KOUGA local municipality

Good Governance through Service Excellence

SPECIAL COUNCIL MEETING

AGENDA

Date	:	30 July 2020
Time	:	10:00
Venue	:	Virtual Meeting

KOUGA MUNICIPALITY (EC108)	**UMASIPALA I-KOUGA (EC108)**	**MUNISIPALITEIT KOUGA (OK108)**
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Council Meeting will be held on	**OKU KUKWAZISA** malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigagqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile	**KENNIS GESKIED HIERMEE** ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op
DATE: 30 July 2020	**UMHLA: 30 EyeKala 2020**	**DATUM: 30 Julie 2020**
TIME: 10:00	**IXESHA: 10:00**	**TYD: 10:00**
H. BORNMAN **SPEAKER**	**H. BORNMAN** **USOMLOMO**	**H. BORNMAN** **SPEAKER**

Councillors are required to comply with the Standing Rules and Orders of Council and all its Committees By-law as promulgated in the Provincial Gazette on 22 October 2018 No.4134 and applicable to this meeting of Council. Any person who willfully contravenes any provision of these rules shall be guilty of an offence and which contravention shall be dealt with in accordance with the disciplinary procedures for Councillors.

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**

9. **DECLARATION OF INTEREST**

10. **STATUTORY MATTERS**

11. **MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR**

(The reports by the Executive Mayor, in terms of the provisions of Section 63 of the Local Government Municipal Systems Act, 32 of 2000, on matters dealt with by the Executive Mayor in terms of delegated authority as detailed in the Minutes to be noted).

12. **REPORTS BY THE EXECUTIVE MAYOR**

12.1 **REPORTS BY THE CHAIRPERSON: FINANCE**

20/07/F10 Monthly Budget Statements For The Period July 2019 To June 2020 And Financial State Of Affairs Of The Municipality As At 30 June 2020 (2019/20 Financial Year)

Pages 6-48

20/07/F11 Budget And Treasury: Withdrawals From Municipal Bank Account For The Quarter Ended 30 June 2020

Pages 49-51

20/07/F12 Write-Off In Respect Of Irrecoverable Arrear Debts – Equitable Share

Pages 52-54

20/07/F13 Electricity Tariff Increases: 2020/21 Financial Year

Pages 55-69

15. **CLOSURE**

Distribution list:
Executive Mayor
Speaker
All Councillors
Municipal Manager
All Directors
Relevant Managers
Committee Services

MATTERS DEALT WITH IN TERMS OF DELEGATED AUTHORITY BY THE EXECUTIVE MAYOR

REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 30 JULY 2020 **ITEM NO.: 20/07/F10**

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2019 TO JUNE 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2020 (2019/20 FINANCIAL YEAR)

1. Purpose

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

2. Legislative Requirements

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

In accordance with Section 71(1) of the MFMA, the Accounting officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

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

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

3. Executive Summary

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

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of July 2019 to June 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 813,860 million, whilst operating expenditure amounted to R 830,073 million, resulting in an operating deficit of R 16,214 million.
- Capital expenditure constituted 75.33% of the 2019/20 Adjusted Capital Budget.
- Overdue consumer debts increased by R 23,373 million (16.02%) since June 2019.
- An amount of R 101,214 million is owing to creditors, of which R 88,962 million (87.89%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 50,303,911 (-23.48%) since June 2019, from R 214,227,548 to R 163,923,638.

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 June 2020	Adjusted Budget 2019/20
Current Ratio	0.97:1	1.58:1	1.44:1	1.32:1	0.95:1
Liquidity Ratio	0.47:1	0.75:1	0.87:1	0.85:1	0.40:1
Cost Coverage (Excluding unspent conditional grants)	1.62 months	1.73 months	1.90 months	2.02 months	1.12 months
Debtors Collection Rate	95.81%	90.73%	97.62%	95.42%	96%
Capital Expenditure	72.92%	72.98%	44.59%	75.33%	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 June 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. <u>Recommendation</u>

5.1 That 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.

5.2 That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Section 52(d) of the MFMA be noted.

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

Drafted by Manager Budget & Treasury: Mr S Abrahams

Approved by CFO:

Mr. R Lorgat:..

Noted by Portfolio Councillor:...

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO 30 JUNE 2020.

Below is an analysis of the operating revenue and expenditure performance

Description	Budget Year 2019/20		
	Adjusted Budget	Actuals as at 30 June 2020	%
R thousands			
Revenue By Source			
Property rates	197 221	197 613	100%
Service charges - electricity revenue	274 470	243 724	89%
Service charges - water revenue	75 713	70 862	94%
Service charges - sanitation revenue	50 051	52 025	104%
Service charges - refuse revenue	52 072	52 166	100%
Rental of facilities and equipment	4 037	2 655	66%
Interest earned - external investments	15 375	11 657	76%
Interest earned - outstanding debtors	10 892	8 576	79%
Fines, penalties and forfeits	6 397	1 833	29%
Licences and permits	19 822	19 429	98%
Transfers and subsidies	133 725	133 355	100%
Other revenue	7 088	19 964	282%
Total Revenue (excluding capital transfers and contributions)	**846 865**	**813 860**	**96%**
Expenditure By Type			
Employee related costs	303 219	297 779	98%
Remuneration of councillors	13 063	12 937	99%
Debt impairment	26 420	–	0%
Depreciation & asset impairment	85 101	73 527	86%
Finance charges	2 201	2 228	101%
Bulk purchases	271 623	263 026	97%
Other materials	34 951	29 632	85%
Contracted services	83 303	64 699	78%
Transfers and subsidies	250	250	100%
Other expenditure	106 990	85 997	80%
Total Expenditure	**927 120**	**830 073**	**90%**
Surplus/(Deficit)	**(80 256)**	**(16 214)**	

The statement of financial performance indicates a deficit of R 16,214 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Service charges – electricity revenue

The electricity revenue is largely influenced by the lower than anticipated electricity usage.

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

Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 163,924 million.

Interest earned – outstanding debtors

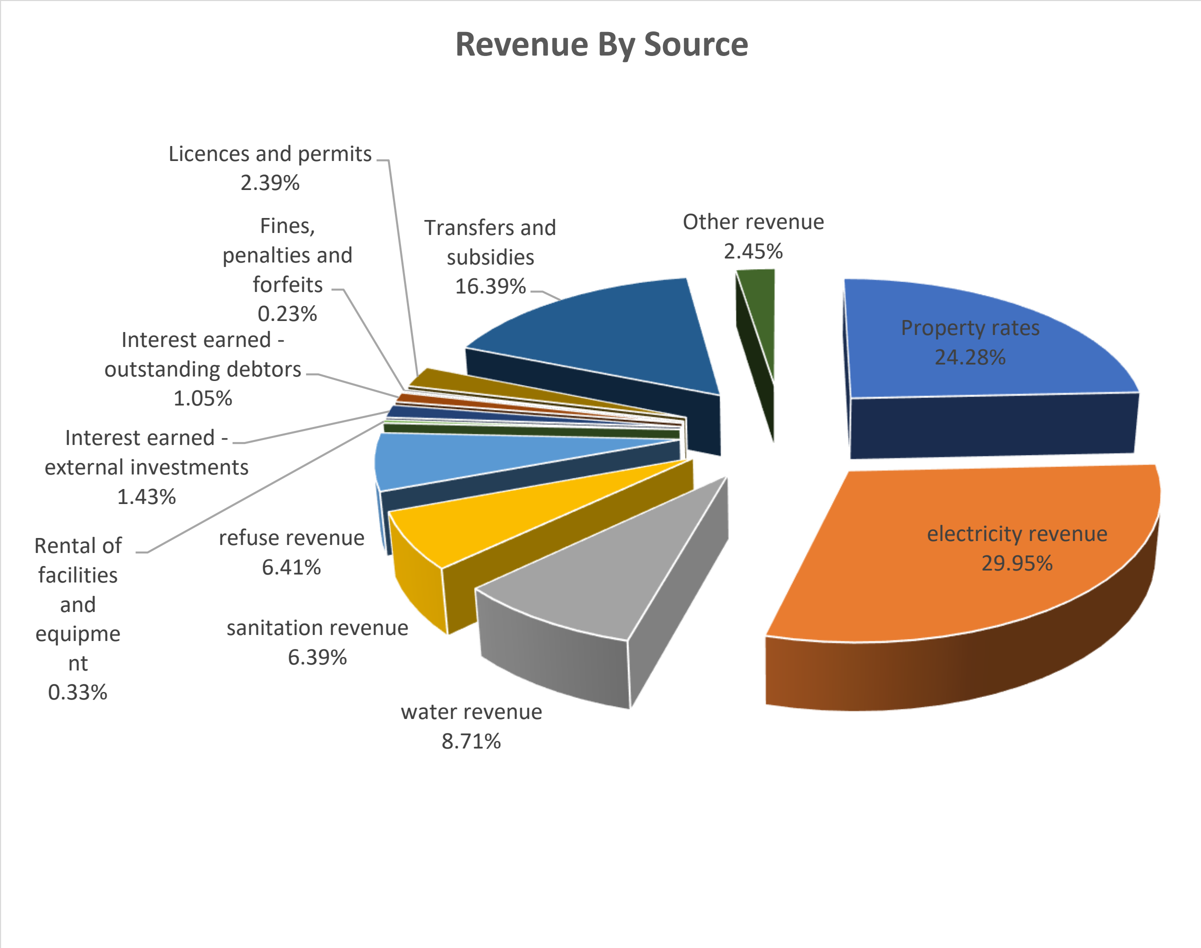
Interest is influenced by the extent of outstanding debtors. The actual overdue debtors as at 30 June 2020 amounted to R 169,257 million. It should be noted that the Municipality is currently not charging interest on outstanding debtors as a relief to COVID-19 pandemic.

Fines, penalties and forfeits

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

Other revenue

Other revenue is largely influenced by building plan related fees, insurance refunds and Value Added Tax (V.A.T) refunds amounting to R 9,240 million.



Expenditure Variations

Bad Debts

Bad debts are written off upon Council approval.

Other materials

Other materials relate to consumables, fuel and oil. It includes material and supplies used for repairs and maintenance. This is influence by the low spending on repairs and maintenance budget.

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:

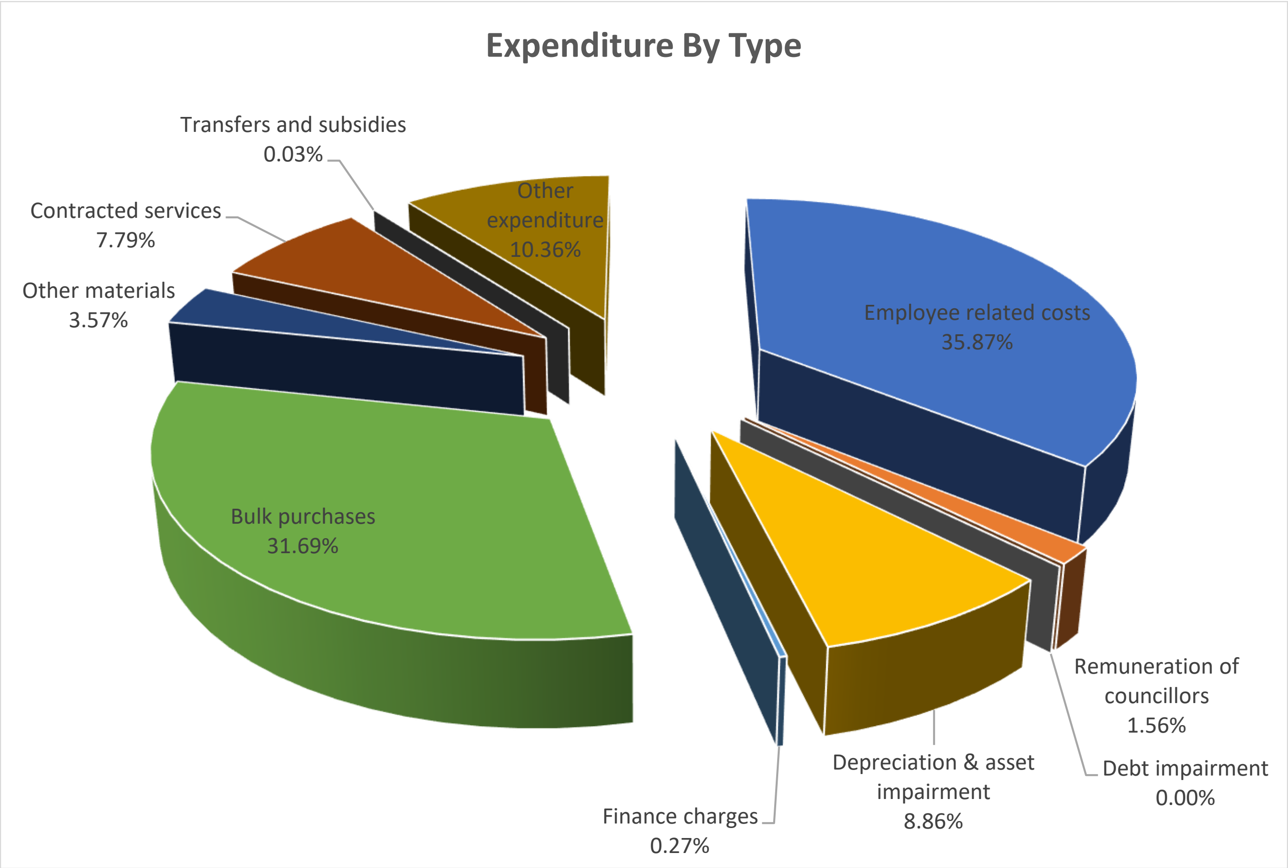
Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Roads Maintenance	17 400 000	17 387 438	99.93%
Project Management	8 563 011	5 222 640	60.99%
Specia Rating Area	7 337 701	6 484 726	88.38%
Maintenance of Vehicles	7 204 436	7 129 394	98.96%
Maintenance of Buildings and Facilities	7 300 327	5 311 589	72.76%
Legal Advice and Litigation	6 352 083	5 880 374	92.57%
Maintenance of Electrical Infrastrcture	2 268 828	2 028 727	89.42%
Other	3 034 876	1 197 699	39.46%
Outsourced Services:Personnel and Labour	2 149 507	500 000	23.26%
Security Services	2 020 083	1 492 514	73.88%
Business and Advisory:Valuer	1 951 875	106 700	5.47%
Clean up Operation	2 275 000	581 400	25.56%
Maintenance of Sanitation Infrastructure	1 624 000	1 543 610	95.05%
Legal Cost:Collection	1 578 000	499 376	31.65%
Qualification Verification	1 895 000	1 424 750	75.18%
Maintenance of Water Infrastrcture	1 300 300	1 076 193	82.76%
Drivers Licence Cards	730 000	422 018	57.81%
Clearing and Grass Cutting Services	630 000	513 959	81.58%
Maintenance of Machinery and Equipment	604 284	355 599	58.85%
Dune Stabilisation	4 231 200	3 735 519	88.29%
Medical Health Services & Support	500 000	490 881	98.18%
Outsourced Services:Internal Auditors	477 599	27 074	5.67%
Laboratory Services:Water	552 161	477 759	86.53%
Animal Care	350 000	350 000	100.00%
Occupational Health and Safety	315 000	251 897	79.97%
Land Audit	300 000	30 720	10.24%
Burial Services	235 000	176 170	74.97%
Transportation	122 500	-	0.00%
Total	**83 302 771**	**64 698 726**	**77.67%**

<u>Other expenditure</u>

Other expenditure relates to various general expenses, relating to the running costs of the municipality, such as printing and stationery, telephone accounts, etc.

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Hire Charges	27 037 500	26 154 165	96.73%
Municipal Services	10 974 549	12 249 165	111.61%
Operating Leases:Furniture and Office Equipment	5 893 745	3 902 014	66.21%
Commission:Third Party Vendors	5 374 126	4 136 796	76.98%
Management Fee	4 532 915	3 324 943	73.35%
External Audit Fees	4 508 000	4 502 333	99.87%
External Computer Service:Internet Charge	4 104 024	3 844 331	93.67%
Operating Leases:Other Assets	4 062 693	4 103 789	101.01%
External Computer Service:Software Licences	3 516 814	1 726 967	49.11%
Remuneration to Ward Committees	3 278 744	2 696 498	82.24%
Bargaining Council	2 909 416	34 080	1.17%
Uniform and Protective Clothing	2 437 933	2 137 720	87.69%
Training	2 503 698	1 844 071	73.65%
Insurance Underwriting:Premiums	2 600 248	1 101 014	42.34%
Storage of Files (Archiving)	1 900 000	1 189 784	62.62%
Communication:Postage/Stamps/Franking Machines	1 750 485	1 158 837	66.20%
Skills Development Fund Levy	1 695 046	1 601 325	94.47%
Communication:Cellular Contract (Subscriptions)	1 651 453	1 412 340	85.52%
Achievements and Awards	1 600 000	1 113 537	69.60%
Printing, Publications and Books	1 525 261	711 621	46.66%
Workmen's Compensation Fund	1 525 915	1 031 359	67.59%
Registration Fees:Professional and Regulatory Bodies	636 109	358 363	56.34%
Domestic:Accommodation	958 784	407 817	42.53%
Advertising, Publicity and Marketing:Tenders	916 219	693 370	75.68%
Advertising, Publicity and Marketing:Corporate and Municipal Activities	876 923	248 547	28.34%
Transport without Operator:Own Transport	785 294	472 350	60.15%
Licences:Motor Vehicle Licence and Registrations	1 029 719	583 995	56.71%
Bank Charges, Facility and Card Fees:Bank Accounts	669 072	1 032 487	154.32%
External Computer Service:Specialised Computer Services	662 191	-	0.00%
Public Transport:Air Transport	605 721	145 304	23.99%
Signage	425 100	243 922	57.38%
Vehicle Tracking	590 952	619 787	104.88%
Travel and Subsistence:Non-employees	516 669	139 418	26.98%
Advertising, Publicity and Marketing:Gifts and Promotions	485 756	174 316	35.89%
Other	2 449 245	900 152	36.75%
Total	**106 990 319**	**85 996 519**	**80.38%**


Expenditure By Type
Transfers and subsidies
0.03%
Contracted services
7.79%
Other materials
3.57%
Other expenditure
10.36%
Employee related costs
35.87%
Bulk purchases
31.69%
Remuneration of councillors
1.56%
Debt impairment
0.00%
Depreciation & asset impairment
8.86%
Finance charges
0.27%

Repairs and Maintenance

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

Item Description	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Corporate Services			
Maintenance of Vehicles	14 465	10 186	70.42%
Maintenance of Buildings and Properties	1 348 064	407 383	30.22%
	1 362 529	**417 568**	**30.65%**
Executive & Council			
Maintenance of Solid Waste Disposal	50 000	28 560	57.12%
Maintenance of Vehicles	8 246	2 942	35.68%
Maintenance of Buildings and Properties	390 350	244 042	62.52%
	448 596	**275 545**	**61.42%**
Finance			
Maintenance of Vehicles	99 414	85 354	85.86%
Maintenance of Buildings and Properties	537 046	129 626	24.14%
	636 460	**214 980**	**33.78%**
Infrastructure & Engineering			
Maintenance of Electrical Infrastructure	7 121 070	5 438 235	76.37%
Maintenance of Buildings and Properties	765 200	546 163	71.38%
Maintenance of Water Supply Infrastructure	3 963 800	2 947 261	74.35%
Maintenance of Storm water Infrastructure	908 000	756 775	83.35%
Maintenance of Roads Infrastructure	24 984 060	24 059 519	96.30%
Maintenance of Vehicles	3 127 679	3 123 754	99.87%
Maintenance of Machinery and Equipment	257 532	165 097	64.11%
Maintenance of Sanitation Infrastructure	3 535 865	2 967 987	83.94%
	44 663 206	**40 004 790**	**89.57%**
Planning, Development and Tourism			
Maintenance of Vehicles	19 999	16 659	83.30%
Maintenance of Buildings and Properties	52 600	-	0.00%
	72 599	**16 659**	**22.95%**
Community Services			
Maintenance of Buildings and Properties	4 565 217	4 204 239	92.09%
Maintenance of Machinery and Equipment	192 000	141 001	73.44%
Maintenance of Vehicles	4 233 578	4 175 714	98.63%
Maintenance of Community Facilities	266 000	183 561	69.01%
Maintenance of Sanitation Infrastructure	100 000	99 574	99.57%
	9 356 795	**8 804 090**	**94.09%**
Total	**56 540 185**	**49 733 632**	**87.96%**

It is to be noted that actual repairs and maintenance expenditure constituted 87.96% of the 2019/20 Adjusted Budget.

Annexure "A2"

CAPITAL BUDET PERFORMANCE

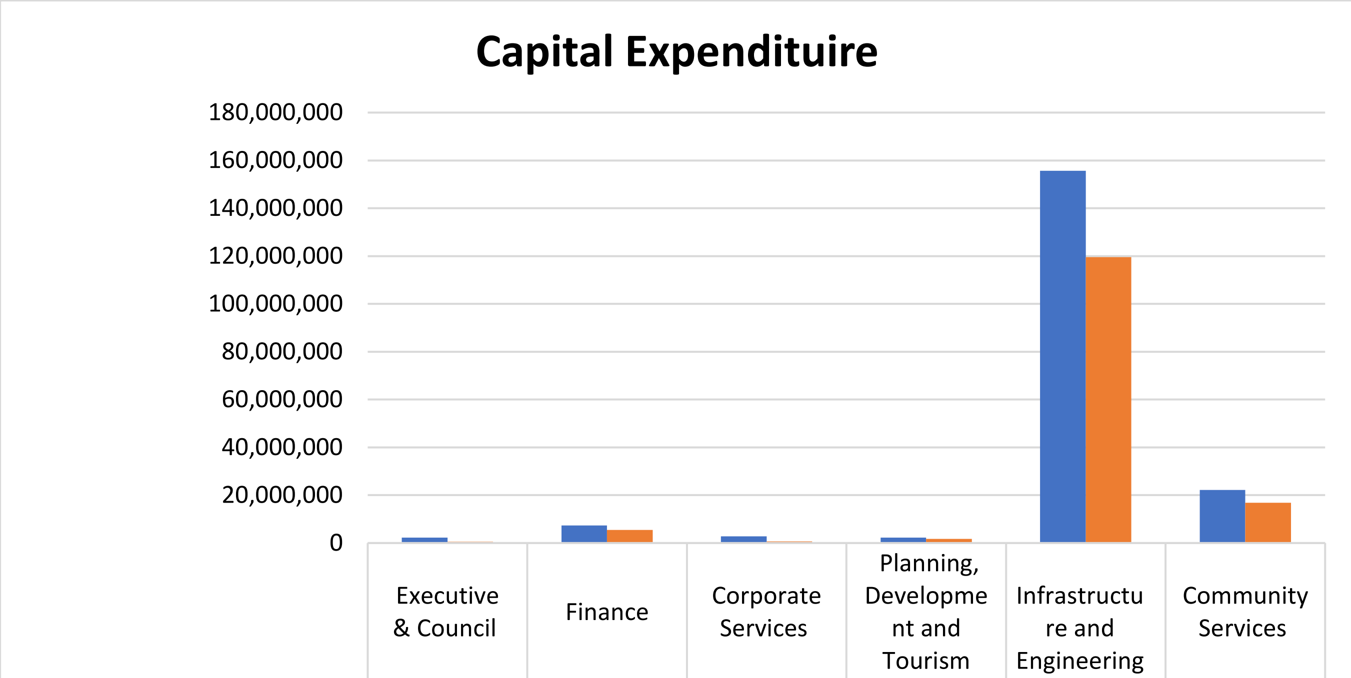
Below is an analysis of the capital expenditure compared to the 2019/20 Adjusted Capital Budget.

Project Description	Funding	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Executive & Council				
Furniture and Equipment	Internal	200 899	160 723	80.00%
Computer Equipment	Internal	190 001	55 346	29.13%
Ward Councilors Capital Programme	Internal	1 817 695	363 387	19.99%
Computer Software	Internal	20 000	11 739	58.70%
		2 228 595	**591 195**	**26.53%**
Corporate Services				
EDMS	Internal	761 000	-	0.00%
Old Library Upgrade	Internal	176 738	154 738	87.55%
Computer Software and Applications	Internal	184 000	-	0.00%
Biometric Systems	Internal	600 000	-	0.00%
Fencing of Main Building	Internal	172 425	172 425	100.00%
Furniture and Equipment	Internal	666 571	306 175	45.93%
Computer Equipment	Internal	217 043	14 823	6.83%
		2 777 777	**648 161**	**23.33%**
Finance				
Vehicles	Internal	643 416	643 416	100.00%
Furniture and Equipment	Internal	728 066	170 632	23.44%
Cibex Software	Internal	600 000	518 503	86.42%
Computer Equipment	Internal	421 673	214 902	50.96%
Machinery and Equipment	Internal	181 465	20 270	11.17%
WIFI Solution	Internal	250 000	174 096	69.64%
DOT MATRIX PRINTER	Internal	156 024	156 024	100.00%
DISASTER RECOVERY SERVER	Internal	644 106	6 839	1.06%
Office upgrade ICT	Internal	153 950	91 730	59.58%
Network Upgrade	Internal	3 350 000	3 350 000	100.00%
Cracking & Shelving: Stores	Internal	161 845	160 215	98.99%
		7 290 545	**5 506 628**	**75.53%**
Planning, Development & Tourism				
Computer Software and Applications	Internal	226 700	151 469	66.81%
Furniture and equipment	Internal	300 000	-	0.00%
Computer Equipment	Internal	133 300	67 623	50.73%
Land acquisition housing projects	Internal	1 562 308	1 558 543	99.76%
		2 222 308	**1 777 635**	**79.99%**

Project Description	Funding	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Community Services				
Vehicles	Internal	5 893 223	4 681 180	79.43%
Vehicles	District	3 665 100	512 000	13.97%
Machinery and Equipment	Internal	1 819 637	1 378 901	75.78%
Upgrading of Sports Facilities	Internal	560 000	405 093	72.34%
Wheelie Bins	Internal	4 940 000	4 912 620	99.45%
Wheelie Bins	MDRG	1 036 522	956 530	92.28%
Life Gaurds Beach Tower	Internal	96 212	96 212	100.00%
Furniture and equipment	Internal	495 630	336 442	67.88%
Computer Equipment	Internal	292 470	292 470	100.00%
Fencing Fire Station Hankey	Internal	182 000	171 015	93.96%
Fencing	Internal	2 133 687	2 085 631	97.75%
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	707 000	677 048	95.76%
HYDRAULICS RESCUE EQUIPMENT	Internal	304 655	295 203	96.90%
Weston Library Upgrade	Internal	11 900	11 800	99.16%
		22 138 036	**16 812 146**	**75.94%**
Infrastructure & Engineering				
Vehicles	Internal	5 235 469	9 115 248	174.11%
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	1 800 000	56 914	3.16%
Electrical supply of tri switches St francis Bay	Internal	200 000	-	0.00%
Electrical Mini sub station 22 000/11000/400 St Francis	Internal	485 935	-	0.00%
Humansdorp, Kruisfontein and Osean View Electrification	INEP	2 784 348	2 161 556	77.63%
Electrical Oil circuit breakers replacement	Internal	800 000	-	0.00%
Electrical Supply auto recloser St Francis Bay	Internal	400 000	-	0.00%
Electrical 5 MV 22000/11000 transformer	Internal	1 406 000	-	0.00%
Sewer REPLACE OLD PUMPS	Internal	67 892	108 409	159.68%
Patensie Sewage Package Plant	MIG	13 133 534	4 411 111	33.59%
Fencing of Jeffreys Bay and Kruisfontein Reservoir	Internal	1 407 260	1 407 260	100.00%
Upgrade Sanitation System Old Hankey	MIG	2 004 117	1 173 859	58.57%
KwaNomzamo Wastewater Treatment Works	WSIG	8 695 652	494 985	5.69%
St Francis bulk main outfall sewer	Internal	200 000	-	0.00%
Bucket Eradication Programme	Internal	2 075 942	2 075 942	100.00%
Machinery and Equipment	Internal	330 000	320 689	97.18%
Upgrading of Gravel Roads in Jeffreys Bay	MIG	363 655	-	0.00%
Purchase storage containers	Internal	200 000	167 016	83.51%
Mini Fresh Food and Craft Markets	MIG	128 538	128 538	100.00%
Furniture and Equipment	Internal	29 551	16 009	54.17%

Project Description	Funding	Adjusted Budget 2019/20	Actuals as at 30 June 2020	%
Upgrading of the Sea Vista Wastewater Treatment Works	MIG	10 499 553	10 499 553	100.00%
OYSTER BAY WATER SUPPLY	WSIG	541 350	541 350	100.00%
CAPE ST FRANCIS WATER SUPPLY	WSIG	4 217 504	4 217 503	100.00%
JEFFREYS BAY WATER SUPPLY	WSIG	1 194 093	1 140 555	95.52%
HUMANSDORP WATER SUPPLY	WSIG	1 456 415	693 871	47.64%
PATENSIE WATER SUPPLY	WSIG	2 862 732	1 486 034	51.91%
HANKEY WATER SUPPLY	WSIG	19 115 490	15 027 669	78.62%
WATER CONSERVATION AND DEMAND MANAGEMENT	WSIG	1 620 416	841 920	51.96%
RETICULATION REPLACE PIPELINES (PATENSIE)	WSIG	7 634 103	5 957 517	78.04%
RETICULATION REPLACE PIPELINES (HANKEY)	WSIG	2 168 698	1 128 579	52.04%
RETICULATION REPLACE PIPELINES (OYSTER BAY)	WSIG	13 882	-	0.00%
DEVELOP NATURAL SPRINGS AND CONVEYANCE (HUMANSDORP)	WSIG	15 772 674	15 047 091	95.40%
REFURBISH AND UPGRADE WATER TREATMENT WORKS (JEFFREYS BAY)	WSIG	28 635 111	28 417 540	99.24%
Computer Equipment	Internal	25 000	20 594	82.38%
Roads Capital	Internal	2 500 000	1 446 126	57.85%
Security Camera	Internal	150 000	-	0.00%
LV Networks (Informal Areas, Electrification/illegal connections)	Internal	1 000 000	706 451	70.65%
Purchase of mini sub station 11000/400,22000/400	Internal	508 597	508 597	100.00%
conversion from conventional meter to pre paid meters	Internal	170 336	170 337	100.00%
CONCRETE POLES	Internal	171 518	171 518	100.00%
SOLAR LIGHTS	Internal	360 773	360 773	100.00%
Pre Planning - Waterline Replacement - St Francis	Internal	260 000	-	0.00%
Pre Planning - Waterline Replacement - Mimosa Stre	Internal	250 000	-	0.00%
Pre Planning - Water Tower - Paradise	Internal	300 000	-	0.00%
(Pre Planning) Investigation Bypass Rising Main -	Internal	300 000	-	0.00%
(Pre Planning) Investigation for the Upgrade of Se	Internal	300 000	-	0.00%
Fencing of Kruisfontein WWTW	Internal	1 642 740	1 642 500	99.99%
Upgrading of Kwanomzamo Sports Facility	MIG	325 890	238 926	73.31%
Upgrading of Sports Facilities	MIG	2 305 517	566 223	24.56%
Kruisfontein Wastewater Treatment Works	MIG	2 897 848	2 897 848	100.00%
Humansdorp, Kruisfontein and Osean View Electrification	Internal	850 000	370 925	43.64%
Energy and Demand Side Management	Energy	3 438 262	3 414 181	99.30%
Outfall Sewers Capital	Internal	382 619	347 617	90.85%
		155 619 014	**119 499 332**	**76.79%**
Total		**192 276 275**	**144 835 098**	**75.33%**
Internally generated funds		55 765 271	42 880 159	76.89%
Transfers recognised - capital		136 511 004	101 954 939	74.69%
Total		**192 276 275**	**144 835 098**	**75.33%**

It is to be noted that capital expenditure as at 30 June 2020 amounted to 75.33%, compared to the adjusted capital budget of R 192,276,275.



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Adjusted Budget 2019/20	2,228,595	7,290,545	2,777,777	2,222,308	155,619,014	22,138,036
Actuals as at 30 June 2020	591,195	5,506,628	648,161	1,777,636	119,499,332	16,812,146

Annexure “A3”

PROJECTED CASH FLOW STATEMENT FOR THE 2019/20 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 June 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 – M12 June 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	189 333	11 967	191 027	189 333	1 694	1%	189 333
Service charges			435 121	434 214	43 549	413 939	434 214	(20 275)	-5%	434 214
Other revenue			34 799	37 344	20 478	96 108	37 344	58 764	157%	37 344
Government - operating			133 112	133 725	–	133 994	133 725	269	0%	133 725
Government - capital			58 063	56 455	–	56 034	56 455	(421)	-1%	56 455
Interest			18 476	25 832	475	23 852	25 832	(1 980)	-8%	25 832
Dividends			–	–			–	–		–
Payments										
Suppliers and employees			(783 499)	(813 149)	(31 771)	(786 207)	(813 149)	(26 942)	3%	(813 149)
Finance charges			(2 201)	(2 201)	(155)	(2 215)	(2 201)	14	-1%	(2 201)
Transfers and Grants			–	(250)	–	(250)	(250)	–		(250)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	82 720	61 303	44 543	126 283	61 303	(64 980)	-106%	61 303
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			–		–	–	–	–		–
Decrease (Increase) in non-current debtors			–	2 137	–	–	–	–		2 137
Decrease (increase) other non-current receivables			–		–	–	–	–		–
Decrease (increase) in non-current investments			–		–	–	–	–		–
Payments										
Capital assets			(93 110)	(192 276)	(59 021)	(168 560)	(192 276)	(23 716)	12%	(192 276)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(93 110)	(190 139)	(59 021)	(168 560)	(192 276)	(23 716)	12%	(190 139)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–		–	–	–	–		–
Borrowing long term/refinancing			–		–	–	–	–		–
Increase (decrease) in consumer deposits			–		–	–	–	–		–
Payments										
Repayment of borrowing			(7 999)	(9 067)	(695)	(8 026)	(9 067)	(1 040)	11%	(9 067)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(7 999)	(9 067)	(695)	(8 026)	(9 067)	(1 040)	11%	(9 067)
NET INCREASE/ (DECREASE) IN CASH HELD		–	(18 389)	(137 903)	(15 174)	(50 304)	(140 040)			(137 903)
Cash/cash equivalents at beginning:			84 707	214 228		214 228	214 228			214 228
Cash/cash equivalents at month/year end:		–	66 318	76 325		163 924	74 188			76 325

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

Table C1 Monthly Budget Statement Summary – M12 June 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	197 221	11 479	197 613	197 221	391	0%	197 221
Service charges	–	453 251	452 307	35 165	418 777	452 307	(33 530)	-7%	452 307
Investment revenue	–	10 375	15 375	1 035	11 657	15 375	(3 718)	-24%	15 375
Transfers and subsidies	–	133 112	133 725	(891)	133 355	133 725	(370)	-0%	133 725
Other own revenue	–	43 238	48 236	4 414	52 458	48 236	4 221	9%	48 236
Total Revenue (excluding capital transfers and contributions)	**–**	**836 693**	**846 865**	**51 200**	**813 860**	**846 865**	**(33 005)**	**-4%**	**846 865**
Employee costs	–	290 942	303 219	22 682	297 779	303 219	(5 440)	-2%	303 219
Remuneration of Councillors	–	13 063	13 063	1 065	12 937	13 063	(126)	-1%	13 063
Depreciation & asset impairment	–	85 101	85 101	6 127	73 527	85 101	(11 574)	-14%	85 101
Finance charges	–	2 201	2 201	155	2 228	2 201	26	1%	2 201
Materials and bulk purchases	–	301 244	306 574	31 727	292 658	306 574	(13 916)	-5%	306 574
Transfers and subsidies	–	–	250	–	250	250	–		250
Other expenditure	–	204 586	216 713	31 468	150 695	216 713	(66 017)	-30%	216 713
Total Expenditure	**–**	**897 137**	**927 120**	**93 224**	**830 073**	**927 120**	**(97 047)**	**-10%**	**927 120**
Surplus/(Deficit)	**–**	**(60 444)**	**(80 256)**	**(42 023)**	**(16 214)**	**(80 256)**	**64 042**	**-80%**	**(80 256)**
Transfers and subsidies - capital (monetary alloc	–	58 063	56 455	4 339	52 568	56 455	(3 887)	-7%	56 455
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 801)**	**60 155**	**-253%**	**(23 801)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 801)**	**60 155**	**-253%**	**(23 801)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**93 110**	**192 276**	**51 323**	**144 835**	**192 276**	**(47 441)**	**-25%**	**192 276**
Capital transfers recognised	–	51 117	136 511	34 855	101 955	136 511	(34 556)	-25%	136 511
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**41 994**	**55 765**	**16 468**	**42 880**	**55 765**	**(12 885)**	**-23%**	**55 765**
Total sources of capital funds	**–**	**93 110**	**192 276**	**51 323**	**144 835**	**192 276**	**(47 441)**	**-25%**	**192 276**
Financial position									
Total current assets	–	173 204	179 973		255 612				179 973
Total non current assets	–	2 317 635	2 368 782		2 261 606				2 368 782
Total current liabilities	–	175 225	189 824		193 614				189 824
Total non current liabilities	–	184 979	182 000		179 799				182 000
Community wealth/Equity	–	**2 130 635**	**2 176 930**		**2 143 804**				**2 176 930**
Cash flows									
Net cash from (used) operating	–	82 720	61 303	44 543	126 283	61 303	(64 980)	-106%	61 303
Net cash from (used) investing	–	(93 110)	(190 139)	(59 021)	(168 560)	(192 276)	(23 716)	12%	(190 139)
Net cash from (used) financing	–	(7 999)	(9 067)	(695)	(8 026)	(9 067)	(1 040)	11%	(9 067)
Cash/cash equivalents at the month/year end	**–**	**66 318**	**76 325**	**–**	**163 924**	**74 188**	**(89 736)**	**-121%**	**76 325**
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	34 657	8 787	7 594	6 557	5 292	4 547	30 714	105 766	203 914
Creditors Age Analysis									
Total Creditors	88 963	7 883	998	281	1 346	385	1 496	(136)	101 214

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) – M12 June 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		**395 119**	**339 475**	**345 087**	**14 435**	**351 556**	**345 087**	6 469	2%	**345 087**
Executive and council		18	27	27	–	4	27	(23)	-87%	27
Finance and administration		395 101	339 448	345 060	14 435	351 552	345 060	6 492	2%	345 060
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**11 923**	**14 266**	**14 354**	**(897)**	**11 414**	**14 354**	(2 941)	-20%	**14 354**
Community and social services		2 378	2 479	2 479	(995)	2 421	2 479	(58)	-2%	2 479
Sport and recreation		5 048	7 867	7 867	88	5 431	7 867	(2 436)	-31%	7 867
Public safety		1 855	1 984	1 984	4	734	1 984	(1 250)	-63%	1 984
Housing		–	–	–	–	–	–	–		–
Health		2 642	1 936	2 024	7	2 827	2 024	803	40%	2 024
Economic and environmental services		**18 987**	**19 616**	**24 086**	**3 689**	**26 893**	**24 086**	2 807	12%	**24 086**
Planning and development		5 606	6 667	6 979	742	8 928	6 979	1 949	28%	6 979
Road transport		12 873	11 844	14 586	1 755	15 745	14 586	1 159	8%	14 586
Environmental protection		507	1 105	2 521	1 192	2 220	2 521	(301)	-12%	2 521
Trading services		**510 113**	**521 398**	**519 793**	**38 312**	**476 565**	**519 793**	(43 228)	-8%	**519 793**
Energy sources		250 976	293 789	287 775	19 959	249 820	287 775	(37 955)	-13%	287 775
Water management		130 577	87 929	89 113	8 818	99 797	89 113	10 683	12%	89 113
Waste water management		74 949	83 574	87 728	5 337	72 264	87 728	(15 464)	-18%	87 728
Waste management		53 612	56 106	55 177	4 198	54 685	55 177	(492)	-1%	55 177
Other	4	**7**	–	–	–	–	–	–		–
Total Revenue - Functional	2	**936 150**	**894 756**	**903 320**	**55 539**	**866 428**	**903 320**	**(36 892)**	**-4%**	**903 320**
Expenditure - Functional										
Governance and administration		**185 960**	**222 961**	**218 961**	**14 890**	**172 107**	**218 961**	(46 854)	-21%	**218 961**
Executive and council		37 959	45 089	42 438	3 334	40 641	42 438	(1 797)	-4%	42 438
Finance and administration		148 001	177 872	176 503	11 555	131 459	176 503	(45 044)	-26%	176 503
Internal audit		–	–	20	–	7	20	(13)	-65%	20
Community and public safety		**79 412**	**85 190**	**89 282**	**9 231**	**87 353**	**89 282**	(1 928)	-2%	**89 282**
Community and social services		8 862	10 612	13 232	3 244	11 048	13 232	(2 183)	-17%	13 232
Sport and recreation		42 452	44 086	45 353	3 402	43 688	45 353	(1 665)	-4%	45 353
Public safety		20 994	22 264	22 341	1 817	23 499	22 341	1 158	5%	22 341
Housing		2 614	3 228	3 228	348	4 163	3 228	934	29%	3 228
Health		4 489	4 999	5 127	420	4 955	5 127	(172)	-3%	5 127
Economic and environmental services		**105 416**	**116 851**	**131 963**	**22 038**	**119 754**	**131 963**	(12 208)	-9%	**131 963**
Planning and development		27 587	34 459	34 978	2 378	26 956	34 978	(8 022)	-23%	34 978
Road transport		75 517	80 642	95 184	19 409	90 851	95 184	(4 333)	-5%	95 184
Environmental protection		2 313	1 751	1 801	252	1 947	1 801	146	8%	1 801
Trading services		**444 073**	**467 649**	**484 807**	**47 065**	**448 981**	**484 807**	(35 826)	-7%	**484 807**
Energy sources		234 943	285 024	285 667	27 403	267 671	285 667	(17 996)	-6%	285 667
Water management		88 242	80 898	77 819	7 151	71 679	77 819	(6 140)	-8%	77 819
Waste water management		59 124	51 081	57 303	5 548	58 659	57 303	1 356	2%	57 303
Waste management		61 765	50 646	64 018	6 963	50 972	64 018	(13 046)	-20%	64 018
Other		**3 225**	**4 486**	**2 108**	–	**1 878**	**2 108**	**(230)**	**-11%**	**2 108**
Total Expenditure - Functional	3	**818 087**	**897 137**	**927 120**	**93 224**	**830 073**	**927 120**	**(97 047)**	**-10%**	**927 120**
Surplus/ (Deficit) for the year		**118 063**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 801)**	**60 155**	**-253%**	**(23 801)**

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 – M12 June 2020

Vote 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 Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		369 426	333 857	339 202	14 418	349 410	339 202	10 208	3.0%	339 202
Vote 3 - CORPORATE SERVICES		1 222	27	293	–	586	293	292	99.6%	293
Vote 4 - PLANNING, DEVELOPMENT & TOURISM		3 444	4 052	4 052	404	6 291	4 052	2 238	55.2%	4 052
Vote 5 - INFRASTRUCTURE AND ENGINEERING		463 300	468 908	468 542	34 452	425 517	468 542	(43 025)	-9.2%	468 542
Vote 6 - COMMUNITY SERVICES		20 696	20 256	23 086	770	22 622	23 086	(464)	-2.0%	23 086
Vote 7 - COMMUNITY SERVICES (CONTINUED)		78 060	67 656	68 143	5 495	62 002	68 143	(6 142)	-9.0%	68 143
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**936 150**	**894 756**	**903 320**	**55 539**	**866 428**	**903 320**	**(36 892)**	**-4.1%**	**903 320**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		30 876	43 826	45 728	3 092	39 670	45 728	(6 058)	-13.2%	45 728
Vote 2 - FINANCIAL SERVICES		79 074	93 059	89 104	5 195	56 982	89 104	(32 122)	-36.0%	89 104
Vote 3 - CORPORATE SERVICES		46 411	51 140	54 343	3 139	39 507	54 343	(14 835)	-27.3%	54 343
Vote 4 - PLANNING, DEVELOPMENT & TOURISM		18 293	22 412	20 400	1 407	19 055	20 400	(1 345)	-6.6%	20 400
Vote 5 - INFRASTRUCTURE AND ENGINEERING		471 507	515 897	531 198	60 336	499 970	531 198	(31 228)	-5.9%	531 198
Vote 6 - COMMUNITY SERVICES		49 299	54 604	57 054	6 387	54 366	57 054	(2 688)	-4.7%	57 054
Vote 7 - COMMUNITY SERVICES (CONTINUED)		122 626	116 198	129 293	13 667	120 523	129 293	(8 770)	-6.8%	129 293
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**818 087**	**897 137**	**927 120**	**93 224**	**830 073**	**927 120**	**(97 047)**	**-10.5%**	**927 120**
Surplus/ (Deficit) for the year	2	**118 063**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 801)**	**60 155**	**-252.7%**	**(23 801)**

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) – M12 June 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									%	
Revenue By Source										
Property rates		184 220	196 717	197 221	11 479	197 613	197 109	504	0%	197 109
Service charges - electricity revenue		242 848	277 068	274 470	19 959	243 724	274 470	(30 746)	-11%	274 470
Service charges - water revenue		75 591	76 105	75 713	6 674	70 862	75 713	(4 851)	-6%	75 713
Service charges - sanitation revenue		44 023	46 346	50 051	4 335	52 025	50 051	1 973	4%	50 051
Service charges - refuse revenue		50 819	53 732	52 072	4 197	52 166	52 072	94	0%	52 072
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		609	4 037	4 037	191	2 655	4 037	(1 382)	-34%	4 037
Interest earned - external investments		11 947	10 375	15 375	1 035	11 657	15 375	(3 718)	-24%	15 375
Interest earned - outstanding debtors		8 288	8 439	10 892	(2)	8 576	10 892	(2 316)	-21%	10 892
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		21 334	6 397	6 397	18	1 833	6 397	(4 564)	-71%	6 397
Licences and permits		15 793	16 568	19 822	1 851	19 429	19 822	(393)	-2%	19 822
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		122 879	133 112	133 725	(891)	133 355	133 725	(370)	0%	133 725
Other revenue		63 468	7 797	7 088	2 355	19 964	7 088	12 875	182%	7 088
Gains on disposal of PPE		200	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**842 018**	**836 693**	**846 865**	**51 200**	**813 860**	**846 752**	**(32 892)**	**-4%**	**846 752**
Expenditure By Type										
Employee related costs		274 158	290 942	303 219	22 682	297 779	303 219	(5 440)	-2%	303 219
Remuneration of councillors		12 202	13 063	13 063	1 065	12 937	13 063	(126)	-1%	13 063
Debt impairment		44 146	26 336	26 420	–	–	26 420	(26 420)	-100%	26 420
Depreciation & asset impairment		75 856	85 101	85 101	6 127	73 527	85 101	(11 574)	-14%	85 101
Finance charges		6 638	2 201	2 201	155	2 228	2 201	26	1%	2 201
Bulk purchases		234 527	271 623	271 623	26 719	263 026	271 623	(8 597)	-3%	271 623
Other materials		25 925	29 621	34 951	5 008	29 632	34 951	(5 318)	-15%	34 951
Contracted services		62 694	80 814	83 303	22 663	64 699	83 303	(18 604)	-22%	83 303
Transfers and subsidies		–	–	250	–	250	250	–		250
Other expenditure		80 991	97 436	106 990	8 805	85 997	106 990	(20 994)	-20%	106 990
Loss on disposal of PPE		950	–	–	–	–	–	–		–
Total Expenditure		**818 087**	**897 137**	**927 120**	**93 224**	**830 073**	**927 120**	**(97 047)**	**-10%**	**927 120**
Surplus/(Deficit)		**23 931**	**(60 444)**	**(80 256)**	**(42 023)**	**(16 214)**	**(80 368)**	**64 155**	**(0)**	**(80 368)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		94 020	58 063	56 455	4 339	52 568	56 455	(3 887)	(0)	56 455
Transfers and subsidies - capital (monetary allocations) (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		**117 952**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 913)**			**(23 913)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**117 952**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 913)**			**(23 913)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**117 952**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 913)**			**(23 913)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**117 952**	**(2 381)**	**(23 801)**	**(37 684)**	**36 354**	**(23 913)**			**(23 913)**

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) – M12 June 2020

Vote 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								%	
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		1	190	150	12	123	150	(27)	-18%	150
Vote 2 - FINANCIAL SERVICES		7 183	1 600	6 103	853	5 080	6 103	(1 023)	-17%	6 103
Vote 3 - CORPORATE SERVICES		1 062	1 621	2 388	72	461	2 388	(1 927)	-81%	2 388
Vote 4 - PLANNING, DEVELOPMENT & TOURISM		–	2 160	1 922	59	1 778	1 922	(145)	-8%	1 922
Vote 5 - INFRASTRUCTURE AND ENGINEERING		68 357	47 035	141 436	38 051	106 006	141 436	(35 430)	-25%	141 436
Vote 6 - COMMUNITY SERVICES		93	1 250	1 730	420	1 690	1 730	(39)	-2%	1 730
Vote 7 - COMMUNITY SERVICES (CONTINUED)		(372)	200	210	–	94	210	(116)	-55%	210
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**76 325**	**54 055**	**153 939**	**39 466**	**115 231**	**153 939**	**(38 708)**	**-25%**	**153 939**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		191	1 010	2 079	46	468	2 079	(1 610)	-77%	2 079
Vote 2 - FINANCIAL SERVICES		31 447	1 000	1 187	201	426	1 187	(761)	-64%	1 187
Vote 3 - CORPORATE SERVICES		1	1 448	389	13	187	389	(202)	-52%	389
Vote 4 - PLANNING, DEVELOPMENT & TOURISM		(1 840)	2 421	300	–	–	300	(300)	-100%	300
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(3 353)	11 183	14 183	3 091	13 494	14 183	(690)	-5%	14 183
Vote 6 - COMMUNITY SERVICES		101	4 665	6 643	1 235	2 190	6 643	(4 453)	-67%	6 643
Vote 7 - COMMUNITY SERVICES (CONTINUED)		1 116	17 328	13 556	7 270	12 838	13 556	(717)	-5%	13 556
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	27 663	39 055	38 337	11 857	29 604	38 337	**(8 733)**	**-23%**	38 337
Total Capital Expenditure	3	**103 988**	**93 110**	**192 276**	**51 323**	**144 835**	**192 276**	**(47 441)**	**-25%**	**192 276**
Capital Expenditure - Functional Classification										
Governance and administration		**39 893**	**8 169**	**14 682**	**1 261**	**8 762**	**14 682**	(5 920)	-40%	**14 682**
Executive and council		193	1 065	2 226	123	657	2 226	(1 569)	-70%	2 226
Finance and administration		39 700	6 969	12 440	1 139	8 101	12 440	(4 339)	-35%	12 440
Internal audit		–	135	16	–	4	16	(12)	-75%	16
Community and public safety		**931**	**21 843**	**15 970**	**2 622**	**9 291**	**15 970**	(6 679)	-42%	**15 970**
Community and social services		190	950	943	115	900	943	(43)	-5%	943
Sport and recreation		737	15 228	7 772	1 930	5 531	7 772	(2 241)	-29%	7 772
Public safety		3	3 965	5 693	576	1 302	5 693	(4 391)	-77%	5 693
Housing		–	1 700	1 562	–	1 559	1 562	(4)	0%	1 562
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(1 770)**	**5 325**	**4 182**	**1 560**	**2 136**	**4 182**	(2 047)	-49%	**4 182**
Planning and development		(1 788)	3 331	1 189	226	560	1 189	(629)	-53%	1 189
Road transport		17	1 994	2 994	1 334	1 576	2 994	(1 418)	-47%	2 994
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**64 935**	**57 774**	**157 442**	**45 880**	**124 647**	**157 442**	(32 795)	-21%	**157 442**
Energy sources		1 672	19 432	16 130	3 307	9 658	16 130	(6 472)	-40%	16 130
Water management		46 210	11 446	98 424	29 440	78 256	98 424	(20 168)	-20%	98 424
Waste water management		17 053	24 896	34 912	7 264	28 864	34 912	(6 047)	-17%	34 912
Waste management		–	2 000	7 977	5 869	7 869	7 977	(107)	-1%	7 977
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**103 988**	**93 110**	**192 276**	**51 323**	**144 835**	**192 276**	**(47 441)**	**-25%**	**192 276**
Funded by:										
National Government		63 711	49 052	132 846	34 343	101 443	132 846	(31 403)	-24%	132 846
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		3	2 065	3 665	512	512	3 665	(3 153)	-86%	3 665
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**63 714**	**51 117**	**136 511**	**34 855**	**101 955**	**136 511**	**(34 556)**	**-25%**	**136 511**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		–	41 994	55 765	16 468	42 880	55 765	(12 885)	-23%	55 765
Total Capital Funding		**63 714**	**93 110**	**192 276**	**51 323**	**144 835**	**192 276**	**(47 441)**	**-25%**	**192 276**

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 – M12 June 2020

Description	Ref	2018/19	Budget Year 2019/20			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash			6 632	6 871	18 737	6 871
Call investment deposits			59 686	69 457	145 186	69 457
Consumer debtors			67 067	60 507	71 370	60 507
Other debtors			33 150	33 885	11 066	33 885
Current portion of long-term receivables			3	3	3	3
Inventory			6 666	9 249	9 249	9 249
Total current assets		–	173 204	179 973	255 612	179 973
Non current assets						
Long-term receivables			16	13	13	13
Investments					–	
Investment property			354 389	242 552	242 552	242 552
Investments in Associate					–	
Property, plant and equipment			1 961 428	2 124 004	2 018 797	2 124 004
Biological					–	
Intangible			1 802	2 212	244	2 212
Other non-current assets					–	
Total non current assets		–	2 317 635	2 368 782	2 261 606	2 368 782
TOTAL ASSETS		–	2 490 839	2 548 754	2 517 218	2 548 754
LIABILITIES						
Current liabilities						
Bank overdraft				–	–	–
Borrowing			7 999	9 067	9 067	9 067
Consumer deposits			15 241	17 378	17 378	17 378
Trade and other payables			127 481	133 730	137 521	133 730
Provisions			24 505	29 649	29 649	29 649
Total current liabilities		–	175 225	189 824	193 614	189 824
Non current liabilities						
Borrowing			15 602	18 556	111 162	18 556
Provisions			169 378	163 445	68 637	163 445
Total non current liabilities		–	184 979	182 000	179 799	182 000
TOTAL LIABILITIES		–	360 204	371 824	373 414	371 824
NET ASSETS	2	–	2 130 635	2 176 930	2 143 804	2 176 930
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 130 635	2 176 930	2 143 804	2 176 930
Reserves						–
TOTAL COMMUNITY WEALTH/EQUITY	2	–	2 130 635	2 176 930	2 143 804	2 176 930

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 – M12 June 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								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			188 848	189 333	11 967	191 027	189 333	1 694	1%	189 333
Service charges			435 121	434 214	43 549	413 939	434 214	(20 275)	-5%	434 214
Other revenue			34 799	37 344	20 478	96 108	37 344	58 764	157%	37 344
Government - operating			133 112	133 725	–	133 994	133 725	269	0%	133 725
Government - capital			58 063	56 455	–	56 034	56 455	(421)	-1%	56 455
Interest			18 476	25 832	475	23 852	25 832	(1 980)	-8%	25 832
Dividends			–	–			–	–		–
Payments										
Suppliers and employees			(783 499)	(813 149)	(31 771)	(786 207)	(813 149)	(26 942)	3%	(813 149)
Finance charges			(2 201)	(2 201)	(155)	(2 215)	(2 201)	14	-1%	(2 201)
Transfers and Grants			–	(250)	–	(250)	(250)	–		(250)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	82 720	61 303	44 543	126 283	61 303	(64 980)	-106%	61 303
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			–		–	–	–	–		–
Decrease (Increase) in non-current debtors			–	2 137	–	–	–	–		2 137
Decrease (increase) other non-current receivables			–		–	–	–	–		–
Decrease (increase) in non-current investments			–		–	–	–	–		–
Payments										
Capital assets			(93 110)	(192 276)	(59 021)	(168 560)	(192 276)	(23 716)	12%	(192 276)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(93 110)	(190 139)	(59 021)	(168 560)	(192 276)	(23 716)	12%	(190 139)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–		–	–	–	–		–
Borrowing long term/refinancing			–		–	–	–	–		–
Increase (decrease) in consumer deposits			–		–	–	–	–		–
Payments										
Repayment of borrowing			(7 999)	(9 067)	(695)	(8 026)	(9 067)	(1 040)	11%	(9 067)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(7 999)	(9 067)	(695)	(8 026)	(9 067)	(1 040)	11%	(9 067)
NET INCREASE/ (DECREASE) IN CASH HELD		–	(18 389)	(137 903)	(15 174)	(50 304)	(140 040)			(137 903)
Cash/cash equivalents at beginning:			84 707	214 228		214 228	214 228			214 228
Cash/cash equivalents at month/year end:		–	66 318	76 325		163 924	74 188			76 325

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 Jun 2019, compared to the position as at 30 June 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 30 June 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	10 490	2 322	2 227	2 043	1 790	1 597	8 488	26 445	55 403
Trade and Other Receivables from Exchange Transactions - Electricity	17 553	2 229	1 537	1 203	844	482	2 801	6 842	33 490
Receivables from Non-exchange Transactions - Property Rates	10 814	1 487	1 302	1 052	569	480	7 280	19 249	42 233
Receivables from Exchange Transactions - Waste Water Management	5 540	1 142	1 015	894	816	715	3 878	11 221	25 221
Receivables from Exchange Transactions - Waste Management	4 493	1 202	1 076	976	919	864	4 643	15 574	29 747
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	0	–	–	41	70	94	1 441	16 851	18 498
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(14 234)	405	436	348	284	315	2 183	9 583	(679)
Total By Income Source	**34 657**	**8 787**	**7 594**	**6 557**	**5 292**	**4 547**	**30 714**	**105 766**	**203 914**
									–
Debtors Age Analysis By Customer Group									
Organs of State	1 000	436	403	434	386	172	1 023	2 532	6 387
Commercial	5 371	662	586	506	260	150	658	3 227	11 420
Households	28 285	7 688	6 605	5 617	4 646	4 225	29 033	100 007	186 107
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**34 657**	**8 787**	**7 594**	**6 557**	**5 292**	**4 547**	**30 714**	**105 766**	**203 914**

The aforementioned analysis indicates that from 30 June 2019 to 30 June 2020, the overdue debts have increased from R 145,884 million to R 169,257 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-19**	**30-Jun-20**	**Difference**
Trade and Other Receivables from Exchange Transactions - Water	37 037	44 912	7 875
Trade and Other Receivables from Exchange Transactions - Electricity	10 495	15 937	5 442
Receivables from Non-exchange Transactions - Property Rates	25 755	31 419	5 664
Receivables from Exchange Transactions - Waste Water Management	16 078	19 681	3 603
Receivables from Exchange Transactions - Waste Management	21 817	25 254	3 437
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	21 714	18 498	(3 216)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	12 987	13 556	569
Total By Income Source	**145 884**	**169 257**	**23 373**
	–	–	
Debtors Age Analysis By Customer Group	–	–	
Organs of State	5 088	5 386	298
Commercial	4 080	6 049	1 969
Households	136 716	157 822	21 106
Other	–	–	
Total By Customer Group	**145 884**	**169 257**	**23 373**

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	26 336	–	–	–	–	–	–	–	26 336
Bulk Water	2 349	1 677	1	61	1	–	10	(167)	3 932
PAYE deductions	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–
Trade Creditors	60 276	6 206	997	220	1 345	385	1 485	31	70 946
Auditor General	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total By Customer Type	**88 962**	**7 883**	**998**	**281**	**1 346**	**385**	**1 496**	**(136)**	**101 214**

The above amounts represent invoices still to be paid. The major creditors as at 30 June 2020 are as follows:

Eskom	R 26,336 million
NMBM	R 3,932 million
Other Creditors	R 70,946 million
TOTAL	**R101,214 million**

It is to be noted that the Eskom amount of R 26,336 million, represents the current account for June 2020, which will be fully paid on 22 July 2020.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 30 June2020.

	Balance as at 30 June 2019	INVESTED	INTEREST	WITHDRAWN	CHARGES	Balance as at 30 June 2020
Standard Bank	19 896 645	-	1 155 366	10 000 000		11 052 012
ABSA	27 519 504	-	1 600 881	10 000 000	160	19 120 225
Nedbank	20 827 601	-	1 221 768	8 000 000		14 049 368
RMB	110 820 349	106 407 538	5 190 869	170 225 458		52 193 298
INVESTEC	21 562 503	-	1 284 432	5 000 000		17 846 936
Total	**200 626 602**	**106 407 538**	**10 453 317**	**(203 225 458)**	**(160)**	**114 261 839**
INVESTMENT	**Balance as at 30 June 2019**	**INVESTED**	**INTEREST**	**WITHDRAWN**	**CHARGES**	**Balance as at 30 June 2020**
General Account	90 965 278	5 586 203	5 511 612	37 829 396	-	64 233 697
Conditional Grants	109 654 154	100 821 335	4 941 299	134 186 035	-	81 230 754
Housing Funds	7 170	-	406	-	-	7 576
Total	**200 626 602**	**106 407 538**	**10 453 317**	**(172 015 431)**	**-**	**145 472 027**
Bank	13 600 946	4 850 665				18 451 611
Total	**214 227 548**	**111 258 203**	**10 453 317**	**(172 015 431)**	**-**	**163 923 638**

The decrease in the investment portfolio since 30 June 2019 amounts to R 50,303,911. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 18,451,611
Short-term Investment Deposits	R 145,472,027
	R 163,923,638

Application of Cash

Unspent Conditional Grants	36,306,677
Outstanding Creditors Liability	101,214,265
	137,520,942
Reserves in excess of commitments	**26,402,696**

The cash backed reserves exceed the commitments at this stage by an amount of R 26,402,696.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M12 June 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	129 608	–	129 608	129 608	0	0.0%	129 608
Operational Revenue:General Revenue:Equitable Share	124 938	124 938	–	124 938	124 938	0	0.0%	124 938
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B	1 000	1 000	–	1 000	1 000			1 000
Local Government Financial Management Grant [Schedule 5B]	1 770	1 770	–	1 770	1 770			1 770
Municipal Infrastructure Grant [Schedule 5B]	1 589	1 900	–	1 900	1 900			1 900
Provincial Government:	2 050	2 050	–	2 050	2 050	–		2 050
Sport and Recreation	2 050	2 050	–	2 050	2 050	–		2 050
District Municipality:	1 765	1 765	–	2 619	1 765	854	48.4%	1 765
Environment Health Subsidy	1 765	1 765	–	2 619	1 765	854	48.4%	1 765
Other grant providers:	–	302	–	884	302	582	192.4%	302
Skills Development Grant		–	–	582	–	582	#DIV/0!	–
Greenest Municipality Award		302		302	302			302
Total Operating Transfers and Grants	133 112	133 725	–	135 161	133 725	1 436	1.1%	133 725
Capital Transfers and Grants								
National Government:	56 098	54 490	–	54 490	54 490	–		54 490
Municipal Infrastructure Grant (MIG)	36 096	36 096	–	36 096	36 096	–		36 096
Integrated National Electrification Programme	6 002	3 202	–	3 202	3 202	–		3 202
Water Service Infrastructure Grant	10 000	10 000	–	10 000	10 000	–		10 000
Energy Efficiency and Demand Side Management Grant	4 000	4 000	–	4 000	4 000	–		4 000
Municipal Disaster Relief Fund		1 192	–	1 192	1 192	–		1 192
Provincial Government:	–	–	–	321	–	321	#DIV/0!	–
Human Settlement				321	–	321	#DIV/0!	–
District Municipality:	1 965	1 965	–	714	1 965	(1 252)	-63.7%	1 965
Fire Subsidy	1 965	1 965	–	714	1 965	(1 252)	-63.7%	1 965
Total Capital Transfers and Grants	58 063	56 455	–	55 525	56 455	(931)	-1.6%	56 455
TOTAL RECEIPTS OF TRANSFERS & GRANTS	191 175	190 181	–	190 686	190 181	505	0.3%	190 181

Below is an analysis of the spending associated with the grants as at 30 June 2020:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M12 June 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**	**129 608**	**326**	**129 470**	**129 608**	**(138)**	**-0.1%**	**129 608**
Operational Revenue:General Revenue:Equitable Share	124 938	124 938		124 938	124 938	0	0.0%	124 938
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 000		1 000	1 000	–		1 000
Local Government Financial Management Grant [Schedule 5B]	1 770	1 770	181	1 644	1 770	(126)	-7.1%	1 770
Municipal Infrastructure Grant [Schedule 5B]	1 589	1 900	145	1 888	1 900	(12)	-0.6%	1 900
Provincial Government:	**2 050**	**2 050**	**–**	**–**	**2 050**	**(2 050)**	**-100.0%**	**2 050**
Sport and Recreation	2 050	2 050	–	–	2 050	(2 050)	-100.0%	2 050
District Municipality:	**1 765**	**1 765**	**–**	**–**	**1 765**	(1 765)	-100.0%	**1 765**
Environment Health Subsidy	1 765	1 765	–	–	1 765	(1 765)	-100.0%	1 765
Other grant providers:	**–**	**302**	**–**	**–**	**302**	(302)	-100.0%	**302**
Skills Development Grant	–	302	–	–	302	(302)	-100.0%	302
Total operating expenditure of Transfers and Grants:	**133 112**	**133 725**	**326**	**129 470**	**133 725**	**(4 256)**	**-3.2%**	**133 725**
Capital expenditure of Transfers and Grants								
National Government:	56 098	54 490	6 713	30 985	54 490	(23 505)	**-43.1%**	54 490
Municipal Infrastructure Grant (MIG)	36 096	36 096	4 969	22 903	36 096	(13 193)	-36.5%	36 096
Integrated National Electrification Programme	6 002	3 202	46	2 486	3 202	(716)	-22.4%	3 202
Water Service Infrastructure Grant	10 000	10 000	52	569	10 000	(9 431)	-94.3%	10 000
Energy Efficiency and Demand Side Management Grant	4 000	4 000	545	3 926	4 000	(74)	-1.8%	4 000
Municipal Disaster Relief Fund	–	1 192	1 100	1 100	1 192	(92)	-7.7%	1 192
District Municipality:	**1 965**	**1 965**	**589**	**589**	**1 965**	(1 376)	-70.0%	**1 965**
Fire Subsidy	1 965	1 965	**589**	**589**	1 965	(1 376)	-70.0%	1 965
Total capital expenditure of Transfers and Grants	**58 063**	**56 455**	**7 302**	**31 574**	**56 455**	**(24 882)**	**-44.1%**	**56 455**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**191 175**	**190 181**	**7 628**	**161 043**	**190 181**	**(29 137)**	**-15.3%**	**190 181**

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

Grants received from National Government

DORA Operating Grants

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

DORA Allocation:	R 1,770,000
Amount of Grant Received:	R 1,770,000
Expenditure to date:	R 1,644,128
Unspent as at 30 June 2020:	R 125,872

The spending of the grant amounted to 92.89% as at 30 June 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 1,000,000
Expenditure to date:	R 1,000,000
Unspent as at 30 June 2020:	R 0

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 37,996,000
Expenditure to date:	R 24,791,433
Unspent as at 30 June 2020:	R 13,204,567

The spending of the grant amounted to 65.25% as at 30 June 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.

Revised DORA Allocation:	R 3,202,000
Amount of Grant Received:	R 3,202,000
Expenditure to date:	R 2,485,790
Unspent as at 30 June 2020:	R 716,210

The spending of the grant amounted to 77.63% as at 30 June 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 4,000,000
Expenditure to date:	R 3,926,308
Unspent as at 30 June 2020:	R 73,692

The spending of the grant amounted to 98.16% as at 30 June 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 10,000,000
Expenditure to date:	R 569,232
Unspent as at 30 June 2020:	**R 9,430,768**

The spending of the grant amounted to 5.69% as at 30 June 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 85,674,573
Unspent as at 30 June 2020:	**R 12,342,765**

The spending of the grant amounted to 87.41% as at 30 June 2020, compared to the amount of the grant received.

The Municipal Disaster Relief Grant
The purpose of this grant is to augment the resources of the municipality with regard to the following prioritised areas:

a) Sanitation (chemical toilets and their maintenance)
b) Decontamination of specific selected municipal spaces (e.g. ablution facilities in public spaces); Personal Protective Equipment, and Hygiene packs; and
c) Waste management.

DORA Allocation:	R 1,192,000
Amount of Grant Received:	R 1,192,000
Expenditure to date:	R 1,100,010
Unspent as at 30 June 2020:	R 91,991

The spending of the grant amounted to 92.28% as at 30 June 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 – M12 June 2020

Summary of Employee and Councillor remuneration	Budget Year 2019/20						
	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands						%	
	C						D
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	8 800	714	8 695	8 800	(105)	-1%	8 800
Medical Aid Contributions	–	8	61	–	61		–
Motor Vehicle Allowance	2 889	238	2 900	2 889	11	0%	2 889
Cellphone Allowance	1 374	104	1 280	1 374	(93)	-7%	1 374
Sub Total - Councillors	**13 063**	**1 065**	**12 937**	**13 063**	**(126)**	**-1%**	**13 063**
Senior Managers of the Municipality							
Basic Salaries and Wages	7 770	486	5 573	7 770	(2 197)	-28%	7 770
Pension and UIF Contributions	23	9	43	23	20	90%	23
Medical Aid Contributions	–	4	17	–	17		–
Performance Bonus	169	–	413	169	244	145%	169
Motor Vehicle Allowance	804	56	640	804	(164)	-20%	804
Cellphone Allowance	7	1	6	7	(2)	-26%	7
Other benefits and allowances	51	3	45	51	(6)	-11%	51
Payments in lieu of leave	1 762	–	4	1 762	(1 757)	-100%	1 762
Sub Total - Senior Managers of Municipality	**10 586**	**559**	**6 742**	**10 586**	**(3 844)**	**-36%**	**10 586**
Other Municipal Staff							
Basic Salaries and Wages	183 138	13 752	177 689	183 138	(5 449)	-3%	183 138
Pension and UIF Contributions	29 339	2 505	30 216	29 339	877	3%	29 339
Medical Aid Contributions	15 119	1 368	15 734	15 119	614	4%	15 119
Overtime	32 833	2 797	32 689	32 833	(143)	0%	32 833
Motor Vehicle Allowance	7 551	714	8 750	7 551	1 199	16%	7 551
Cellphone Allowance	1	–	–	1	(1)	-100%	1
Housing Allowances	992	99	857	992	(136)	-14%	992
Other benefits and allowances	22 239	678	22 678	22 239	439	2%	22 239
Payments in lieu of leave	18	161	1 217	18	1 199	6610%	18
Long service awards	1 403	49	1 208	1 403	(195)	-14%	1 403
Sub Total - Other Municipal Staff	**292 633**	**22 123**	**291 037**	**292 633**	**(1 596)**	**-1%**	**292 633**
Total Parent Municipality	**316 282**	**23 746**	**310 716**	**316 282**	**(5 566)**	**-2%**	**316 282**
TOTAL SALARY, ALLOWANCES & BENEFITS	**316 282**	**23 746**	**310 716**	**316 282**	**(5 566)**	**-2%**	**316 282**
TOTAL MANAGERS AND STAFF	**303 219**	**22 682**	**297 779**	**303 219**	**(5 440)**	**-2%**	**303 219**

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**	**Adjusted Budget 2019/20**	**Actuals as at 30 June 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	3.67%	2.51%	1.78%	1.29%	1.22%	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	0.95	1.32
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.40	0.85
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	97.60%	95.81%	90.73%	97,62%	96%	95.42%

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	Adjusted Budget 2019/20	Actuals as at 30 June 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	1.12	2.02
Employee Costs	Employee Costs / Total Operating Expenditure	35.62%	33.39%	33.21%	33.39%	32.71%	35.87%
Capital Expenditure	Capital Expenditure / Capital Budget	81.97%	72.92%	72.98%	44.59%	95%	75.33%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.61%	4.94%	3.82%	5.63%	6.10%	5.99%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.17%	1.65%	1.41%	2.29%	2.66%	2.46%
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%	84.21%	83.61%

The above table is discussed in detail below.

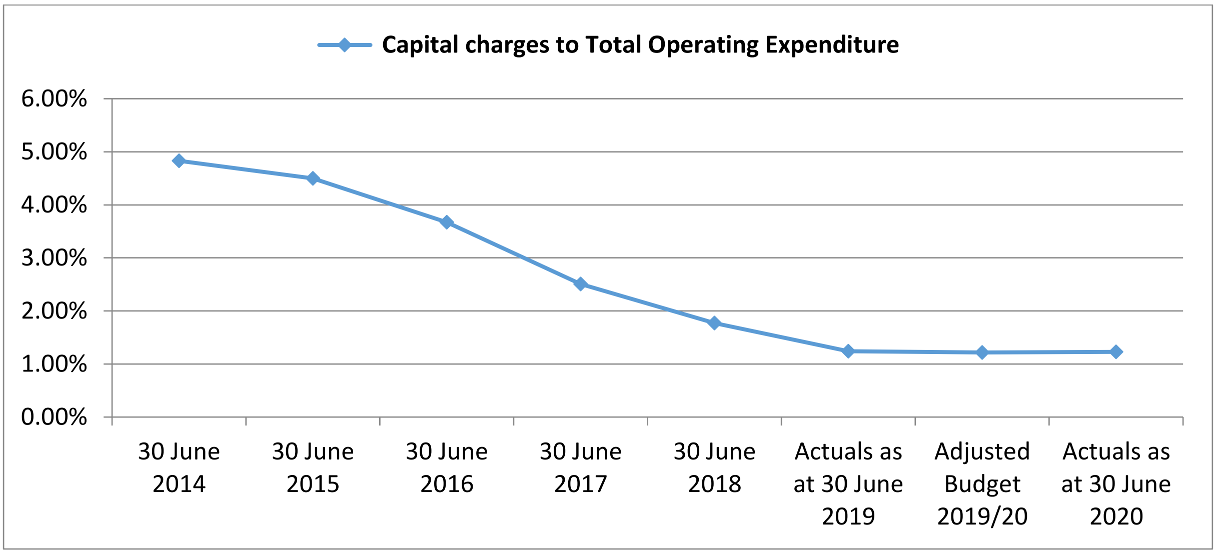
5.1. Borrowing Management

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 30 June 2020, compared to the adjusted budget ratio of 1,22%.



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.

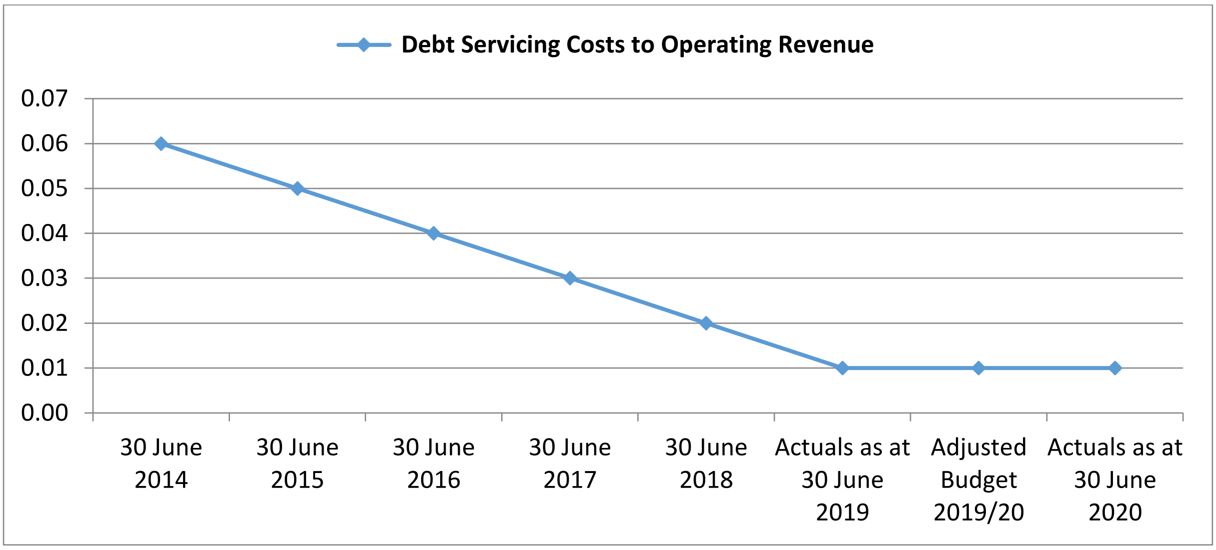
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 June 2020, the ratio was 0.01:1, compared to the adjusted budget 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:

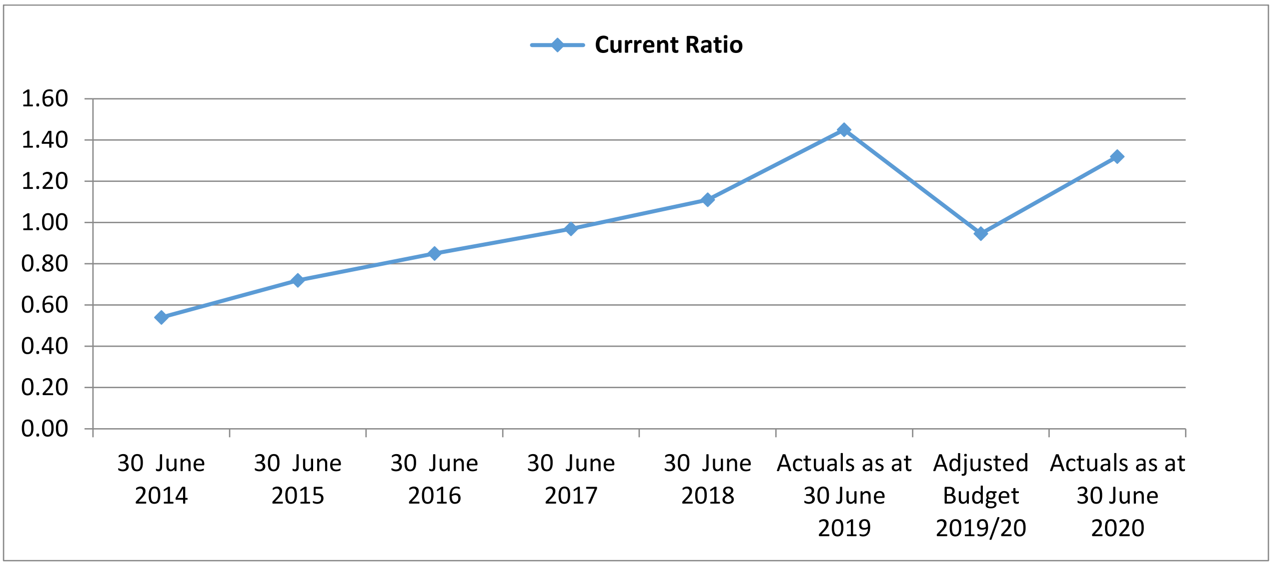
Current assets/Current liabilities

The ratio as at 30 June 2020 was 1.32:1, compared to the adjusted budget ratio of 0.95:1.

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

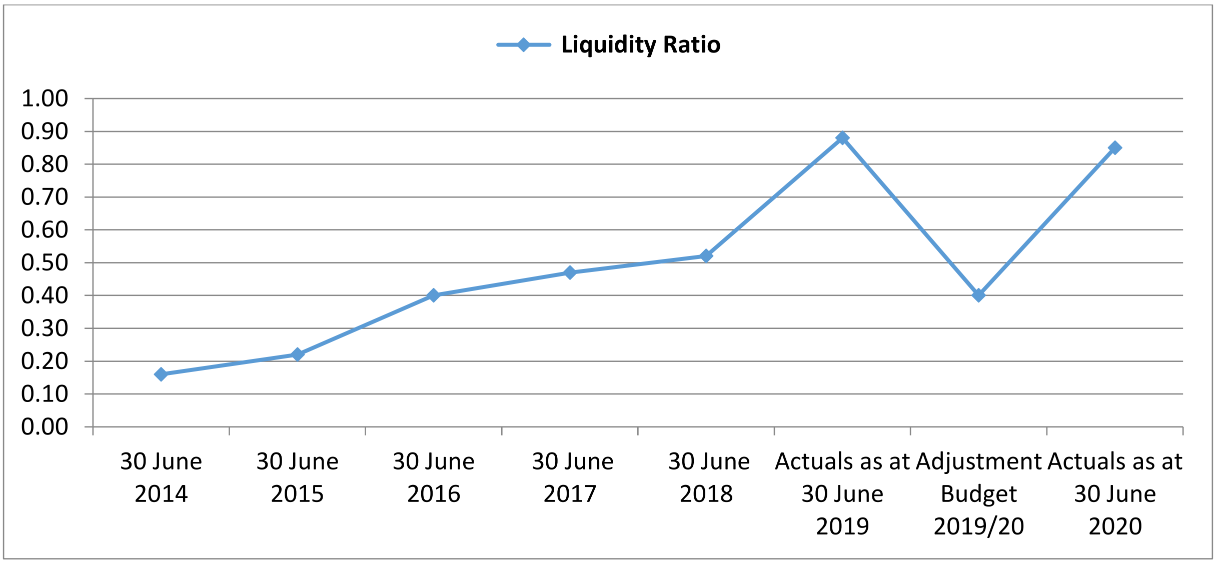
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 June 2020 was 0.85:1, compared to the budgeted ratio of 0.40:1.

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

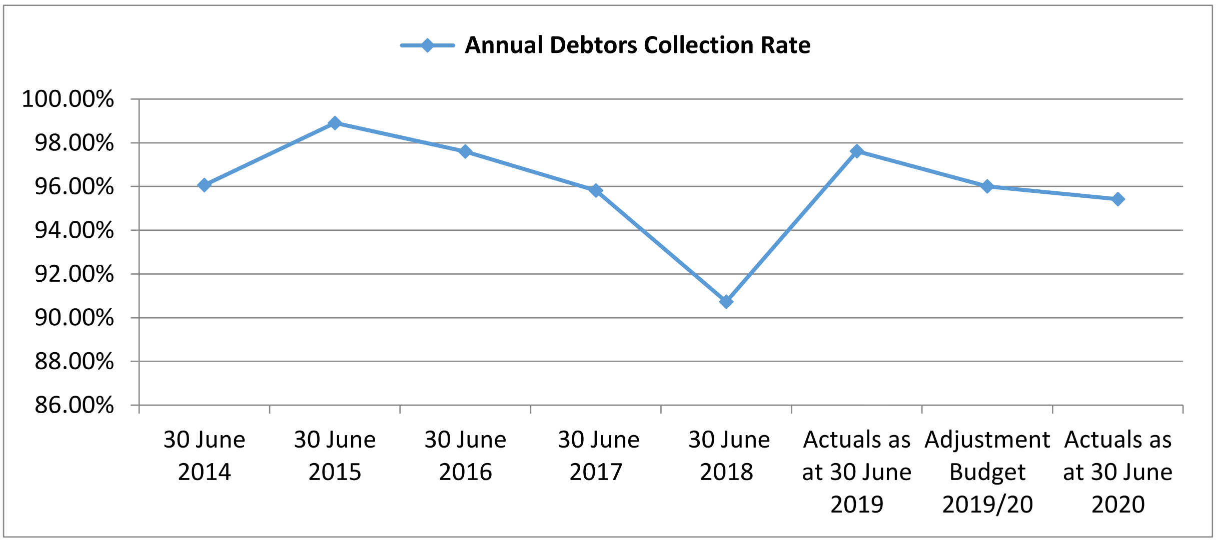
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 June 2020 was 95.42%, compared to the adjusted budget collection rate of 96%. The actual collection rate for June is 94.12%. 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.

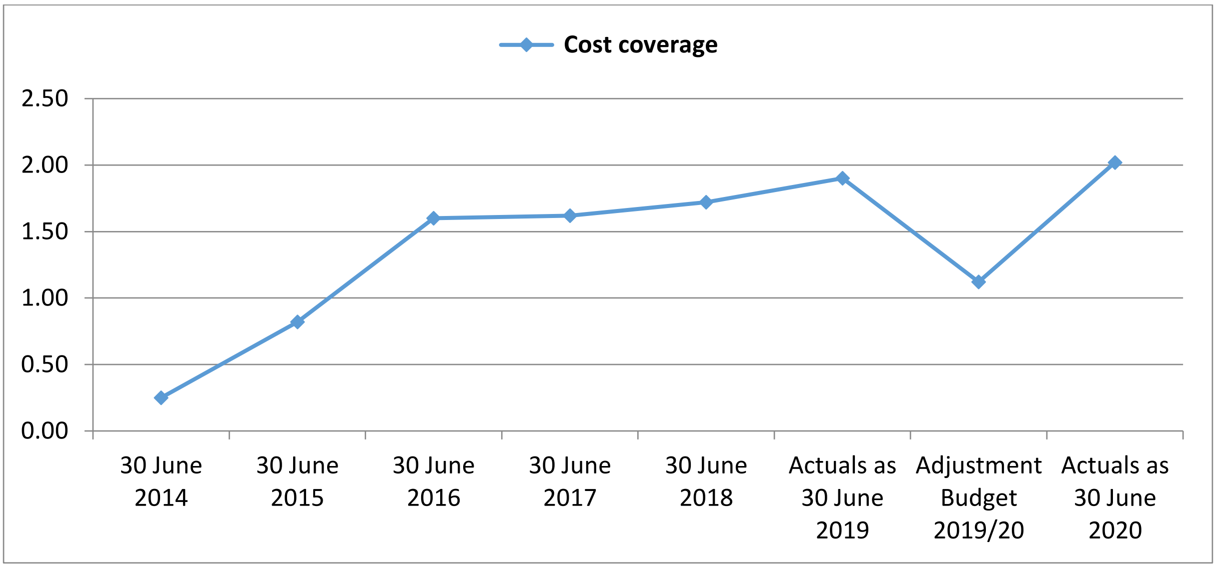
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 June 2020, the Ratio was 2.02 months, compared to the adjusted budget ratio of 1.12 months.

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



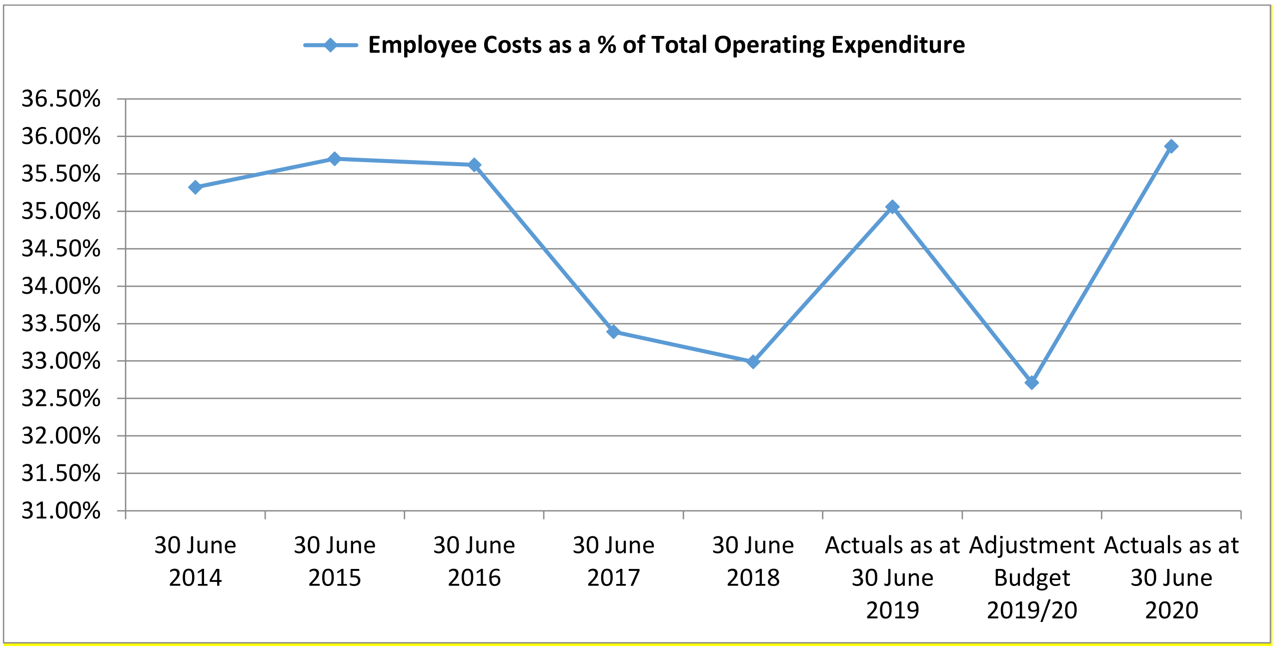
5.4.2. Employee costs as a % of Total Operating Expenditure

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 June 2020, Employee Related Costs constituted 35.87% of the Total Operating Expenditure, compared to the adjusted budget ratio 32,71%.



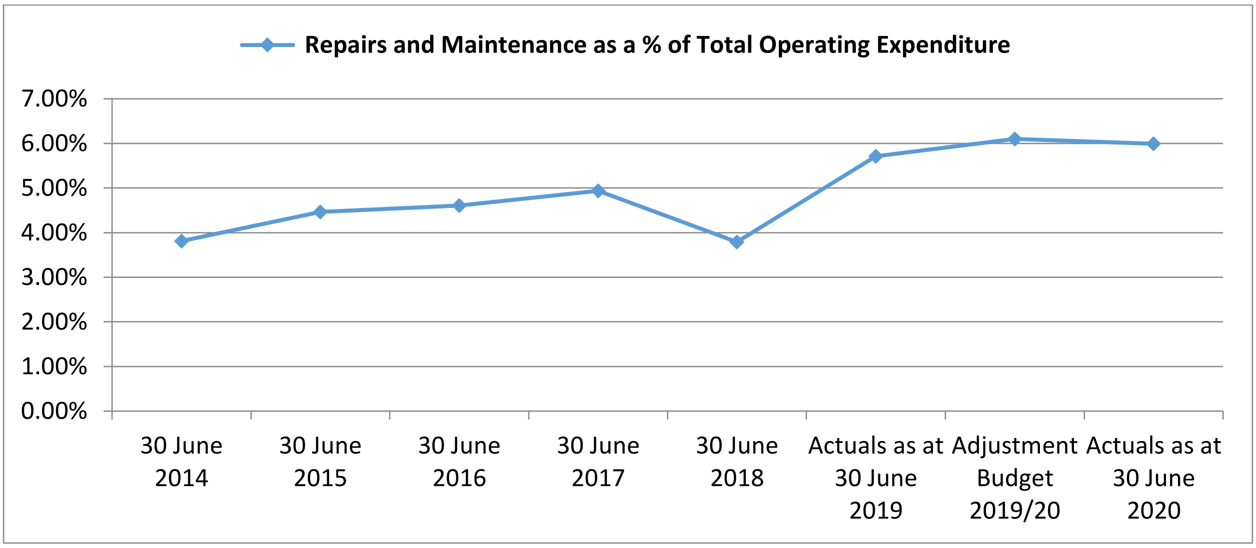
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 June 2020, the ratio was 5.99%, compared to the adjusted budget ratio of 6.10%.



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

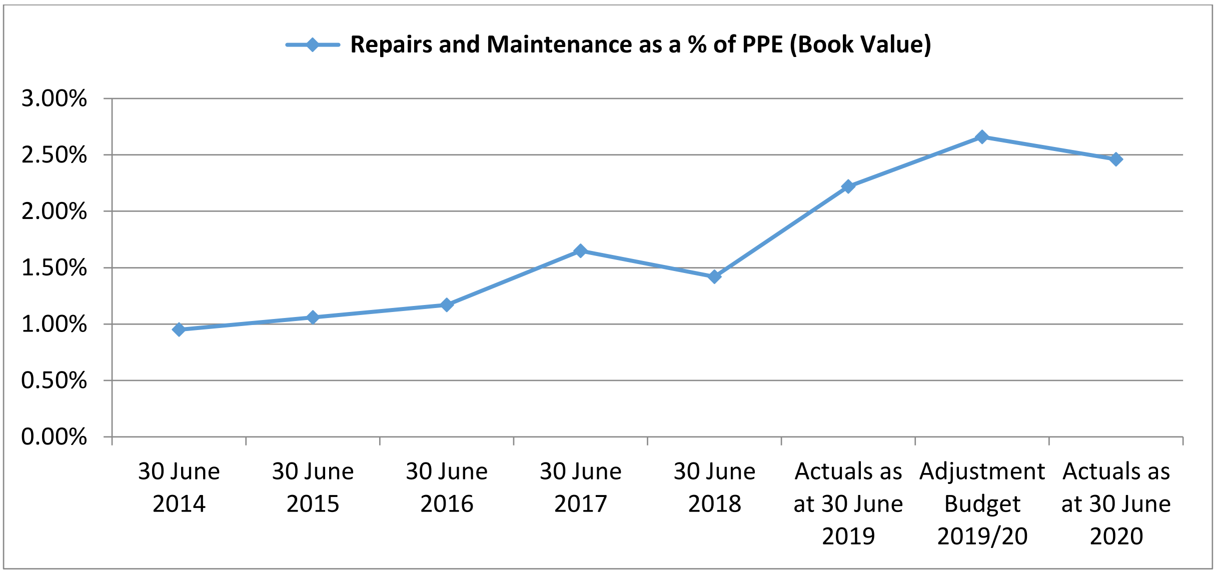
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 June 2020, repairs and maintenance expenditure constituted 2.46% of the book value of PPE, compared to the budgeted ratio of 2.66%.

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



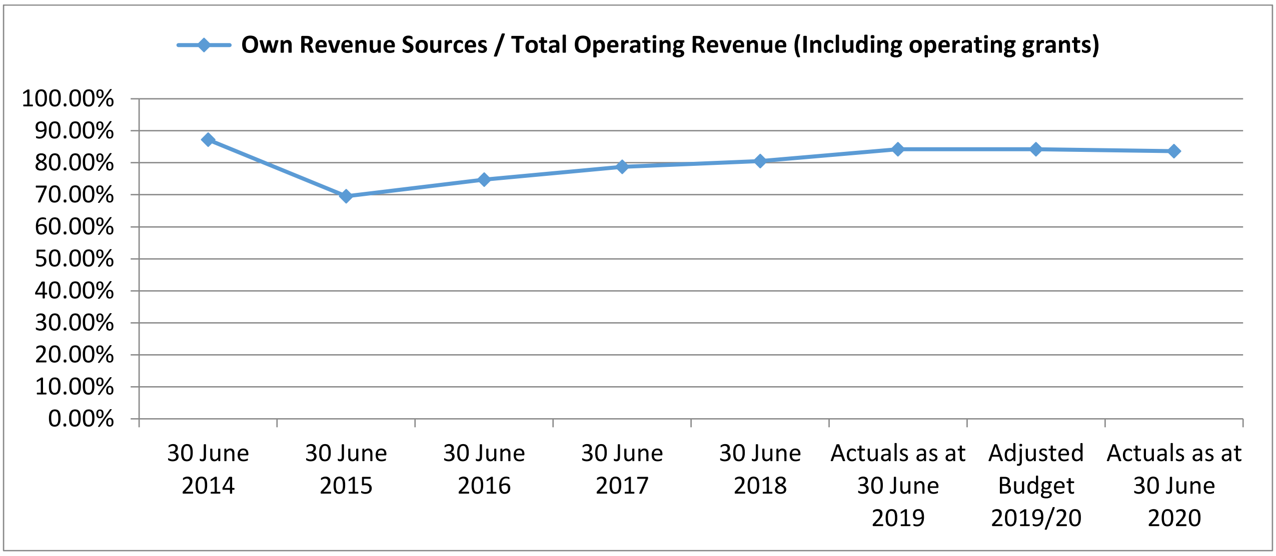
5.4.5. Own Revenue Generation

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 June 2020, the Municipality's own revenue sources constituted 83.61%% of its total Operating Income, compared to the adjusted budget ratio of 84.21%.



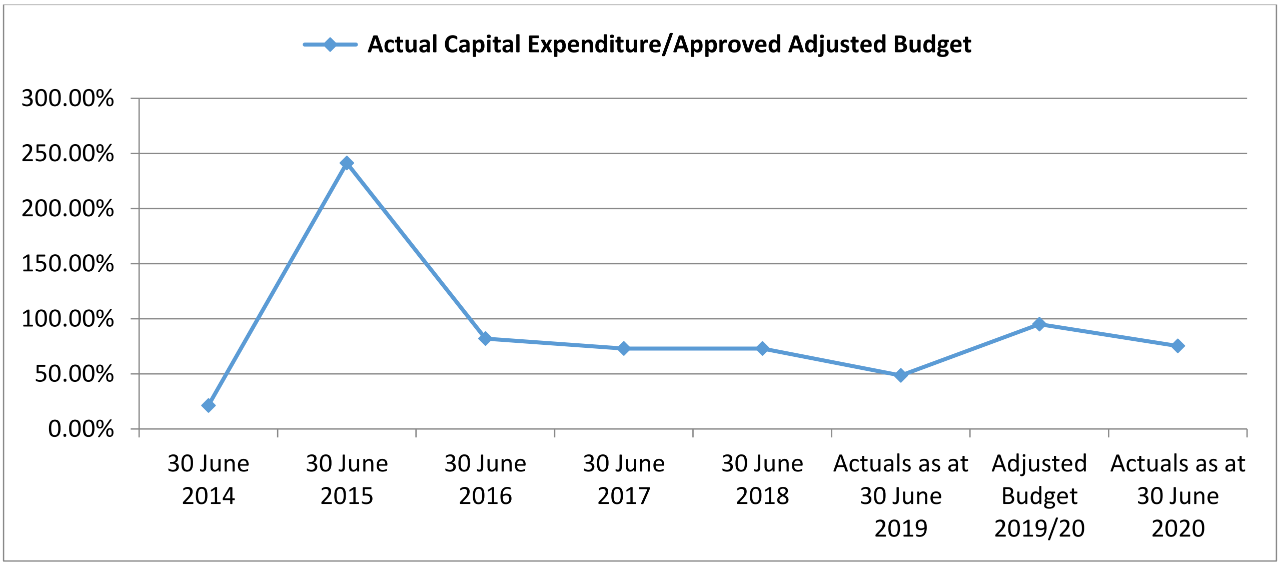
5.4.6. Capital Budget Spending

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 June 2020 amounted to 75.33% compared to the adjusted budget ratio of 95%.



KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 30 JULY 2020 **ITEM:20/07/F11**

BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 30 JUNE 2020

1. Purpose

The purpose of this report is to report on specific withdrawals from the municipal bank account in terms of the Municipal Finance Management Act, No. 56 of 2003.

2. Legislative Requirements

Section 11(4) of the MFMA**:**

"The accounting officer of a municipality must within 30 days after the end of each quarter –

a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection 1(b) to (j)during that quarter; and

b) submit a copy of the report to the relevant provincial treasury and the Auditor-General"

Attached as annexure "A" the withdrawals from municipal bank account report for the quarter ended 30 June 2020.

The following information should be noted for the quarter ended 30June 2020:

Section 11(1)(b): Expenditure that were authorised in terms of section 26(4) of the MFMA

No withdrawals

Section 11(1) (c): Unforeseeable and unavoidable expenditure

No withdrawals

Section 11(1) (d): Withdrawals in respect of Trust, and so forth

No withdrawals

Section 11(1) (e): Third party payment of monies received on behalf of a person or state body

As per attached Annexure "A"

<u>Section 11(1) (f): Monies erroneously deposited into the municipal bank account</u>

No withdrawals

<u>Section 11(1) (g): Guarantees, sureties and security deposits refunded</u>

No withdrawals

<u>Section 11(1) (h): Cash management and investment</u>

As per attached Annexure "A"

<u>Section 11(1) (i): Increased expenditure in terms of section 31 of MFMA</u>

No withdrawals

<u>Section 11(1) (j): Other purposes as prescribed</u>

No withdrawals

2. <u>Recommendation</u>

2.1 That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 30 June 2020; and

2.2 That the report accordingly be submitted to the Provincial treasury and Auditor-General as determined by section 11(4) (b) of the MFMA.

Drafted by Manager Budget & Treasury: Mr S Abrahams

Approved by CFO:

Mr. R Lorgat:..

Noted by Portfolio Councillor:...

[ANNEXURE "A"]

PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts in accordance with section 11(1)(b) to (j)		
NAME OF MUNICIPALITY:	**KOUGA LOCAL MUNICIPALITY (EC108)**	
QUARTER ENDED:	**30 JUNE 2020**	
MFMA section 11(1) Only the accounting officer or the chief financial officer of the municipality acting on the written authority of the accounting officer may withdraw money or authorize the withdrawal of money from any of the municipality's bank accounts, and may do so only-	**Amount**	**Reason for withdrawal**
(b) to defray expenditure authorized in terms of section 26(4)	R 0.00	
(c) to defray unforeseeable and unavoidable expenditure authorized in terms of section 29(1)	R 0.00	
(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section	R 0.00	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including – i. money collected by the municipality on behalf of that person or organ of state by agreement; or ii) any insurance or other payments received by the municipality for that person or organ of state	R 8,535,334	Motor registration transaction fees.
(f) to refund money incorrectly paid into a bank account	R 0.00	
(g) to refund guarantees, sureties and security deposits	R 0.00	
(h) for cash management and investment purposes in accordance with section 13	R 145,472,027	Transferred to investment accounts (Call Accounts).
(i) to defray increased expenditure in terms of section 31; or	R 0.00	
(j) for such other purposes as may be prescribed	R 0.00	
(4) the accounting officer must within 30 days after the end of each quarter – a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter; and b) submit a copy of the report to the relevant provincial treasury and the Auditor-General	**Name and Surname:**	Charl Du Plessis
	Municipal Manager	
	Date:	2020/07/15
Telephone Nr.	**Fax Nr.**	**E-mail**
042 – 200 2055	0865224251	zgongqoba@kouga.gov.za
The completed form must be submitted within 30 days after the end of each quarter to Provincial Treasury and Auditor General.		

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 30 JULY 2020 **ITEM: 20/07/F12**

WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS – EQUITABLE SHARE

1. Introduction

The purpose of this report is to inform Council of the Equitable share write-offs for the period, June 2020.

For the period, June 2020, an amount of R275 369.19 must be written off against the Provision for Doubtful Debts, in accordance with the Council's Indigent Policy.

The relevant documentation is attached.

2. Background

The Council's Indigent Policy makes provision for writing off debts of residents that qualify for indigent subsidies. The outstanding debts must be written off against the Provision for Doubtful Debts.

Details of the individual names are available, in the office of the Senior EQS clerk, for perusal.

3. Comments by the Directorates

None.

4. Financial implications

None.

5. Legal implications

None.

6. Other implications

None.

7. Recommendation

7.1 That the Equitable Share write-offs for the period June 2020, amounting to R275 369.19, be approved.

Item prepared by the Manager: Revenue __________________

Item approved by the CFO: __________________

Noted by the Portfolio Councillor: __________________

June 2020

UNIT	Electricity	EMF	Sundries	Rates	Refuse	Sewerage	Water	Total
Cape St Francis								
Hankey		5 190.29		1 807.05	21 022.17	19 923.64	34 539.31	82 482.46
Humansdorp	4 962.43	8 448.26		873.76	35 443.20	21 139.30	37 183.05	108 050.00
Jeffreys Bay	14 571.46	2 797.63	34.50	9 737.26	15 882.61	15 641.58	26 102.69	84 767.73
Loerie			34.50					34.50
Oyster Bay								
Patensie								
St Francis Bay								
Thornhill			34.50					34.50
Rural								
TOTAL	**19 533.89**	**16 436.18**	**103.50**	**12 418.07**	**72 347.98**	**56 704.52**	**97 825.05**	**275 369.19**

Included in the above Amounts :

Services	225 950.24
Penalties	17 673.93
VAT	31 745.02
Total	**275 369.19**

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 30 JULY 2020 **ITEM: 20/07/F13**

ELECTRICITY TARIFF INCREASES: 2020/21 FINANCIAL YEAR

1. Purpose

The purpose of this report is to request the Council to consider and approve the electricity tariff increases for the 2020/21 financial year.

2. Background

The key objectives in amending the tariffs were:

(i) To meet the expected capital and operating expenditure of the electrical services for the next financial year.

(ii) To move towards NERSA's tariff structures and guideline average municipal tariff level benchmarks.

(iii) To move towards tariffs which compares favourably with those of other Municipalities in the area with a similar consumer base.

(iv) To make sure that the adjustments will be within reason for all consumer groups, taking the abovementioned objectives into account.

3. Proposed Average Price Increase

The proposed average percentage price increase covering all tariff categories is **7.06%,** which is marginally higher than the benchmark of 6.23% set by NERSA for 2020/21. The main reason for the higher than benchmark increase is the higher increase in some of the charges of the Commercial Prepayment and Bulk Supply / Industrial tariff as motivated under paragraphs 5.2.1, 5.3.1 and 5.3.2 below.

The following is also noted as justification, where specific proposed tariff increases are above the NERSA basis of price increases:

- The Municipality's tariffs have historically been very low.
- The electricity service is running at a nett loss of 8.4% (Refer to **Schedule F**), whereas the NERSA average benchmark is a profit of 15%.
- Based on the proposed tariffs, the gross profit margin is 15.6% (Refer to **Schedule F**), which is much less than the NERSA benchmark of 60%.

The average price increase is the income based on the proposed tariffs compared to the income based on the present tariffs. The average price increase for the respective consumer categories and the typical consumers within these categories, do however, vary from the overall average in order to meet the objectives set under paragraph 3 above and to further comply with requirements explained under paragraph 4 below.

The average price increase for the respective consumer categories is contained in **Schedule B**, which is attached as an annexure. This schedule summarises the Income, kWh consumption and gross cost per kWh for each tariff category based on the present as well as the proposed tariffs. The percentage price increase for each category is indicated in the right-hand column.

Schedule D is an estimate of the income based on the consumption statistics obtained from the Municipality, and the proposed tariffs. **Schedule E** is the income based on the same statistics but using the present tariffs.

4. Proposed Amendments To Tariffs

The proposed amendments to the electricity tariffs, i.e. list of the present and the proposed new designations and tariff charges next to each other, together with the percentage increase in these charges are contained in **Schedule A**, which is attached as an annexure.

4.1 Domestic Consumers

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 60Amp three phase. Should Consumers require supplies in excess hereof, the Commercial Consumer or Bulk Supply tariff will be applicable.

Four block Inclining Block Tariffs (IBT) are being applied. A Basic Charge is also applied on the Economic tariff.

The proposed Energy Charges and the percentage tariff increases are highlighted in the table below:

	Block 1: 0 – 50kWh	**Block 2: 51 – 350kWh**	**Block 3: 351 – 600kWh**	**Block 4: >600kWh**
NERSA tariff benchmark	*R1.01 – R1.10 /kWh*	*R1.32 – R1.41 /kWh*	*R1.88 – R1.99 /kWh*	*R2.26 – R2.34 /kWh*
Proposed tariff	R1.014 /kWh	R1.324 /kWh	R1.889 /kWh	R2.273 /kWh
Percentage increase	6.29%	6.26%	6.24%	6.26%

4.1.1 **Prepayment Meters (PPM): Sub-economic (20A)**

(a) Those consumers who qualify in terms of the Municipality's Indigent policy receive Free Basic Electricity (FBE), i.e. the first 50kWh (Block 1) purchased per month is for free.

(b) The proposed Energy Charges are very close to the NERSA lower benchmark.

(c) The average price increase for these consumers is 6.26%.

4.1.2 **Prepayment Meters: Economic (60A)**

(a) Those consumers who qualify in terms of the Municipality's Indigent policy also receive Free Basic Electricity (FBE), i.e. the first 50kWh (Block 1) purchased per month is for free.

(b) Kouga Municipality's consumers include a large percentage of holiday houses located within Jeffreys Bay, St. Francis Bay, Cape St Francis and Oyster Bay. Although the holiday / weekend users' consumption can be high during periods of occupancy, the overall consumption is very low per year. For this reason, the present tariff has a Basic Charge to recover ongoing fixed monthly costs related to consumer service and operation and maintenance of the network, which is incurred irrespective of consumption levels. This Basic Charge is currently invoiced on the rates and taxes account.

(c) The Basic Charge is 20% less compared to the Basic Charge for the Conventional Meter tariff. This may encourage conversion to prepayment meters, but the consumer must be responsible for the cost of replacing the meter.

(d) The proposed Energy Charges are the same or very close to the NERSA lower benchmark.

(e) The average price increase for these consumers is 6.28% for single phase, and 6.27% for three phase.

4.1.3 **Conventional Meters (CM)**

(a) The proposed Energy Charges for all blocks are the same as that for prepayment meters.

(b) As per paragraphs 4.1.2 (b), (d) and (e) above.

(c) The average price increase for the single phase consumers is 6.28% and that of the three phase consumers is 6.28%.

4.2 **Commercial Consumers**

This tariff covers the supply of electricity to shops, office buildings, hotels, Bed & Breakfasts, clubs, industrial undertakings, temporary supplies, or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 100Amp three phase. Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.

4.2.1 Prepayment Meters

(a) The aim must be in future for this tariff to be between 10% and 20% less than the Conventional Meter tariff at the average consumption level, to take into account the lower Administration Cost, e.g. no meter reading, less paperwork, etc and the reduced risk of non-payment.

(b) This tariff is low compared to the NERSA benchmark (R2.35/kWh to R2.44/kWh gross cost per kWh) and has been increased by more than the average (8.21%).

(c) The average price increase for these consumers is 8.21% for both single and three phase.

4.2.2 Conventional Meters

(a) The average price increase for the single phase consumers is 6.5% and that of the three phase consumers is 6.5%.

4.3 **Bulk Consumers**

The Bulk Supply tariff is for Consumers with a notified maximum demand of minimum 60kVA or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous rolling 12 month period.

Should the Consumer's NMD be exceeded for more than two months, the consumers supply capacity and Augmentation Levy must be reviewed and an Excess Network Access Charge (E-NAC) will become payable. The amount payable through an E-NAC after exceeding for more than two months = (Number of times the NMD is exceeded based on a rolling 12 months) x (the portion of the demand exceeding the NMD) x (Network Access Charge). This charge is over and above the normal Network Access Charge.

4.3.1 **Normal Bulk**

(a) This tariff and in particular the High Voltage tariff is low compared to the NERSA benchmarks (R2.13/kWh to 2.24/kWh gross cost per kWh) and the rates at which the Municipality purchases electricity from Eskom.

(b) The Low Voltage Basic and Demand Charges have been increased by the average.

(c) The Low Voltage Energy Charge has been increased by more than the average (7.79%).

(d) The High Voltage Energy and Demand charges were previously 7% lower than the Low Voltage charges. In terms of the latest Eskom Megaflex purchase tariff, the Energy Charges are only 1% lower and the Demand Charges are 8% lower. This adjustment has been made, which results in the Energy Charge being increased by more than the average (14.67%).

(f) It must be ensured that Revenue applies all charges correctly and that all Consumers have a contracted NMD of minimum 60kVA.

(g) The average price increase for the Low Voltage consumers is 6.86% and for High Voltage consumers 9.86%.

4.3.2 **Time-of-Use (TOU)**

(a) This tariff is based on the Eskom Local Authority "Megaflex" tariff, except that there is a single Basic Charge and Eskom's various kWh charges are included in one Energy Charge.

(b) The Network Demand Charge is payable per month for the demand supplied (maximum demand reading) during peak and standard periods. No Network Demand Charge is payable during off-peak periods.

(c) The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous rolling 12 month period. The charge is applicable during all time periods.

(d) The Reactive Energy Charge is applied to kVArh in excess of 30% (0,96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season.

(e) The following conditions are applicable to the TOU tariff:

- Industrial / bulk consumers with a minimum notified demand of 60kVA, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff.

- Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost.

- Where existing Consumers consider conversion to TOU, it will be the Consumers' responsibility to do a tariff study to the satisfaction of the Director: Infrastructure and Engineering.

- At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented.

- A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.

(f) This tariff is still low compared to the NERSA benchmarks (R1.63/kWh to R1.72/kWh gross cost per kWh) and the rates at which the Municipality purchases electricity from Eskom. The proposed increase on the Basic, Energy and Access Charges is average.

(g) The Low Voltage Energy Charges have been increased by more than the average (8.24%).

(h) The Low Voltage Demand Charge has been increased by some 8.24% in order to bring this charge in line with the latest Megaflex tariff.

(i) The High Voltage Energy and Demand charges were previously 7% lower than the Low Voltage charges. In terms of the latest Eskom Megaflex purchase tariff, the Energy Charges are only 1% lower and the Demand Charges are 8% lower. This adjustment has been made, which results in the Energy Charge being increased by more than the average (10.00%) and the Demand Charge by more than the average (10.00%).

(j) The abovementioned increases will result in this tariff being approximately 8% more than the Eskom Megaflex Energy Charges for local authorities.

(k) The average price increase for Low Voltage consumers is 7.98% and for High Voltage consumers 9.66% which is more than the NERSA guideline for the reasons as mentioned above.

4.4 Effect Of Proposed Amendments On Consumers

The effect of the proposed new electricity tariffs on typical consumers is illustrated in **Schedule C**, which is attached as an annexure. This schedule indicates the total monthly rand value, gross cost per kWh and the percentage price increase for the typical consumer in each category.

When the percentage price increase is determined it is important that all the tariff components, i.e. Basic, Energy and Demand Charges are taken into account. Firstly the consumer's average monthly consumption is determined and then the consumer's total monthly electricity account (including the Basic/Service Charge, kWh Charge and kVA Charge), based on the new financial year's charges is calculated, and this is compared to the same calculation based on the previous financial year's charges.

The gross cost per kWh is the consumer's total monthly bill, including Basic/Service, kWh and kVA charges, divided by the total number of kWh consumed. The number of kWh consumed per month in relation to the capacity of the supply (load factor) does therefore, play a significant role in a consumer's gross cost per kWh.

4.5 NERSA Approval

In order for the tariffs to be approved and to be implemented on 1 July 2020, it is a legal requirement that the proposed tariffs be submitted to NERSA for approval after same has been approved by the Municipal Council.

Attached as an annexure are the following forms which have been completed and must accompany the application to NERSA.

NERSA D6 Form – Tariff Information for the year ending 30 June 2019.
NERSA D7 Form – Application for a tariff increase / tariff structure change.

The application must be submitted to NERSA immediately after having been approved by the Municipality.

The Municipality must also ensure that their distribution information (on prescribed D-forms) is submitted to NERSA on an annual basis as prescribed in the Municipality's electricity license conditions.

4.6 Conclusion

The Kouga Local Municipality as encouraged by National Treasury, will continue to explore appropriate ways of structuring the tariffs for the electricity service by –

- Encouraging more efficient use of these services.

- Generating the resources required to fund the maintenance, renewal and expansion of the infrastructure required to provide the services; and

- Keeping the service as affordable as possible.

The proposed increase is subject to approval by the National Electricity Regulator of South Africa.

5. Recommendation

5.1 That the Council, by resolution taken by majority of its full number, and in terms of Sections 30(2) and 93(4) of the Local Government: Municipal Structures Act, Act 117 of 1998 (as amended), read in conjunction with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the electricity tariffs as reflected in **Annexure 'G'** with effect from 1 July 2020.

Item Prepared by the Manager Revenue : ______________________

Item Approved by the Chief Financial Officer : ______________________

Item Noted by the Portfolio Councillor : ______________________

ANNEXURE A

KOUGA MUNICIPALITY: PROPOSED AMENDMENTS TO ELECTRICITY SALES TARIFFS FOR THE FINANCIAL YEAR 2020/2021												
	DESIGNATION		TARIFF COMPONENTS									
Item			Basic charge [R/month]			Energy charge [R/kWh]			Demand charge [R/kVA]			Comments
No.	Present	Proposed Amendments	Present	Proposed	% Incr.	Present	Proposed	% Incr.	Present	Proposed	% Incr.	
	All tariffs are applicable to all areas, i.e. Cape St. Francis, Oyster Bay, St. Francis Bay, Humansdorp and Jeffreys Bay.											
1.0	<u>DOMESTIC CONSUMER TARIFFS</u>											
	This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 60Amp three phase. Should Consumers require supplies in excess hereof, the Commercial Consumer or Bulk Supply tariff will be applicable.											
1.1	**<u>Prepayment meters</u>**											
1.1.1	**1 Phase**											
	Sub-economic (20A) with FBE:											The sub-economic tariff is a subsidized tariff and the consumer's
	Block 1: 0 - 50kWh					0.0000	0.0000					circuitbreaker size is limited to 20A single phase.
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				Those consumers who qualify in terms of the Municipality's
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				Indigent policy receive Free Basic Electricity (FBE), i.e. The
	Block 4: > 600kWh					2.1390	2.2730	6.26%				first 50kWh (Block 1) purchased per month is for free.
												The Energy Charges are close to the NERSA lower
	Sub-economic (20A) without FBE:											benchmark.
	Block 1: 0 - 50kWh					0.9540	1.0140	6.29%				
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				
	Block 4: > 600kWh					2.1390	2.2730	6.26%				
	Economic (60A) with FBE:		174.24	185.28	6.34%							
	Block 1: 0 - 50kWh					0.0000	0.0000					The Basic Charge is 20% lower than that of the conventional meter
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				tariff.
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				The Energy Charges are close to the NERSA lower benchmark .
	Block 4: > 600kWh					2.1390	2.2730	6.26%				Consumers will be responsible for all cost for
												converting from conventional meters to prepayment meters.
	Economic (60A) without FBE:		174.24	185.28	6.34%							
	Block 1: 0 - 50kWh					0.9540	1.0140	6.29%				
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				
	Block 4: > 600kWh					2.1390	2.2730	6.26%				
1.1.2	**3 Phase**											
	Economic (60A):		487.87	518.78	6.34%							
	Block 1: 0 - 50kWh					0.9540	1.0140	6.29%				
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				
	Block 4: > 600kWh					2.1390	2.2730	6.26%				
1.2	**<u>Conventional meters</u>**											
1.2.1	**1 Phase**											
	60A:		217.80	231.60	6.34%							
	Block 1: 0 - 50kWh					0.9540	1.0140	6.29%				
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				
	Block 4: > 600kWh					2.1390	2.2730	6.26%				
1.2.2	**3 Phase**											
	60A:		609.84	648.48	6.34%							
	Block 1: 0 - 50kWh					0.9540	1.0140	6.29%				
	Block 2: 51 - 350kWh					1.2460	1.3240	6.26%				
	Block 3: 351 - 600kWh					1.7780	1.8890	6.24%				
	Block 4: > 600kWh					2.1390	2.2730	6.26%				

2.0	**COMMERCIAL CONSUMER TARIFFS**										
	This tariff covers the supply of electricity to shops, office buildings, hotels, Bed & Breakfasts, clubs, industrial undertakings, temporary supplies, or similar premises with circuit breaker size or prepayment meter trip setting not in excess of 60Amp single phase or 100Amp three phase. Should Consumers have supplies in excess hereof, the Bulk Supply tariff will be applicable.										
2.1	**Prepayment meters**										
2.1.1	**1 Phase**										
	Business (60A)	0.00	0.00		2.0700	2.2400	8.21%				The Energy Charge is low compared to the NERSA benchmark.
2.1.2	**3 Phase**										
	Business (60A)	0.00	0.00		2.0700	2.2400	8.21%				The Energy Charge is low compared to the NERSA benchmark.
2.2	**Conventional meters**										
2.2.1	**1 Phase**										
	60A	477.60	507.60	6.28%	1.5200	1.6200	6.58%				
2.2.2	**3 Phase**										
	60A	1,337.28	1,421.28	6.28%	1.5200	1.6200	6.58%				
	100A	2,228.80	2,368.80	6.28%	1.5200	1.6200	6.58%				
3.0	**BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS**										
	The Bulk Supply tariff is for Consumers with a notified maximum demand of minimum 60kVA or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous rolling 12 month period. Should the Consumer's NMD be exceeded for more than two months, the consumers supply capacity and Augmentation Levy must be reviewed and an Excess Network Access Charge (E-NAC) will become payable. The amount payable through an E-NAC after exceeding for more than two months = (Number of times the NMD is exceeded based on a rolling 12 months) x (the portion of the demand exceeding the NMD) x (Network Access Charge). This charge is over and above the normal Network Access Charge.										
3.1	**Normal Bulk**										
3.1.1	**Low Voltage (<500V)**										This tariff is low compared to the NERSA benchmarks.
	Basic Charge	877.00	932.00	6.27%							The Energy Charge needs to be increased more than the average
	Network Demand Charge							230.00	244.40	6.26%	in future.
	Network Access Charge							34.55	36.80	6.51%	
	Active Energy Charge				0.7700	0.8300	7.79%				
3.1.2	**High Voltage (=> 500V and < 66kV)**										This tariff is low compared to the NERSA benchmarks and
	Basic Charge	877.00	932.00	6.27%							the Energy Charge of Tariff 3.1.1.
	Network Demand Charge							211.60	224.85	6.26%	The differences between the Low and High Voltage charges
	Network Access Charge							31.79	33.86	6.51%	have been adjusted as follows to be in-line with the
	Active Energy Charge				0.7166	0.8217	14.67%				Eskom bulk purchase tariff:
											Energy Charges - 1%
											Demand Charges - 8%.
3.2	**Time of Use (TOU)**										

3.2	**Time of Use (TOU)**										
	This tariff is based on the Eskom Local Authority "Megaflex" tariff, except that there is a single Basic Charge and Eskom's various kWh charges are included in one Energy Charge. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading) during peak and standard periods. No Network Demand Charge is payable during off-peak periods. The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 60kVA) or the highest maximum demand reading during the previous rolling 12 month period. The charge is applicable during all time periods. The Reactive Energy Charge is applied to kVArh in excess of 30% (0,96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season. The following conditions should be applicable to the TOU tariff: • Industrial / bulk consumers with a minimum notified demand of 60kVA, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff. • Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost. • Where existing Consumers consider conversion to TOU, it will be the Consumers' responsibility to do a tariff study to the satisfaction of the Director: Infrastructure and Engineering. • At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented. • A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.										
3.2.1	**Low Voltage (<500V)**										This tariff is low compared to the NERSA benchmarks.
	Basic charge		877.00	932.00	6.27%						All charges needs to be increased more than the average
	Network Demand Charge								39.43	42.68	8.24%	in future.
	Network Access Charge								34.55	36.80	6.51%	
	Active energy charge:											
	High demand (June to August):											
	Peak					3.9420	4.2668	8.24%				
	Standard					1.2620	1.3660	8.24%				
	Off-peak					0.7298	0.7899	8.24%				
	Low demand (Sept to May):											
	Peak					1.3513	1.4626	8.24%				
	Standard					0.9603	1.0394	8.24%				
	Off-peak					0.6448	0.6979	8.24%				
	Reactive Energy Charge (R/kVArh): High Demand (June to August)					0.1669	0.1807	8.27%				
3.2.2	**High Voltage (>=500V and <66kV)**											This tariff is low compared to the NERSA benchmarks and Tariff 3.2.1.
	Basic charge		877.00	932.00	6.27%							The differences between the Low and High Voltage charges
	Network Demand Charge								36.28	39.27	8.24%	have been adjusted as follows to be in-line with the
	Network Access Charge								31.79	33.86	6.51%	Eskom bulk purchase tariff:
	Active energy charge:											Energy Charges - 1%
	High demand (June to August):											Demand Charges - 8%.
	Peak					3.6661	4.0327	10.00%				
	Standard					1.1737	1.2911	10.00%				
	Off-peak					0.6787	0.7466	10.00%				
	Low demand (Sept to May):											
	Peak					1.2567	1.3824	10.00%				
	Standard					0.8931	0.9824	10.00%				
	Off-peak					0.5997	0.6597	10.01%				
	Reactive Energy Charge (R/kVArh): High Demand (June to August)					0.1669	0.1807	8.27%				
4.0	**OTHER TARIFFS**											
	Claude Neon		163.00	174.00	6.75%							
	Telephone booths		101.00	108.00	6.93%							
	Streetlights					1.6	1.7	6.25%				
	Woodlands Steam Generation - As per S	To be withdrawn										
	Temporary Supply - As per Item 2.2 above.											The Commercial Conventional Meter charges will be applicable for temporary supplies.
5.0	**DEPARTMENTAL** - The respective Commercial and Bulk Supply Tariffs as per Items 2.0 and 3.0 above shall be applicable to all municipal buildings, pumpstations, waste water works, water treatment works, etc.											

ANNEXURE B

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON DIFFERENT CONSUMER CATEGORIES FOR THE FINANCIAL YEAR 2020/2021

ITEM		PRESENT TARIFFS				PROPOSED TARIFFS				PRICE INCREASE
No.	CATEGORY		Income [R]	kWh	R/kWh		Income [R]	kWh	R/kWh	[%]
1,0	DOMESTIC CONSUMER TARIFFS									
1,1	Prepayment meters									
1.1.1	1 Phase:									
	Sub-Economic	R	22 837 725,98	17 999 712	1,27	R	24 267 978,07	17 999 712	1,35	6,26%
	Economic	R	47 306 966,14	24 213 672	1,95	R	50 279 642,69	24 213 672	2,08	6,28%
1.1.2	3 Phase	R	392 375,05	176 964	2,22	R	416 985,08	176 964	2,36	6,27%
1,2	Conventional meters									
1.2.1	1 Phase	R	68 999 448,60	34 650 360	1,99	R	73 334 109,50	34 650 360	2,12	6,28%
1.2.2	3 Phase	R	7 353 799,15	3 156 108	2,33	R	7 815 378,34	3 156 108	2,48	6,28%
2,0	COMMERCIAL CONSUMER TARIFFS									
2,1	Prepayment meters									
2.1.1	1 Phase	R	6 017 490,00	2 907 000	2,07	R	6 511 680,00	2 907 000	2,24	8,21%
2.1.2	3 Phase	R	488 354,40	235 920	2,07	R	528 460,80	235 920	2,24	8,21%
2,2	Conventional meters									
2.2.1	1 Phase	R	7 709 748,48	3 646 944	2,11	R	8 210 522,88	3 646 944	2,25	6,50%
2.2.2	3 Phase	R	20 289 099,84	9 871 164	2,06	R	21 608 184,24	9 871 164	2,19	6,50%
3.0	BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS									
3.1	Normal Bulk									
3.1.1	Low Voltage (<500V)	R	20 934 424,08	9 872 484	2,12	R	22 369 780,92	9 872 484	2,27	6,86%
3.1.2	High Voltage (=> 500V and < 66kV)	R	163 774,94	96 876	1,69	R	179 923,01	96 876	1,86	9,86%
3,2	Time of Use (TOU)									
3.2.1	Low Voltage (<500V)	R	16 318 425,26	12 213 072	1,34	R	17 620 887,31	12 213 072	1,44	7,98%
3.2.2	High Voltage (>=500V and <66kV)	R	45 127 022,40	41 952 000	1,08	R	49 487 037,60	41 952 000	1,18	9,66%
4.0	OTHER TARIFFS	R	4 497 988,80	2 803 908	1,60	R	4 779 171,60	2 803 908	1,70	6,25%
5.0	DEPARTMENTAL	R	9 109 915,10	4 615 716	1,97	R	9 724 569,96	4 615 716	2,11	6,75%
	TOTAL	**R**	**277 546 558,23**	**168 411 900**	**1,65**	**R**	**297 134 312,01**	**168 411 900**	**1,76**	**7,06%**
						Check (OK=0)		0		
.										

ANNEXURE C

KOUGA MUNICIPALITY: EFFECT OF PROPOSED NEW ELECTRICITY SALES TARIFFS ON TYPICAL CONSUMERS FOR THE FINANCIAL YEAR 2020/2021

	Typical Consumers					Proposed New Tariffs					Present Tariffs		Price Increase	
Item [No]	DESCRIPTION	Quantity [No]	Consump - tion / consumer. [kWh/month]	Consump - tion / consumer. [kVA/month]	Load factor [%]	Basic charge [R/month]	Energy charge [R/kWh]	Demand charge [R/kVA]	GROSS COST / CONSUMER [R/month]	GROSS COST / CONSUMER [R/kWh]	GROSS COST / CONSUMER [R/month]	GROSS COST / CONSUMER [R/kWh]	[R/month]	[%]
1.0	DOMESTIC CONSUMER TARIFFS													
1.1	Prepayment meters													
1.1.1	1 Phase													
	Sub-economic (20A) with FBE													
	Block 1: 0 - 50kWh	202	29	0	0.9	0.00	0.0000	0.00	0.00	0.0000	0.00	0.0000	0.00	
	Block 2: 51 - 350kWh	3,458	194	0	5.9	0.00	1.3240	0.00	190.66	0.9828	179.42	0.9249	11.23	6.26%
	Block 3: 351 - 600kWh	778	444	0	13.4	0.00	1.8890	0.00	574.77	1.2945	540.93	1.2183	33.83	6.25%
	Block 4: > 600kWh	161	844	0	25.5	0.00	2.2730	0.00	1,424.06	1.6873	1,340.22	1.5879	83.85	6.26%
	Sub-economic (20A) without FBE													
	Block 1: 0 - 50kWh	360	21	0	0.6	0.00	1.0140	0.00	21.29	1.0140	20.03	0.9540	1.26	6.29%
	Block 2: 51 - 350kWh	1,292	171	0	5.2	0.00	1.3240	0.00	210.90	1.2334	198.47	1.1606	12.44	6.27%
	Block 3: 351 - 600kWh	169	434	0	13.1	0.00	1.8890	0.00	606.58	1.3976	570.85	1.3153	35.72	6.26%
	Block 4: > 600kWh	46	872	0	26.3	0.00	2.2730	0.00	1,538.41	1.7642	1,447.81	1.6603	90.60	6.26%
	Economic (60A) with FBE													
	Block 1: 0 - 50kWh	0	22	0	0.2	185.28	0.0000	0.00	185.28	8.4218	174.24	7.9200	11.04	6.34%
	Block 2: 51 - 350kWh	0	190	0	1.9	185.28	1.3240	0.00	370.64	1.9507	348.68	1.8352	21.96	6.30%
	Block 3: 351 - 600kWh	0	444	0	4.5	185.28	1.8890	0.00	760.05	1.7118	715.17	1.6107	44.87	6.27%
	Block 4: > 600kWh	0	1,025	0	10.3	185.28	2.2730	0.00	2,020.76	1.9715	1,901.62	1.8552	119.14	6.27%
	Economic (60A) without FBE													
	Block 1: 0 - 50kWh	658	25	0	0.3	185.28	1.0140	0.00	210.63	8.4252	198.09	7.9236	12.54	6.33%
	Block 2: 51 - 350kWh	4,225	190	0	1.9	185.28	1.3240	0.00	421.34	2.2176	396.38	2.0862	24.96	6.30%
	Block 3: 351 - 600kWh	1,432	453	0	4.6	185.28	1.8890	0.00	827.75	1.8273	778.87	1.7194	48.87	6.27%
	Block 4: > 600kWh	635	866	0	8.7	185.28	2.2730	0.00	1,710.05	1.9747	1,609.21	1.8582	100.83	6.27%
1.1.2	3 Phase													
	Economic (60A)													
	Block 1: 0 - 50kWh	0	0	0	0.0	518.78	1.0140	0.00						
	Block 2: 51 - 350kWh	2	160	0	0.0	518.78	1.3240	0.00	715.12	4.4695	672.63	4.2040	42.49	6.32%
	Block 3: 351 - 600kWh	0	0	0	0.0	518.78	1.8890	0.00	305.53	#DIV/0!	287.07	#DIV/0!	18.46	6.43%
	Block 4: > 600kWh	7	2,061	0	0.0	518.78	2.2730	0.00	4,759.79	2.3095	4,478.95	2.1732	280.84	6.27%
1.2	Conventional meters													
1.2.1	1 Phase													
	60A													
	Block 1: 0 - 50kWh	553	24	0	0.2	231.60	1.0140	0.00	255.94	10.6640	240.70	10.0290	15.24	6.33%
	Block 2: 51 - 350kWh	3,500	198	0	2.0	231.60	1.3240	0.00	478.25	2.4154	449.91	2.2723	28.34	6.30%
	Block 3: 351 - 600kWh	2,900	461	0	4.6	231.60	1.8890	0.00	889.18	1.9288	836.66	1.8149	52.52	6.28%
	Block 4: > 600kWh	953	886	0	8.9	231.60	2.2730	0.00	1,801.83	2.0337	1,695.55	1.9137	106.27	6.27%

1.2.2	**3 Phase**													
	60A													
	Block 1: 0 - 50kWh	9	9	0	0.0	648.48	1.0140	0.00	657.61	73.0673	618.43	68.7140	39.18	6.34%
	Block 2: 51 - 350kWh	20	191	0	0.6	648.48	1.3240	0.00	885.86	4.6380	833.23	4.3624	52.64	6.32%
	Block 3: 351 - 600kWh	50	473	0	1.6	648.48	1.8890	0.00	1,328.73	2.8091	1,250.03	2.6428	78.69	6.30%
	Block 4: > 600kWh	127	1,854	0	6.2	648.48	2.2730	0.00	4,418.97	2.3835	4,158.15	2.2428	260.83	6.27%
2.0	**COMMERCIAL CONSUMER TARIFFS**													
2.1	**Prepayment meters**													
2.1.1	**1 Phase**													
	Business (60A)	323	750	0	7.5	0.00	2.2400	0.00	1,680.00	2.2400	1,552.50	2.0700	127.50	8.21%
2.1.2	**3 Phase**													
	Business (60A)	20	983	0	3.3	0.00	2.2400	0.00	2,201.92	2.2400	2,034.81	2.0700	167.11	8.21%
2.2	**Conventional meters**													
2.2.1	**1 Phase**													
	60A	378	804	0	8.1	507.60	1.6200	0.00	1,810.08	2.2513	1,699.68	2.1140	110.40	6.50%
2.2.2	**3 Phase**													
	60A	181	2,037	0	6.8	1421.28	1.6200	0.00	4,721.22	2.3177	4,433.52	2.1765	287.70	6.49%
	100A	89	5,100	0	10.3	2368.80	1.6200	0.00	10,630.80	2.0845	9,980.80	1.9570	650.00	6.51%
3.0	**BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS**													
3.1	**Normal Bulk**													
3.1.1	**Low Voltage (<500V)**													
	Basic Charge	61				932.00			932.00					
	Network Demand Charge			56				244.40	13,686.40					
	Network Access Charge			129				36.80	4,747.20					
	Active Energy Charge		13,487		33.4		0.8300		11,194.21					
									30,559.81	2.2659	28,598.94	2.1205	1,960.87	6.86%
3.1.2	**High Voltage (=> 500V and < 66kV)**													
	Basic Charge	1				932.00			932.00					
	Network Demand Charge			24				224.85	5,396.40					
	Network Access Charge			60				33.86	2,031.60					
	Active Energy Charge		8,073		46.7		0.8217		6,633.58					
									14,993.58	1.8573	13,647.91	1.6906	1,345.67	9.86%

3.2	**Time of Use (TOU)**													
3.2.1	**Low Voltage (<500V)**													
	Basic charge	34				932.00			932.00		877.00			
	Network Demand Charge			69				42.68	2,944.92		2,720.67			
	Network Access Charge			143				36.80	5,262.40		4,940.65			
	Active energy charge:													
	High demand (June to August):													
	Peak		5,170				4.2668		5,514.84		5,095.04			
	Standard		12,739				1.3660		4,350.37		4,019.15			
	Off-peak		10,460				0.7899		2,065.59		1,908.43			
	Low demand (Sept to May):													
	Peak		5,180				1.4626		5,682.20		5,249.80			
	Standard		13,075				1.0394		10,192.62		9,416.94			
	Off-peak		11,833		59.7		0.6979		6,193.69		5,722.44			
	Reactive Energy Charge (R/kVArh)		1,103				0.1807		199.31		184.09			
									43,337.93	1.4612	40,134.21	1.3532	3,203.73	7.98%
3.2.2	**High Voltage (>=500V and <66kV)**													
	Basic charge	8				932.00			932.00		877.00			
	Network Demand Charge			885				39.27	34,753.95		32,107.80			
	Network Access Charge			900				33.86	30,474.00		28,611.00			
	Active energy charge:													
	High demand (June to August):													
	Peak		61,000				4.0327		61,498.68		55,908.03			
	Standard		165,000				1.2911		53,257.88		48,415.13			
	Off-peak		172,000				0.7466		32,103.80		29,184.10			
	Low demand (Sept to May):													
	Peak		68,000				1.3824		70,502.40		64,091.70			
	Standard		179,000				0.9824		131,887.20		119,898.68			
	Off-peak		202,000		68.5		0.6597		99,944.55		90,854.55			
	Reactive Energy Charge (R/kVArh)		3,000				0.1807		542.10		500.70			
									515,896.55	1.1826	470,448.68	1.0784	45,447.88	9.66%
4.0	**OTHER TARIFFS**													
	Claude Neon	6	0	0		174.00	0	0.00	174.00		163.00		11.00	6.75%
	Telephone booths	0	0	0		108.00	0	0.00						
	Streetlights	139	1,681	0		0.00	1.7	0.00	2,857.70	1.7000	2,689.60	1.6000	168.10	6.25%
	Woodlands Steam Generation													
	Temporary Supply	0	0	0		0.00	0	0.00						
5.0	**DEPARTMENTAL**													
	Domestic 1 Phase 60A:													
	Block 1: 0 - 50kWh	1	26	0	0.3	231.60	1.0140	0.00						
	Block 2: 51 - 350kWh	8	195	0	2.0	231.60	1.3240	0.00						
	Block 3: 351 - 600kWh	5	466	0	4.7	231.60	1.8890	0.00	898.62	1.9284	845.55	1.8145	53.08	6.28%
	Block 4: > 600kWh	4	893	0	9.0	231.60	2.2730	0.00	1,817.74	2.0355	1,710.53	1.9155	107.21	6.27%
	Domestic 3 Phase 60A:													
	Block 1: 0 - 50kWh	0	0	0	0.0	648.48	1.0140	0.00						
	Block 2: 51 - 350kWh	0	0	0	0.0	648.48	1.3240	0.00						
	Block 3: 351 - 600kWh	0	0	0	0.0	648.48	1.8890	0.00						
	Block 4: > 600kWh	0	0	0	0.0	648.48	2.2730	0.00						

Commercial 1 Phase 0 - 60A	37	1,500	0	15.1	507.60	1.6200	0.00	2,937.60	1.9584	2,757.60	1.8384	180.00	6.53%
Commercial 3 Phase 0 - 60A	11	1,950	0	6.5	1421.28	1.6200	0.00	4,580.28	2.3489	4,301.28	2.2058	279.00	6.49%
Commercial 3 Phase 61 - 100A	14	3,402	0	6.8	2368.80	1.6200	0.00	7,880.04	2.3163	7,399.84	2.1751	480.20	6.49%
Normal Bulk Low Voltage:													
Basic Charge	13				932.00			932.00					
Network Demand Charge			83				244.40	20,285.20					
Network Access Charge			83				36.80	3,054.40					
Active Energy Charge		19,429		32.5		0.8300		16,126.07					
								40,397.67	2.0792	37,794.98	1.9453	2,602.69	6.89%
Normal Bulk High Voltage:													
Basic Charge	0				932.00			932.00					
Network Demand Charge			0				224.85	0.00					
Network Access Charge			0				33.86	0.00					
Active Energy Charge		0		#DIV/0!		0.8217		0.00					
								932.00					

ANNEXURE D

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON PROPOSED TARIFFS

Item No.	DESCRIPTION	BASIC CHARGE Charge [R/ month]	Quantity [No]	Value [R]	ENERGY CHARGE Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	DEMAND CHARGE Charge [R/kVA]	Ave. [kVA/ month]	Total [kVA/ annum]	Value [R]	LOAD FACTOR Ave. [%]	TOTAL [R]
1.0	DOMESTIC CONSUMER TARIFFS													
1.1	Prepayment meters													
1.1.1	**1 Phase**													
	Sub-economic (20A) with FBE							2,798,031.60						2,798,031.60
	Block 1: 0 - 50kWh	0.00	202	0.00	0.000	29	70,296	0.00					0.9	0.00
	Block 2: 51 - 350kWh	0.00	3,458	0.00	1.324	194	8,050,224	7,911,461.38					5.9	7,911,461.38
	Block 3: 351 - 600kWh	0.00	778	0.00	1.889	444	4,145,184	5,366,015.38					13.4	5,366,015.38
	Block 4: > 600kWh	0.00	161	0.00	2.273	844	1,630,608	2,751,287.78					25.5	2,751,287.78
	Sub-economic (20A) without FBE													
	Block 1: 0 - 50kWh	0.00	360	0.00	1.014	21	90,720	91,990.08					0.6	91,990.08
	Block 2: 51 - 350kWh	0.00	1,292	0.00	1.324	171	2,651,184	3,269,855.62					5.2	3,269,855.62
	Block 3: 351 - 600kWh	0.00	169	0.00	1.889	434	880,152	1,230,136.13					13.1	1,230,136.13
	Block 4: > 600kWh	0.00	46	0.00	2.273	872	481,344	849,200.11					26.3	849,200.11
	Economic (60A) with FBE	80.0%						0.00						0.00
	Block 1: 0 - 50kWh	185.28	0	0.00	0.000	22	0	0.00					0.2	0.00
	Block 2: 51 - 350kWh	185.28	0	0.00	1.324	190	0	0.00					1.9	0.00
	Block 3: 351 - 600kWh	185.28	0	0.00	1.889	444	0	0.00					4.5	0.00
	Block 4: > 600kWh	185.28	0	0.00	2.273	1,025	0	0.00					10.3	0.00
	Economic (60A) without FBE													
	Block 1: 0 - 50kWh	185.28	658	1,462,970.88	1.014	25	197,400	200,163.60					0.3	1,663,134.48
	Block 2: 51 - 350kWh	185.28	4,225	9,393,696.00	1.324	190	9,633,000	11,968,242.00					1.9	21,361,938.00
	Block 3: 351 - 600kWh	185.28	1,432	3,183,851.52	1.889	453	7,784,352	11,040,152.93					4.6	14,224,004.45
	Block 4: > 600kWh	185.28	635	1,411,833.60	2.273	866	6,598,920	11,618,732.16					8.7	13,030,565.76
	Sub-Total		13,416	15,452,352.00			42,213,384	59,095,268.76						74,547,620.76
1.1.2	**3 Phase**	2.80												
	Economic (60A)													
	Block 1: 0 - 50kWh	518.78	0	0.00	1.014	0	0	0.00					0.0	0.00
	Block 2: 51 - 350kWh	518.78	2	12,450.82	1.324	160	3,840	4,712.16						17,162.98
	Block 3: 351 - 600kWh	518.78	0	0.00	1.889	0	0	0.00						0.00
	Block 4: > 600kWh	518.78	7	43,577.86	2.273	2,061	173,124	356,244.25						399,822.11
	Sub-Total		9	56,028.67			176,964	360,956.41						416,985.08
1.2	Conventional meters													
1.2.1	**1 Phase**	R 3.86												
	60A													
	Block 1: 0 - 50kWh	231.60	553	1,536,897.60	1.014	24	159,264	161,493.70					0.2	1,698,391.30
	Block 2: 51 - 350kWh	231.60	3,500	9,727,200.00	1.324	198	8,316,000	10,359,384.00					2.0	20,086,584.00
	Block 3: 351 - 600kWh	231.60	2,900	8,059,680.00	1.889	461	16,042,800	22,883,749.20					4.6	30,943,429.20
	Block 4: > 600kWh	231.60	953	2,648,577.60	2.273	886	10,132,296	17,957,127.41					8.9	20,605,705.01
	Sub-Total		7,906	21,972,355.20			34,650,360	51,361,754.30						73,334,109.50
1.2.2	**3 Phase**	2.80												
	60A													

1.2.2	**3 Phase**	2.80												
	60A													
	Block 1: 0 - 50kWh	648.48	9	70,035.84	1.014	9	972	985.61					0.0	71,021.45
	Block 2: 51 - 350kWh	648.48	20	155,635.20	1.324	191	45,840	56,972.16					0.6	212,607.36
	Block 3: 351 - 600kWh	648.48	50	389,088.00	1.889	473	283,800	408,148.20					1.6	797,236.20
	Block 4: > 600kWh	648.48	127	988,283.52	2.273	1,854	2,825,496	5,746,229.81					6.2	6,734,513.33
	Sub-Total		206	1,603,042.56			3,156,108	6,212,335.78						7,815,378.34
2.0	**COMMERCIAL CONSUMER TARIFFS**													
2.1	**Prepayment meters**													
2.1.1	**1 Phase**													
	Business (60A)	0.00	323	0.00	2.240	750	2,907,000	6,511,680.00					7.5	6,511,680.00
	Sub-Total		323	0.00			2,907,000	6,511,680.00						6,511,680.00
2.1.2	**3 Phase**													
	Business (60A)	0.00	20	0.00	2.240	983	235,920	528,460.80					3.3	528,460.80
	Sub-Total		20	0.00			235,920	528,460.80						528,460.80
2.2	**Conventional meters**													
2.2.1	**1 Phase**	R 8.46												
	60A	507.60	378	2,302,473.60	1.620	804	3,646,944	5,908,049.28					8.1	8,210,522.88
	Sub-Total		378	2,302,473.60			3,646,944	5,908,049.28						8,210,522.88
2.2.2	**3 Phase**	2.80												
	60A	1421.28	181	3,087,020.16	1.620	2,037	4,424,364	7,167,469.68					6.8	10,254,489.84
	100A	2368.80	89	2,529,878.40	1.620	5,100	5,446,800	8,823,816.00					10.3	11,353,694.40
	Sub-Total		270	5,616,898.56			9,871,164	15,991,285.68						21,608,184.24
3.0	**BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS**													
3.1	**Normal Bulk**													
3.1.1	**Low Voltage (<500V)**													
	Basic Charge	932.00	61	682,224.00										682,224.00
	Network Demand Charge								244.40	56	40,992	10,018,444.80		10,018,444.80
	Network Access Charge								36.80	129	94,428	3,474,950.40		3,474,950.40
	Active Energy Charge				0.8300	13,487	9,872,484	8,194,161.72					33.4	8,194,161.72
	Sub-Total		61	682,224.00			9,872,484	8,194,161.72			40,992	13,493,395.20		22,369,780.92
3.1.2	**High Voltage (=> 500V and < 66kV)**				99%				92%					
	Basic Charge	932.00	1	11,184.00										11,184.00
	Network Demand Charge								224.85	24	288	64,756.80		64,756.80
	Network Access Charge								33.86	60	720	24,379.20		24,379.20
	Active Energy Charge				0.8217	8,073	96,876	79,603.01					46.7	79,603.01
	Sub-Total		1	11,184.00			96,876	79,603.01			288	89,136.00		179,923.01

3.2	Time of Use (TOU)													
3.2.1	**Low Voltage (<500V)**													
	Basic charge	932.00	34	380,256.00										380,256.00
	Network Demand Charge								42.68	69	28,152	1,201,527.36		1,201,527.36
	Network Access Charge								36.80	143	58,344	2,147,059.20		2,147,059.20
	Active energy charge:													0.00
	High demand (June to August):													0.00
	Peak				4.2668	5,170	527,340	2,250,054.31						2,250,054.31
	Standard				1.3660	12,739	1,299,378	1,774,950.35						1,774,950.35
	Off-peak				0.7899	10,460	1,066,920	842,760.11						842,760.11
	Low demand (Sept to May):					0								0.00
	Peak				1.4626	5,180	1,585,080	2,318,338.01						2,318,338.01
	Standard				1.0394	13,075	4,000,950	4,158,587.43						4,158,587.43
	Off-peak				0.6979	11,833	3,620,898	2,527,024.71					59.7	2,527,024.71
	Reactive Energy Charge (R/kVArh)				0.1807	1,103	112,506	20,329.83						20,329.83
	Sub-Total		34	380,256.00			12,213,072	13,892,044.75			28,152	3,348,586.56		17,620,887.31
3.2.2	**High Voltage (>=500V and <66kV)**				99%				92%					
	Basic charge	932.00	8	89,472.00										89,472.00
	Network Demand Charge								39.27	885	84,960	3,336,379.20		3,336,379.20
	Network Access Charge								33.86	900	86,400	2,925,504.00		2,925,504.00
	Active energy charge:													0.00
	High demand (June to August):													0.00
	Peak				4.0327	61,000	1,464,000	5,903,872.80						5,903,872.80
	Standard				1.2911	165,000	3,960,000	5,112,756.00						5,112,756.00
	Off-peak				0.7466	172,000	4,128,000	3,081,964.80						3,081,964.80
	Low demand (Sept to May):													0.00
	Peak				1.3824	68,000	4,896,000	6,768,230.40						6,768,230.40
	Standard				0.9824	179,000	12,888,000	12,661,171.20						12,661,171.20
	Off-peak				0.6597	202,000	14,544,000	9,594,676.80					68.5	9,594,676.80
	Reactive Energy Charge (R/kVArh)				0.1807	3,000	72,000	13,010.40						13,010.40
	Sub-Total		8	89,472.00			41,952,000	43,135,682.40			84,960	6,261,883.20		49,487,037.60
4.0	**OTHER TARIFFS**													
	Claude Neon	174.00	6	12,528.00	0	0	0	0.00						12,528.00
	Telephone booths	108.00	0	0.00	0	0	0	0.00						0.00
	Streetlights	0.00	139	0.00	1.7	1,681	2,803,908	4,766,643.60						4,766,643.60
	Woodlands Steam Generation	0.00	0	0.00	0.0000	183,917	0	0.00	0.00	470	0	0.00		0.00
	Temporary Supply	0.00	0	0.00	0	0	0	0.00						0.00
	Sub-Total		145	12,528.00			2,803,908	4,766,643.60			0	0.00		4,779,171.60
5.0	**DEPARTMENTAL**													
	Domestic 1 Phase 60A:													
	Block 1: 0 - 50kWh	231.60	1	2,779.20	1.014	26	312	316.37					0.3	3,095.57
	Block 2: 51 - 350kWh	231.60	8	22,233.60	1.324	195	18,720	23,297.28					2.0	45,530.88
	Block 3: 351 - 600kWh	231.60	5	13,896.00	1.889	466	27,960	40,021.44					4.7	53,917.44
	Block 4: > 600kWh	231.60	4	11,116.80	2.273	893	42,864	76,134.67					9.0	87,251.47
	Domestic 3 Phase 60A:													

	Block 1: 0 - 50kWh	648.48	0	0.00	1.014	0	0	0.00					0.0	0.00
	Block 2: 51 - 350kWh	648.48	0	0.00	1.324	0	0	0.00					0.0	0.00
	Block 3: 351 - 600kWh	648.48	0	0.00	1.889	0	0	0.00					0.0	0.00
	Block 4: > 600kWh	648.48	0	0.00	2.273	0	0	0.00					0.0	0.00
	Commercial 1 Phase 0 - 60A	507.60	37	225,374.40	1.6200	1,500	666,000	1,078,920.00					15.1	1,304,294.40
	Commercial 3 Phase 0 - 60A	1421.28	11	187,608.96	1.6200	1,950	257,400	416,988.00					6.5	604,596.96
	Commercial 3 Phase 61 - 100A	2368.80	14	397,958.40	1.6200	3,402	571,536	925,888.32					6.8	1,323,846.72
	Normal Bulk Low Voltage:													
	Basic Charge	932.00	13	145,392.00										145,392.00
	Network Demand Charge								244.40	83	12,948	3,164,491.20		3,164,491.20
	Network Access Charge								36.80	83	12,948	476,486.40		476,486.40
	Active Energy Charge				0.8300	19,429	3,030,924	2,515,666.92					32.5	2,515,666.92
	Normal Bulk High Voltage:													
	Basic Charge	932.00	0	0.00										0.00
	Network Demand Charge								224.85	0	0	0.00		0.00
	Network Access Charge								33.86	0	0	0.00		0.00
	Active Energy Charge				0.8217	0	0	0.00					#DIV/0!	0.00
	Sub-Total		93	1,006,359.36			4,615,716	5,077,233.00			25,896	3,640,977.60		9,724,569.96
TOTAL			22,870	49,185,173.95			168,411,900	221,115,159.50			180,288	26,833,978.56		297,134,312.01
					Eskom	**Purchases**	203,590,303					Budget estimate		290,231,833.00
												difference		6,902,479.01
						Losses	17.3%					% difference		**2.38**

ANNEXURE E

KOUGA MUNICIPALITY: ESTIMATED ELECTRICITY SALES FOR THE FINANCIAL YEAR 2020/2021 BASED ON PRESENT TARIFFS

		BASIC CHARGE			ENERGY CHARGE				DEMAND CHARGE				LOAD FACTOR	TOTAL
Item No.	DESCRIPTION	Charge [R/ month]	Quantity [No]	Value [R]	Charge [R/kWh]	Ave. [kWh/ month]	Total [kWh/ annum]	Value [R]	Charge [R/kVA]	Ave. [kVA/ month]	Total [kVA/ annum]	Value [R]	Ave. [%]	[R]
1.0	DOMESTIC CONSUMER TARIFFS													
1.1	Prepayment meters													
1.1.1	**1 Phase**													
	Sub-economic (20A) with FBE							2,632,467.60						2,632,467.60
	Block 1: 0 - 50kWh	0.00	202	0.00	0.000	29	70,296	0.00					0.9	0.00
	Block 2: 51 - 350kWh	0.00	3,458	0.00	1.246	194	8,050,224	7,445,378.30					5.9	7,445,378.30
	Block 3: 351 - 600kWh	0.00	778	0.00	1.778	444	4,145,184	5,050,141.15					13.4	5,050,141.15
	Block 4: > 600kWh	0.00	161	0.00	2.139	844	1,630,608	2,589,297.31					25.5	2,589,297.31
	Sub-economic (20A) without FBE													
	Block 1: 0 - 50kWh	0.00	360	0.00	0.954	21	90,720	86,546.88					0.6	86,546.88
	Block 2: 51 - 350kWh	0.00	1,292	0.00	1.246	171	2,651,184	3,077,016.86					5.2	3,077,016.86
	Block 3: 351 - 600kWh	0.00	169	0.00	1.778	434	880,152	1,157,687.86					13.1	1,157,687.86
	Block 4: > 600kWh	0.00	46	0.00	2.139	872	481,344	799,190.02					26.3	799,190.02
	Economic (60A) with FBE	0.80						0.00						0.00
	Block 1: 0 - 50kWh	174.24	0	0.00	0.000	22	0	0.00					0.2	0.00
	Block 2: 51 - 350kWh	174.24	0	0.00	1.246	190	0	0.00					1.9	0.00
	Block 3: 351 - 600kWh	174.24	0	0.00	1.778	444	0	0.00					4.5	0.00
	Block 4: > 600kWh	174.24	0	0.00	2.139	1,025	0	0.00					10.3	0.00
	Economic (60A) without FBE													
	Block 1: 0 - 50kWh	174.24	658	1,375,799.04	0.954	25	197,400	188,319.60					0.3	1,564,118.64
	Block 2: 51 - 350kWh	174.24	4,225	8,833,968.00	1.246	190	9,633,000	11,262,498.00					1.9	20,096,466.00
	Block 3: 351 - 600kWh	174.24	1,432	2,994,140.16	1.778	453	7,784,352	10,390,030.66					4.6	13,384,170.82
	Block 4: > 600kWh	174.24	635	1,327,708.80	2.139	866	6,598,920	10,934,501.88					8.7	12,262,210.68
	Sub-Total		13,416	14,531,616.00			42,213,384	55,613,076.12						70,144,692.12
1.1.2	**3 Phase**	2.80												
	Economic (60A)													
	Block 1: 0 - 50kWh	487.87	0	0.00	0.954	0	0	0.00					0.0	0.00
	Block 2: 51 - 350kWh	487.87	2	11,708.93	1.246	160	3,840	4,434.24						16,143.17
	Block 3: 351 - 600kWh	487.87	0	0.00	1.778	0	0	0.00						0.00
	Block 4: > 600kWh	487.87	7	40,981.25	2.139	2,061	173,124	335,250.64						376,231.88
	Sub-Total		9	52,690.18			176,964	339,684.88						392,375.05
1.2	Conventional meters													
1.2.1	**1 Phase**	3.63												
	60A													
	Block 1: 0 - 50kWh	217.80	553	1,445,320.80	0.954	24	159,264	151,937.86					0.2	1,597,258.66
	Block 2: 51 - 350kWh	217.80	3,500	9,147,600.00	1.246	198	8,316,000	9,748,536.00					2.0	18,896,136.00
	Block 3: 351 - 600kWh	217.80	2,900	7,579,440.00	1.778	461	16,042,800	21,536,258.40					4.6	29,115,698.40
	Block 4: > 600kWh	217.80	953	2,490,760.80	2.139	886	10,132,296	16,899,594.74					8.9	19,390,355.54
	Sub-Total		7,906	20,663,121.60			34,650,360	48,336,327.00						68,999,448.60

1.2.2	**3 Phase**	2.80												
	60A													
	Block 1: 0 - 50kWh	609.84	9	65,862.72	0.954	9	972	927.29					0.0	66,790.01
	Block 2: 51 - 350kWh	609.84	20	146,361.60	1.246	191	45,840	53,612.64					0.6	199,974.24
	Block 3: 351 - 600kWh	609.84	50	365,904.00	1.778	473	283,800	384,116.40					1.6	750,020.40
	Block 4: > 600kWh	609.84	127	929,396.16	2.139	1,854	2,825,496	5,407,618.34					6.2	6,337,014.50
	Sub-Total		206	1,507,524.48			3,156,108	5,846,274.67						7,353,799.15
2.0	**COMMERCIAL CONSUMER TARIFFS**													
2.1	**Prepayment meters**													
2.1.1	**1 Phase**													
	Business (60A)	0.00	323	0.00	2.070	750	2,907,000	6,017,490.00					7.5	6,017,490.00
	Sub-Total		323	0.00			2,907,000	6,017,490.00						6,017,490.00
2.1.2	**3 Phase**													
	Business (60A)	0.00	20	0.00	2.070	983	235,920	488,354.40					3.3	488,354.40
	Sub-Total		20	0.00			235,920	488,354.40						488,354.40
2.2	**Conventional meters**													
2.2.1	**1 Phase**	7.96												
	60A	477.60	378	2,166,393.60	1.520	804	3,646,944	5,543,354.88					8.1	7,709,748.48
	Sub-Total		378	2,166,393.60			3,646,944	5,543,354.88						7,709,748.48
2.2.2	**3 Phase**	2.80												
	60A	1337.28	181	2,904,572.16	1.520	2,037	4,424,364	6,725,033.28					6.8	9,629,605.44
	100A	2228.80	89	2,380,358.40	1.520	5,100	5,446,800	8,279,136.00					10.3	10,659,494.40
	Sub-Total		270	5,284,930.56			9,871,164	15,004,169.28						20,289,099.84
3.0	**BULK SUPPLY / INDUSTRIAL CONSUMER TARIFFS**													
3.1	**Normal Bulk**													
3.1.1	**Low Voltage (<500V)**													
	Basic Charge	877.00	61	641,964.00										641,964.00
	Network Demand Charge								230.00	56	40,992	9,428,160.00		9,428,160.00
	Network Access Charge								34.55	129	94,428	3,262,487.40		3,262,487.40
	Active Energy Charge				0.77	13,487	9,872,484	7,601,812.68					33.4	7,601,812.68
	Sub-Total		61	641,964.00			9,872,484	7,601,812.68			40,992	12,690,647.40		20,934,424.08
3.1.2	**High Voltage (=> 500V and < 66kV)**				0.99				0.92					
	Basic Charge	877.00	1	10,524.00										10,524.00
	Network Demand Charge								211.60	24	288	60,940.80		60,940.80
	Network Access Charge								31.79	60	720	22,888.80		22,888.80
	Active Energy Charge				0.7166	8,073	96,876	69,421.34					46.7	69,421.34
	Sub-Total		1	10,524.00			96,876	69,421.34			288	83,829.60		163,774.94

3.2	Time of Use (TOU)													
3.2.1	**Low Voltage (<500V)**													
	Basic charge	877.00	34	357,816.00										357,816.00
	Network Demand Charge								39.43	69	28,152	1,110,033.36		1,110,033.36
	Network Access Charge								34.55	143	58,344	2,015,785.20		2,015,785.20
	Active energy charge:													0.00
	High demand (June to August):													0.00
	Peak				3.942	5,170	527,340	2,078,774.28						2,078,774.28
	Standard				1.262	12,739	1,299,378	1,639,815.04						1,639,815.04
	Off-peak				0.7298	10,460	1,066,920	778,638.22						778,638.22
	Low demand (Sept to May):													0.00
	Peak				1.3513	5,180	1,585,080	2,141,918.60						2,141,918.60
	Standard				0.9603	13,075	4,000,950	3,842,112.29						3,842,112.29
	Off-peak				0.6448	11,833	3,620,898	2,334,755.03					59.7	2,334,755.03
	Reactive Energy Charge (R/kVArh)				0.1669	1,103	112,506	18,777.25						18,777.25
	Sub-Total		34	357,816.00			12,213,072	12,834,790.70			28,152	3,125,818.56		16,318,425.26
3.2.2	**High Voltage (>=500V and <66kV)**													
	Basic charge	877.00	8	84,192.00										84,192.00
	Network Demand Charge								36.28	885	84,960	3,082,348.80		3,082,348.80
	Network Access Charge								31.79	900	86,400	2,746,656.00		2,746,656.00
	Active energy charge:													0.00
	High demand (June to August):													0.00
	Peak				3.6661	61,000	1,464,000	5,367,170.40						5,367,170.40
	Standard				1.1737	165,000	3,960,000	4,647,852.00						4,647,852.00
	Off-peak				0.6787	172,000	4,128,000	2,801,673.60						2,801,673.60
	Low demand (Sept to May):													0.00
	Peak				1.2567	68,000	4,896,000	6,152,803.20						6,152,803.20
	Standard				0.8931	179,000	12,888,000	11,510,272.80						11,510,272.80
	Off-peak				0.5997	202,000	14,544,000	8,722,036.80					68.5	8,722,036.80
	Reactive Energy Charge (R/kVArh)				0.1669	3,000	72,000	12,016.80						12,016.80
	Sub-Total		8	84,192.00			41,952,000	39,213,825.60			84,960	5,829,004.80		45,127,022.40
4.0	**OTHER TARIFFS**													
	Claude Neon	163.00	6	11,736.00	0	0	0	0.00						11,736.00
	Telephone booths	101.00	0	0.00	0	0	0	0.00						0.00
	Streetlights	0.00	139	0.00	1.6	1,681	2,803,908	4,486,252.80						4,486,252.80
	Woodlands Steam Generation	9051.25	0	0.00	0.9522	183,917	0	0.00	275.11	470	0	0.00		0.00
	Temporary Supply	0.00	0	0.00	0	0	0	0.00						0.00
	Sub-Total		145	11,736.00			2,803,908	4,486,252.80			0	0.00		4,497,988.80
5.0	**DEPARTMENTAL**													
	Domestic 1 Phase 60A:													
	Block 1: 0 - 50kWh	217.80	1	2,613.60	0.954	26	312	297.65					0.3	2,911.25
	Block 2: 51 - 350kWh	217.80	8	20,908.80	1.246	195	18,720	21,923.52					2.0	42,832.32
	Block 3: 351 - 600kWh	217.80	5	13,068.00	1.778	466	27,960	37,664.88					4.7	50,732.88
	Block 4: > 600kWh	217.80	4	10,454.40	2.139	893	42,864	71,650.90					9.0	82,105.30
	Domestic 3 Phase 60A:													
	Block 1: 0 - 50kWh	609.84	0	0.00	0.954	0	0	0.00					0.0	0.00
	Block 2: 51 - 350kWh	609.84	0	0.00	1.246	0	0	0.00					0.0	0.00
	Block 3: 351 - 600kWh	609.84	0	0.00	1.778	0	0	0.00					0.0	0.00
	Block 4: > 600kWh	609.84	0	0.00	2.139	0	0	0.00					0.0	0.00

	Commercial 1 Phase 0 - 60A	477.60	37	212,054.40	1.5200	1,500	666,000	1,012,320.00					15.1	1,224,374.40
	Commercial 3 Phase 0 - 60A	1337.28	11	176,520.96	1.5200	1,950	257,400	391,248.00					6.5	567,768.96
	Commercial 3 Phase 61 - 100A	2228.80	14	374,438.40	1.5200	3,402	571,536	868,734.72					6.8	1,243,173.12
	Normal Bulk Low Voltage:													
	Basic Charge	877.00	13	136,812.00										136,812.00
	Network Demand Charge								230.00	83	12,948	2,978,040.00		2,978,040.00
	Network Access Charge								34.55	83	12,948	447,353.40		447,353.40
	Active Energy Charge				0.7700	19,429	3,030,924	2,333,811.48					32.5	2,333,811.48
	Normal Bulk High Voltage:													
	Basic Charge	877.00	0	0.00										0.00
	Network Demand Charge								211.60	0	0	0.00		0.00
	Network Access Charge								31.79	0	0	0.00		0.00
	Active Energy Charge				0.7166	0	0	0.00					#DIV/0!	0.00
	Sub-Total		93	946,870.56			4,615,716	4,737,651.14			25,896	3,425,393.40		9,109,915.10
TOTAL			22,870	46,259,378.98			168,411,900	206,132,485.50			180,288	25,154,693.76		277,546,558.23
					Eskom	**Purchases**	203,590,303					Budget estimate		290,231,833.00
												difference		-12,685,274.77
						Losses	17.3%					% difference		**-4.37**

ANNEXURE F

KOUGA MUNICIPALITY: ELECTRICITY SERVICE: INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR 2020/2021

ZERO BASED BUDGET :DIRECTORATE :IPD SUB DIRECTORATE :TECHNICAL SERVICES (Preliminary only and subject to change)

Item Description	Final Adjusted Budget 2019/20	Council Approved Draft Budget 2020/21	Proposed Budget 2020/21	Draft Budget 2021/22	Draft Budget 2022/23
Group Life Insurance	167,466.00	177,932.63	177,932.63	186,117.53	194,678.93
Housing Subsidy	37,222.00	39,548.38	39,548.38	41,367.60	43,270.51
Long Service Bonus/Leave Pay	14,862.00	15,790.88	15,790.88	16,517.26	17,277.05
Medical Aid Contributions	432,822.00	459,873.38	459,873.38	481,027.55	503,154.82
Other Allowances	82,555.00	87,714.69	87,714.69	91,749.56	95,970.04
Overtime (Salaries)	2,523,472.00	2,681,189.00	2,681,189.00	2,804,523.69	2,933,531.78
Pension Fund Contributions	1,043,298.00	1,108,504.13	1,108,504.13	1,159,495.31	1,212,832.10
Salaries (Officials)	6,793,695.00	7,218,300.94	7,218,300.94	7,550,342.78	7,897,658.55
Service Bonus	476,526.00	506,308.88	506,308.88	529,599.08	553,960.64
Standby Allowance	505,694.00	537,299.88	537,299.88	562,015.67	587,868.39
Bargaining Council Levy	155,845.00	165,585.31	165,585.31	173,202.24	181,169.54
Labour Relations Levy (Officials)					
Travelling Allowance (Officials)	487,068.00	517,509.75	517,509.75	541,315.20	566,215.70
SDL (Officials)					
UIF (Salaries)	47,373.00	50,333.81	50,333.81	52,649.17	55,071.03
WCA (Salaries)					
	12,767,898.00	**13,565,891.63**	**13,565,891.63**	**14,189,922.64**	**14,842,659.08**
BulkPurchases					
Electricity : ESKOM	232,352,871.00	251,173,453.55	251,173,453.55	264,234,473.14	287,751,341.24
	232,352,871.00	**251,173,453.55**	**251,173,453.55**	**264,234,473.14**	**287,751,341.24**
Advertising					
Cards : Prepaid					
Cell Phone Contracts	9,942.00	10,389.39	10,389.39	10,867.30	11,367.20
Connection Expenses					
Engineering: Consultant Service	300,000.00	300,000.00	300,000.00	313,800.00	328,234.80
Loss on Sales					
Equipment					
Equitable Share Allocations	5,152,892.00	5,570,276.25	5,570,276.25	5,859,930.62	6,381,464.44
Festive Lights					
Fuel & Oil	473,941.00	495,268.35	495,268.35	518,050.69	541,881.02
Insurance Premiums	480,774.00	1,066,502.13	1,066,502.13	1,115,561.23	1,166,877.04
Licences	10,600.00	11,077.00	11,077.00	11,586.54	12,119.52
Vehicle Tracking	45,000.00	47,025.00	47,025.00	49,188.15	51,450.80
Printing and Stationery	9,540.00	9,969.30	9,969.30	10,427.89	10,907.57
Registration Fees					
Rental : Furniture and Office Equipment	31,312.00	78,673.57	78,673.57	82,292.56	86,078.01
Rental : Vehicle/Plant Lease	243,800.00	182,770.50	182,770.50	191,177.94	199,972.13
Seasonal programme					
Service Fees	7,939,368.00	8,296,639.56	8,296,639.56	8,678,284.98	9,077,486.09
Subsistence & Travelling (Officials)	91,160.00	95,262.20	95,262.20	99,644.26	104,227.90
Training					
Uniforms & Protective Material	414,225.96	22,519.75	22,519.75	23,555.66	24,639.22
Commission:Third Party Vendors	4,549,043.00	4,753,749.94	4,753,749.94	4,972,422.43	5,201,153.86

Contractors:Maintenance & Repairs	3,593,615.00	3,684,210.20	3,684,210.20	3,853,683.87	4,030,953.33
Materials and Supplies	3,711,396.95	3,559,023.38	3,559,023.38	3,722,738.46	3,893,984.42
	27,056,609.91	**28,183,356.51**	**28,183,356.51**	**29,513,212.57**	**31,122,797.36**
Depreciation and Asset Impairment					
Depreciation and Asset Impairment	7,418,356.00	7,781,855.44	7,781,855.44	8,155,384.51	8,546,842.96
	7,418,356.00	**7,781,855.44**	**7,781,855.44**	**8,155,384.51**	**8,546,842.96**
Interest : External					
Interest : External					
	-	-	-	-	-
Contribution to Provisions					
Bad Debts Provision	11,162,901.08	11,868,096.07	29,162,470.00	12,394,049.80	13,168,677.91
	11,162,901.08	**11,868,096.07**	**29,162,470.00**	**12,394,049.80**	**13,168,677.91**
Sub-total	**290,758,635.99**	**312,572,653.21**	**329,867,027.13**	**328,487,042.65**	**355,432,318.56**
CAPITAL AQUISITIONS					
Generator 2		500,000.00	500,000.00	-	-
Saffery Substation		1,500,000.00	1,500,000.00	-	-
Retrofit oil circuit breakers Main substation Jeffrey's Bay		-	-	800,000.00	800,000.00
Fencing Mainsubstation Jeffrey's Bay		500,000.00	500,000.00	-	-
Security Cameras & Substation Security		200,000.00	200,000.00	1,000,000.00	-
New overheadlines 66kv overheadlines(Jbay to Melk	1,800,000.00	1,300,000.00	1,300,000.00	1,000,000.00	-
Electrcial supply of tri switches St francis Bay	200,000.00	-	-	-	-
Electrcial Replacement of old mv cables to main su	2,100,000.00	-	-	-	-
Electrical Mini sub station 22 000/11000/400 St Fr	485,934.80	-	-	-	-
High Mast Lights	1,300,000.00	-	-	-	-
Humansdorp, Kruisfontein and Osean View Electrific	5,219,130.00	4,521,739.00	4,521,739.00	3,478,261.00	4,442,609.00
Electrical Oil circuit breakers replacement with v	800,000.00	-	-	-	-
Electrcial Supply auto recloser St Francis Bay	400,000.00	-	-	-	-
Energy and Demand Side Management	-	-	-	-	-
Electrcial 5 MV 22000/11000 transformer	1,400,000.00	-	-	-	-
Furniture and Equipment	35,550.80	-	-	-	-
Computer Equipment	25,000.00	-	-	-	-
LV Networks (Informal Areas, Electrification/illeg	1,000,000.00	-	-	-	-
Purchase of mini sub station 11000/400,22000/400	508,596.95	-	-	-	-
conversion from conventional meter to pre paid met	170,337.20	-	-	-	-
CONCRETE POLES	171,518.10	-	-	-	-
SOLAR LIGHTS	360,773.04	-	-	-	-
Machinery and Equipment	-	150,000.00	150,000.00	-	-
Energy and Demand Side Management	3,478,261.00	-	-	-	-
	19,455,101.89	**8,671,739.00**	**8,671,739.00**	**6,278,261.00**	**5,242,609.00**
Total Expenditure	**310,213,737.88**	**321,244,392.21**	**338,538,766.13**	**334,765,303.65**	**360,674,927.56**

Augmentation Fees	(1,443,937.00)	(1,560,895.90)	(1,556,641.43)	(1,678,209.02)	(1,809,341.06)
Availability Fees	(9,253,091.00)	(10,002,591.37)	(9,831,409.19)	(10,445,872.26)	(11,098,739.28)
Electricity Sales	(164,034,126.00)	(177,320,890.21)	(174,286,258.88)	(185,179,150.05)	(196,752,846.93)
Interest on outstanding accounts	(950,000.00)	(1,016,500.00)	(1,016,500.00)	(1,087,655.00)	(1,163,790.85)
Minimum/Basic Charge	(38,273,691.00)	(41,373,859.97)	(40,665,796.69)	(43,207,408.98)	(45,907,872.04)
Prepaid Sales : Itron	(60,620,390.00)	(65,530,641.59)	(64,409,164.38)	(68,434,737.15)	(72,711,908.22)
Prepaid Sales : Municipal					
Street Lighting	(4,988,553.00)	(5,392,625.79)	(5,300,337.56)	(5,631,608.66)	(5,983,584.20)
	(279,563,788.00)	**(302,198,004.83)**	**(297,066,108.12)**	**(315,664,641.13)**	**(335,428,082.59)**
INEP (Municipal Grant)	(6,002,000.00)	(5,200,000.00)	(5,200,000.00)	(4,000,000.00)	(5,109,000.00)
EEDSM (Municipal Grant)	(4,000,000.00)	-	-	-	-
	(10,002,000.00)	**(5,200,000.00)**	**(5,200,000.00)**	**(4,000,000.00)**	**(5,109,000.00)**
Connection Fees	(723,377.00)	(781,970.54)	(768,588.06)	(816,624.82)	(867,663.87)
Re-connection Fees					
Law Enforcement (By-Laws)					
Prepaid Meter Boxes	(1,500,000.00)	(1,621,500.00)	(1,593,750.00)	(1,693,359.38)	(1,799,194.34)
Equitable Share	(5,152,892.00)	(5,570,276.25)	(5,570,276.25)	(5,859,930.62)	(6,381,464.44)
Sundry Income					
	(7,376,269.00)	**(7,973,746.79)**	**(7,932,614.31)**	**(8,369,914.81)**	**(9,048,322.65)**
Total Income	**(296,942,057.00)**	**(315,371,751.62)**	**(310,198,722.44)**	**(328,034,555.94)**	**(349,585,405.23)**
Surplus (-) / Loss (+)	**13,271,680.88**	**5,872,640.59**	**28,340,043.70**	**6,730,747.71**	**11,089,522.33**
Sum of budgeted income from sales of electricity			(290,231,833.75)		
Estimated Total Electricty Sales as per Schedule D			(297,134,312.01)		
NERSA Financial Benchmarks:	**Benchmark**	**Acceptable range**			
Percentage Power Cost	**75**	**58% - 78%**	**74.2%**		
Nett Profit Margin	**15%**	**10% - 20%**	**8.4%**	Loss	
Energy losses	**10%**	**5% - 12%**	**17.3%**		
Gross Profit Margin	**60%**	**58% - 62%**	**15.6%**		

ANNEXURE G

KOUGA MUNICIPALITY: ESTIMATED BULK ELECTRICITY PURCHASES FOR THE FINANCIAL YEAR 2019/20					
Month	MAXIMUM DEMAND	ACTIVE ENERGY	PURCHASE COST	Gross cost per kWh	NOTES
	kVATotal for month	Total kWh for month	Total Rand for month		
Jul-15	42,451	18,076,298	R 20,350,777	R 1.13	
Aug-15	43,302	17,711,311	R 20,548,640	R 1.16	
Sep-15	36,777	15,779,160	R 13,615,743	R 0.86	
Oct-15	37,297	16,079,051	R 11,968,212	R 0.74	
Nov-15	38,627	16,763,842	R 12,448,525	R 0.74	
Dec-15	45,630	16,820,068	R 12,385,756	R 0.74	
Jan-16	44,736	18,276,010	R 13,308,515	R 0.73	
Feb-16	40,203	16,028,294	R 11,804,224	R 0.74	
Mar-16	36,994	15,687,592	R 11,569,251	R 0.74	
Apr-16	35,398	16,668,550	R 12,174,659	R 0.73	
May-16	39,187	15,672,736	R 11,585,277	R 0.74	
Jun-16	41,349	16,557,141	R 16,744,399	R 1.01	
Jul-16	40,569	16,648,529	R 20,608,341	R 1.24	
Aug-16	39,977	17,375,270	R 20,915,820	R 1.20	
Sep-16	35,179	16,727,402	R 16,055,099	R 0.96	
Oct-16	33,536	16,431,921	R 13,120,706	R 0.80	
Nov-16	35,730	16,762,477	R 13,111,834	R 0.78	
Dec-16	40,909	17,704,480	R 13,965,528	R 0.79	
Jan-17	42,727	19,258,965	R 14,972,994	R 0.78	
Feb-17	33,823	17,032,551	R 13,360,244	R 0.78	
Mar-17	33,533	15,241,279	R 12,121,000	R 0.80	
Apr-17	37,442	15,503,957	R 13,409,996	R 0.86	
May-17	36,379	16,147,939	R 12,591,669	R 0.78	
Jun-17	39,270	14,570,834	R 18,400,421	R 1.26	
Jul-17	37,775	17,121,721	R 21,656,347	R 1.26	
Aug-17	37,413	17,211,288	R 20,861,048	R 1.21	
Sep-17	35,842	17,141,053	R 16,531,969	R 0.96	
Oct-17	35,283	16,453,361	R 13,014,334	R 0.79	
Nov-17	34,867	16,971,119	R 13,435,842	R 0.79	
Dec-17	40,233	17,565,127	R 13,999,078	R 0.80	
Jan-18	42,513	19,190,836	R 14,601,094	R 0.76	
Feb-18	32,974	16,387,737	R 13,241,615	R 0.81	
Mar-18	33,243	15,330,718	R 12,226,233	R 0.80	
Apr-18	35,710	17,125,457	R 13,365,901	R 0.78	
May-18	36,002	16,237,916	R 12,784,630	R 0.79	
Jun-18	36,520	16,795,993	R 18,725,530	R 1.11	
Jul-18	37,547	16,891,269	R 22,058,921	R 1.31	
Aug-18	37,125	17,425,032	R 23,037,479	R 1.32	
Sep-18	37,568	17,651,122	R 18,172,819	R 1.03	
Oct-18	34,542	16,732,626	R 14,017,324	R 0.84	
Nov-18	35,526	17,134,415	R 14,620,488	R 0.85	
Dec-18	41,578	17,664,908	R 14,973,827	R 0.85	
Jan-19	43,372	19,077,362	R 15,579,366	R 0.82	
Feb-19	38,121	17,266,361	R 14,742,516	R 0.85	
Mar-19	41,533	15,187,551	R 13,109,984	R 0.86	
Apr-19	42,914	17,238,069	R 14,451,191	R 0.84	
May-19	36,872	16,477,974	R 13,907,099	R 0.84	
Jun-19	36,363	16,879,552	R 19,870,222	R 1.18	
Jul-19	37,791	17,098,477	R 24,804,315	R 1.45	
Aug-19	42,362	17,327,967	R 26,750,083	R 1.54	
Sep-19	35,434	17,409,067	R 20,175,576	R 1.16	
Oct-19	44,308	16,548,465	R 16,216,656	R 0.98	
Nov-19	34,097	17,130,430	R 16,889,944	R 0.99	
Dec-19	40,919	17,335,091	R 16,900,517	R 0.97	
Jan-20	42,078	19,072,549	R 18,093,721	R 0.95	
Feb-20	39,268	16,825,471	R 16,680,937	R 0.99	
Mar-20	41,513	15,850,222	R 15,691,820	R 0.99	
Apr-20	38,689	16,622,494	R 16,693,374	R 1.00	Estimated values
May-20	36,418	16,287,943	R 16,357,396	R 1.00	Estimated values
Jun-20	37,384	16,082,126	R 24,078,368	R 1.50	Estimated values

Totals per year					
Year					
2011/12		220,165,406	R 126,393,510.32	R 0.57	
2012/13		227,740,427	R 145,400,550.09	R 0.64	
2013/14		225,208,260	R 152,007,991.63	R 0.67	
2014/15		205,724,134	R 151,666,729.82	R 0.74	
2015/16		200,120,053	R 168,503,977.99	R 0.84	
2016/17		199,405,605	R 182,633,653.50	R 0.92	
2017/18		203,532,327	R 184,443,620.06	R 0.91	
2018/19		205,626,242	R 198,541,236.65	R 0.97	
2019/20		203,590,303	R 229,332,704.17	R 1.13	
2020/21		203,590,303	R 245,156,660.76	R 1.20	6.9% Increase with no growth.