**9 378**	**6%**	**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 31 January 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	3.67%	2.51%	1.78%	1.29%	1.14%	1.23%
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	1.86
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	1.34
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97.60%	95.81%	90.73%	97,62%	96%	98.24%

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 31 January 2020
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	2.09
Employee Costs	Employee Costs / Total Operating Expenditure	35.62%	33.39%	33.21%	33.39%	32.42%	36.87%
Capital Expenditure	Capital Expenditure / Capital Budget	81.97%	72.92%	72.98%	44.59%	95%	56.24%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.61%	4.94%	3.82%	5.63%	4.87%	3.92%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.17%	1.65%	1.41%	2.29%	2.23%	0.94%
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%	80.70%

The above table is discussed in detail below.

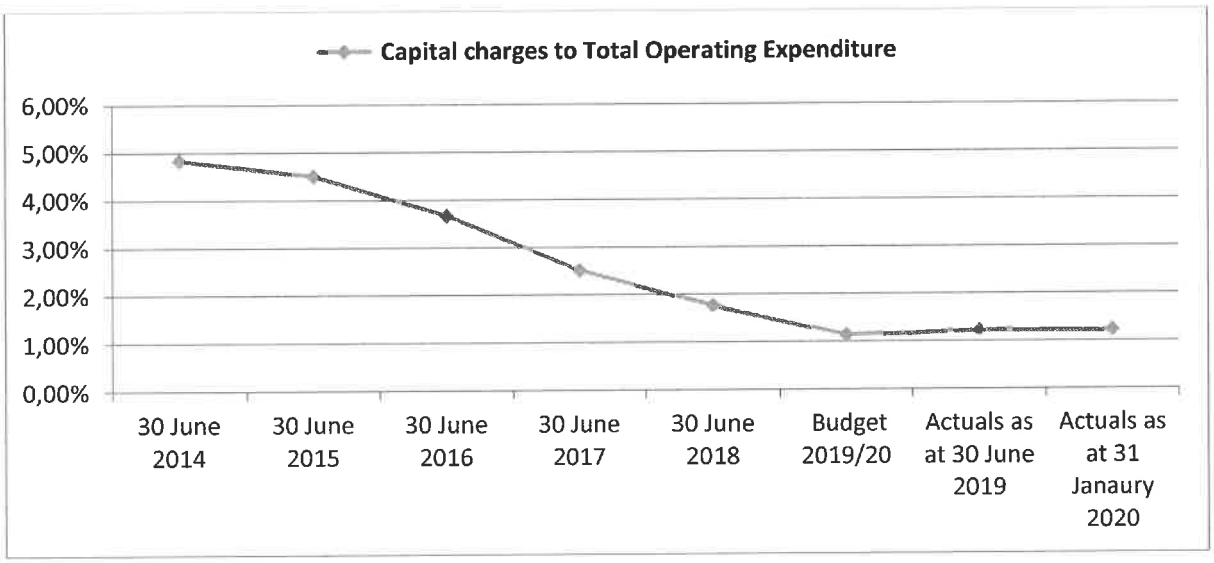
5.1. Borrowing Management

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 1.23% of the Total Operating Expenditure was utilised for capital charges as at 31 January 2020, 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.

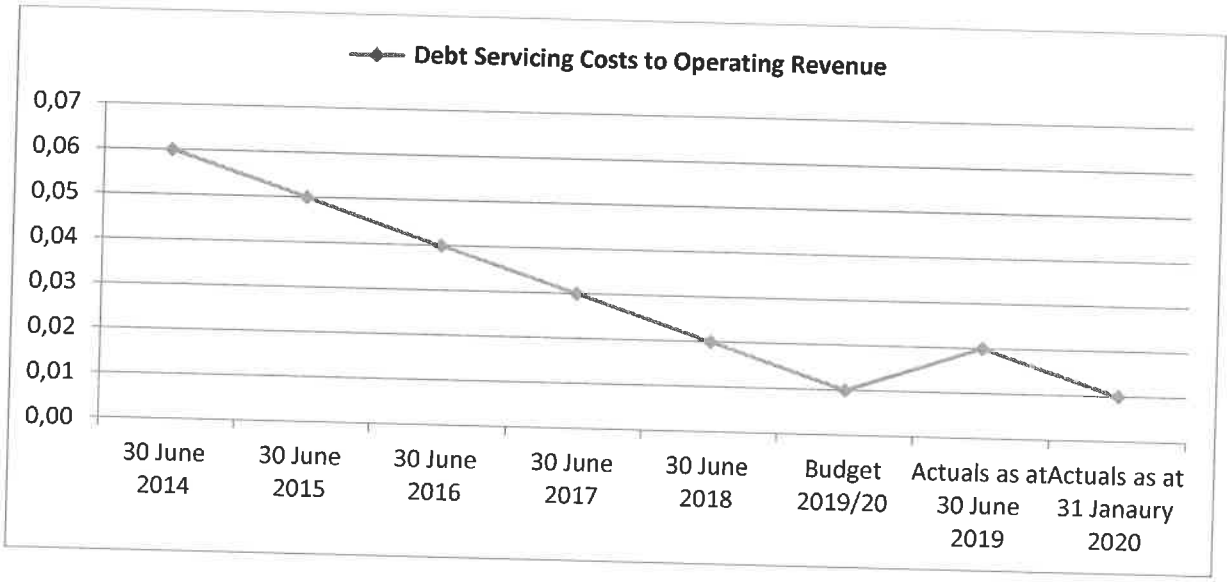
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 31 January 2020, 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:

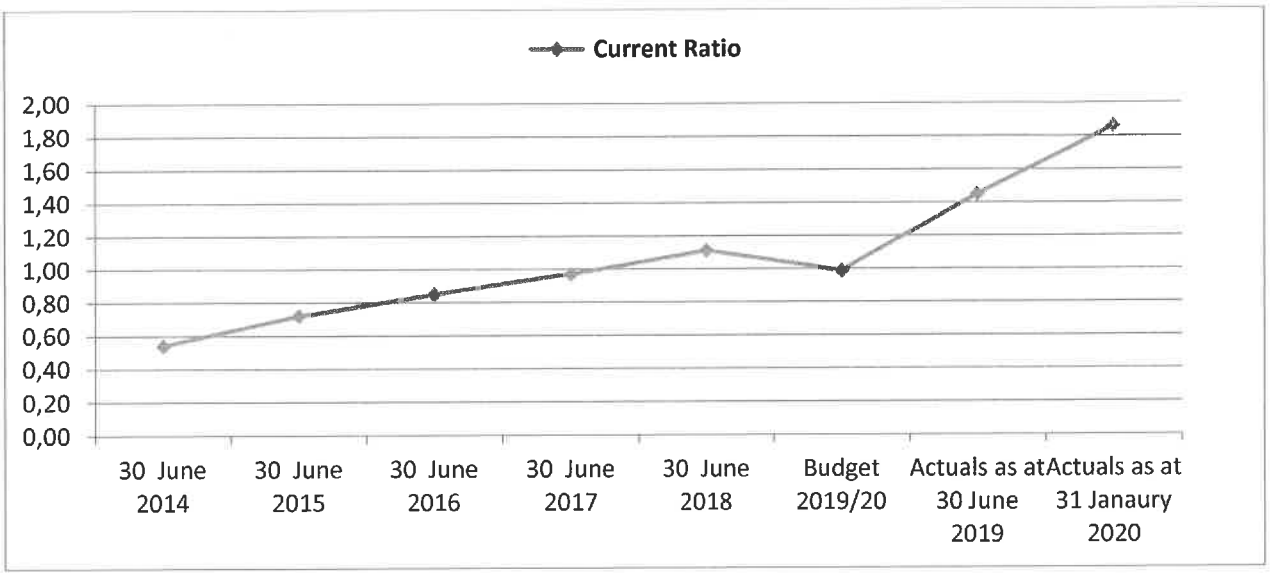
Current assets/Current liabilities

The ratio as at 31 January 2020 was 1.86:1, 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

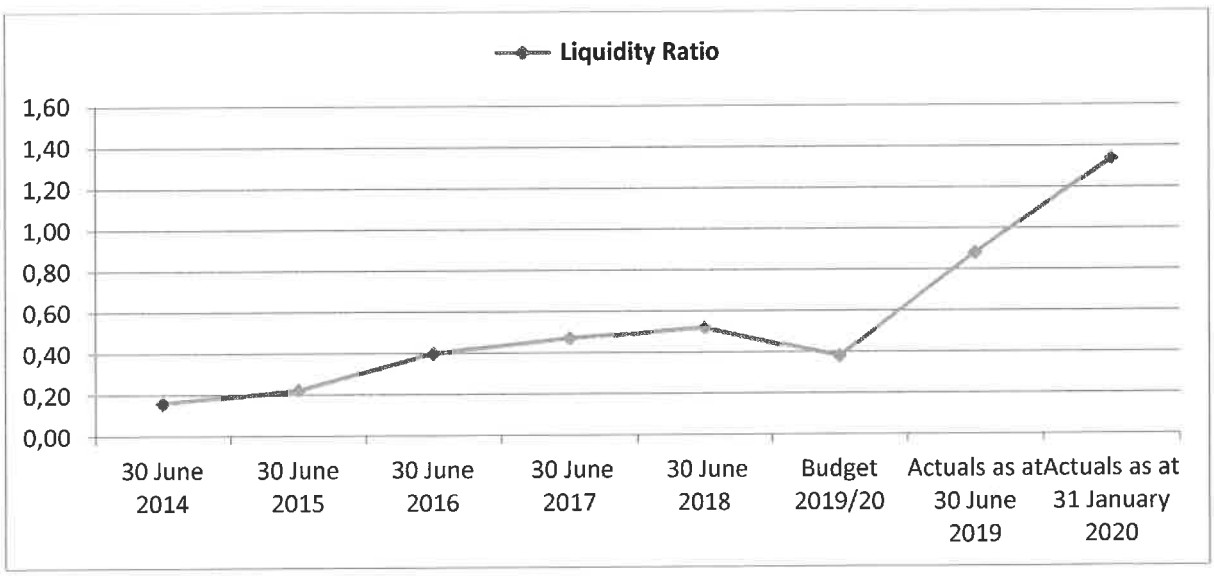
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 31 January 2020 was 1.34:1, 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

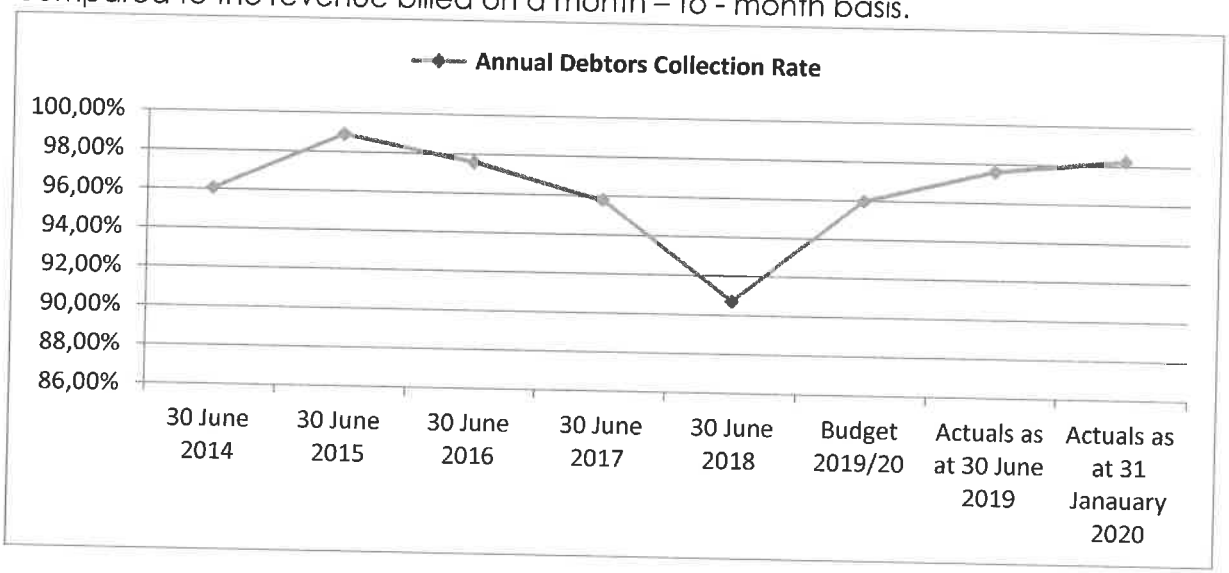
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 31 January 2020 was 98.24%, compared to the budgeted collection rate of 96%. The collection rate of 98.24% as at 31 January 2020 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.

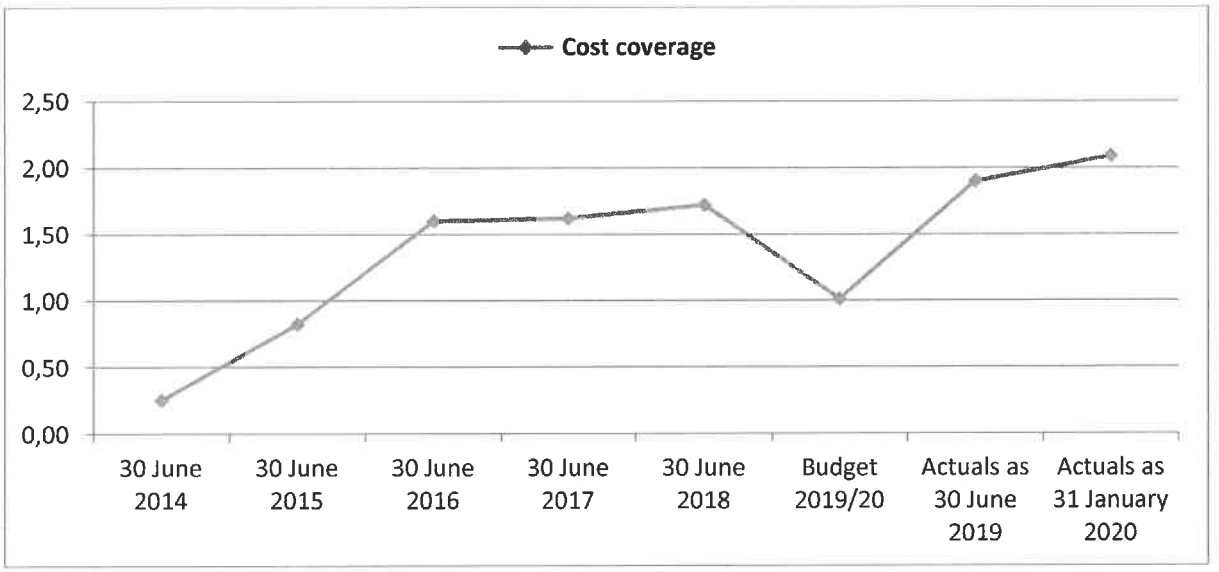
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 31 January 2020, the Ratio was 2.09 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



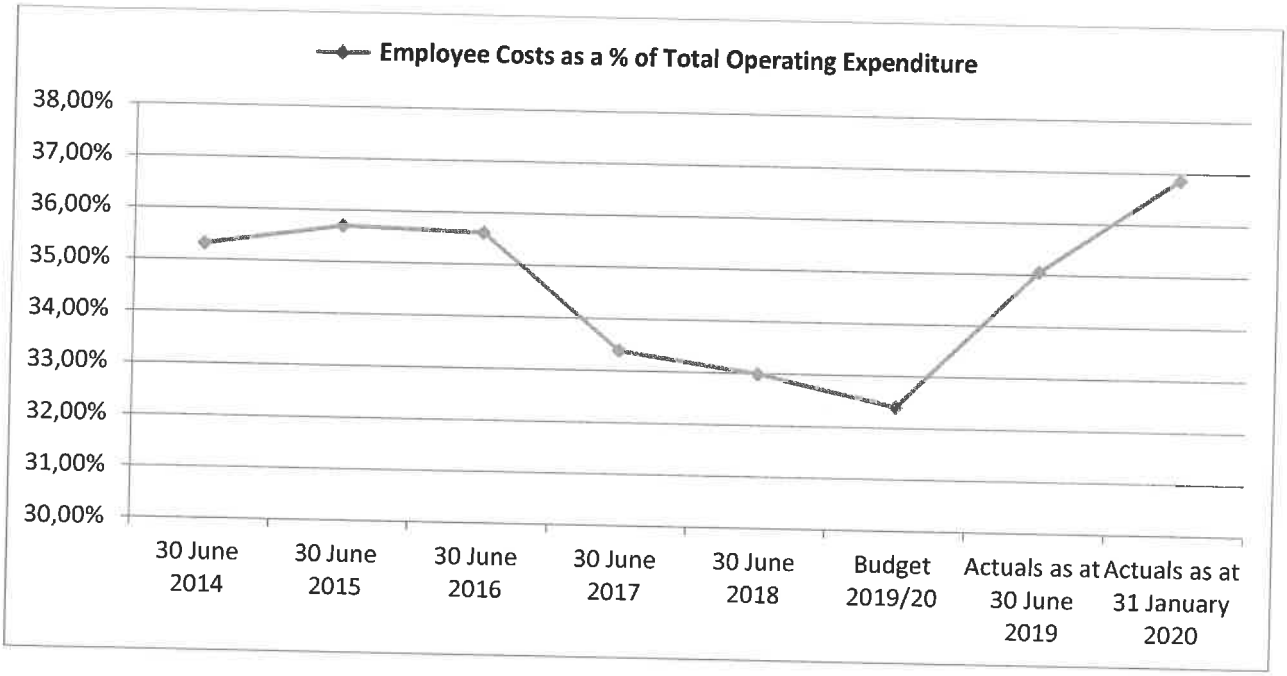
5.4.2. Employee costs as a % of Total Operating Expenditure

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 31 January 2020, Employee Related Costs constituted 36.87% of the Total Operating Expenditure, compared to the budgeted ratio of 32.42%.



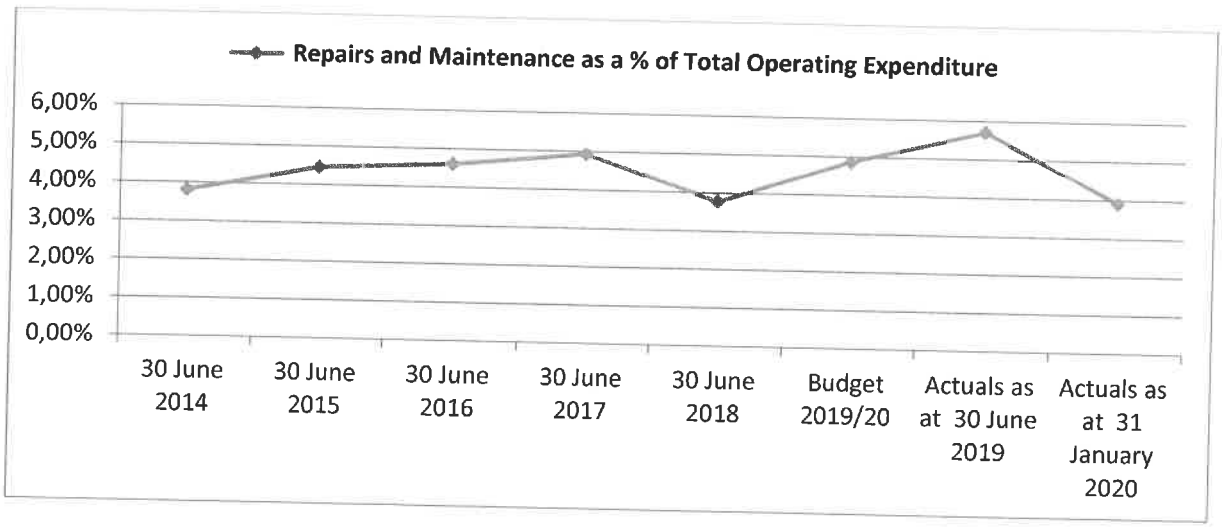
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 31 January 2020, the ratio was 3.92%, 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)

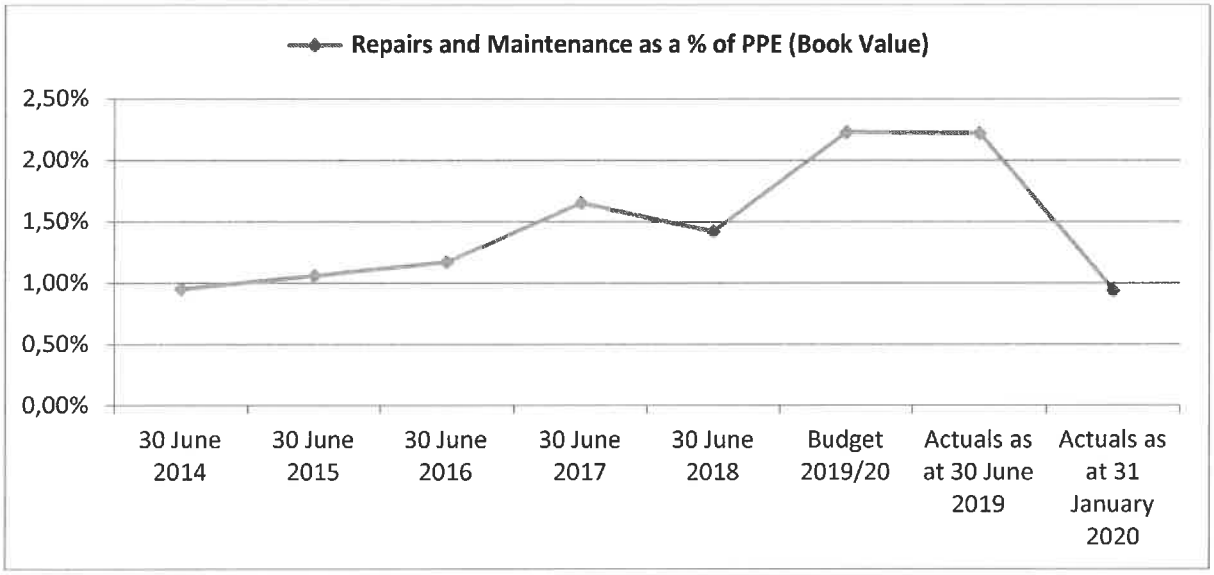
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 January 2020, repairs and maintenance expenditure constituted 0.94% 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%.



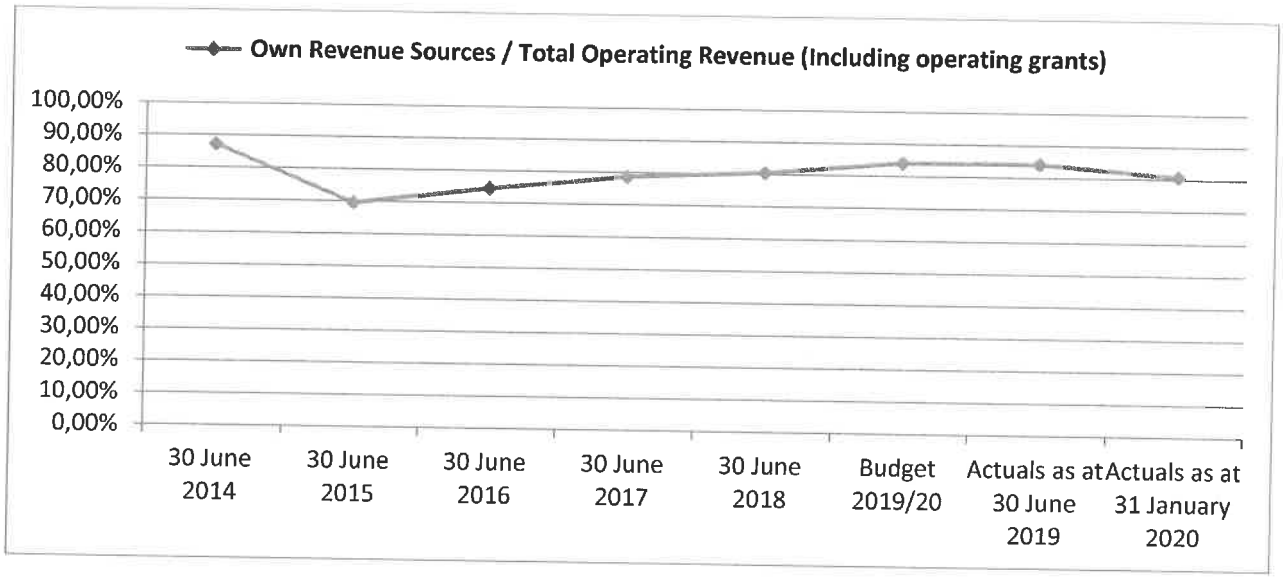
5.4.5. Own Revenue Generation

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 31 January 2020, the Municipality's own revenue sources constituted 80.70% 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 January 2020 amounted to 56.24% compared to the budgeted ratio of 95%.

