KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: **ITEM NO:**

………………………………………………………………………………………………………

MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JULY 2020 (2020/21 FINANCIAL YEAR)

1. Purpose

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

2. Legislative Requirements

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

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

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

3. Executive Summary

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

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of July 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 189,409 million, whilst operating expenditure amounted to R 67,039 million, resulting in an operating surplus of R 122,369 million.
- Capital expenditure constituted 0% of the 2020/21 Capital Budget.
- Overdue consumer debts increased by R 4,631 million (2.74%) since June 2020.

- An amount of R 44,711 million is owing to creditors, of which R 37,513 million (83,90%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 5,951,368 (3,63%) since June 2020, from R 163,923,638 to R 169,875,006.

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

Ratio	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 31 July 2019	Actuals as at 31 July 2020	Approved Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	2.15:1	2.56:1	0.96:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	1.60:1	1.55:1	0.25:1
Cost Coverage (Excluding unspent conditional grants)	1.73 months	1.97 months	2.02 months	3.74 months	2.65 months	0.69 months
Debtors Collection Rate	90.73%	97.62%	95.42%	104.33%	108.64%	85%
Capital Expenditure	72.92%	73.82%	75.33%	0.17%	0%	95%

4. Detailed Reports

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 31 July 2020:

Annexure "A1" – Operating Revenue and Expenditure Performance

Annexure "A2" - Capital Budget Performance

Annexure "A3"- Projected Cash Flow Statement

Annexure "A4" – Municipal Monthly Budget Tables

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

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

5. Recommendation

I. 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.

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

Report Submitted by

………………………………………………………………………………..

Mr. Charl Du Plessis (Municipal Manager)

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

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

…………………………………………………

Executive Mayor

6. Municipal Manager's Quality Certificate

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

Print Name ___Charl Du Plessis_____

Municipal Manager of Kouga Local Municipal

Signature ……………………………

Date _____2020/08/14______

Annexure “A1”

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

Below is an analysis of the operating revenue and expenditure performance

Description	Budget Year 2020/21		
	Adjusted Budget	Actuals as at 31 July 2020	%
R thousands			
Revenue By Source			
Property rates	205 650	75 239	36,59%
Service charges - electricity revenue	291 625	27 047	9,27%
Service charges - water revenue	81 846	9 079	11,09%
Service charges - sanitation revenue	53 555	5 856	10,93%
Service charges - refuse revenue	54 690	6 070	11,10%
Rental of facilities and equipment	4 083	37	0,91%
Interest earned - external investments	13 013	446	3,43%
Interest earned - outstanding debtors	6 993	765	10,95%
Fines, penalties and forfeits	6 685	39	0,58%
Licences and permits	20 714	2 227	10,75%
Transfers and subsidies	145 612	62 300	42,79%
Other revenue	21 540	303	1,41%
Total Revenue (excluding capital transfers and contributions)	**906 005**	**189 409**	**20,91%**
Expenditure By Type			
Employee related costs	336 974	24 958	7,41%
Remuneration of councillors	13 651	1 059	7,76%
Debt impairment	89 573	–	0,00%
Depreciation & asset impairment	89 271	6 127	6,86%
Finance charges	1 388	143	10,32%
Bulk purchases	279 744	29 415	10,52%
Other materials	26 059	1 187	4,56%
Contracted services	60 352	456	0,76%
Transfers and subsidies	761	–	0,00%
Other expenditure	98 571	3 693	3,75%
Total Expenditure	**996 342**	**67 039**	**6,73%**
Surplus/(Deficit)	**(90 337)**	**122 369**	

The statement of financial performance indicates a surplus of R 122,369 million.

Below is a discussion of the significant revenue variations:

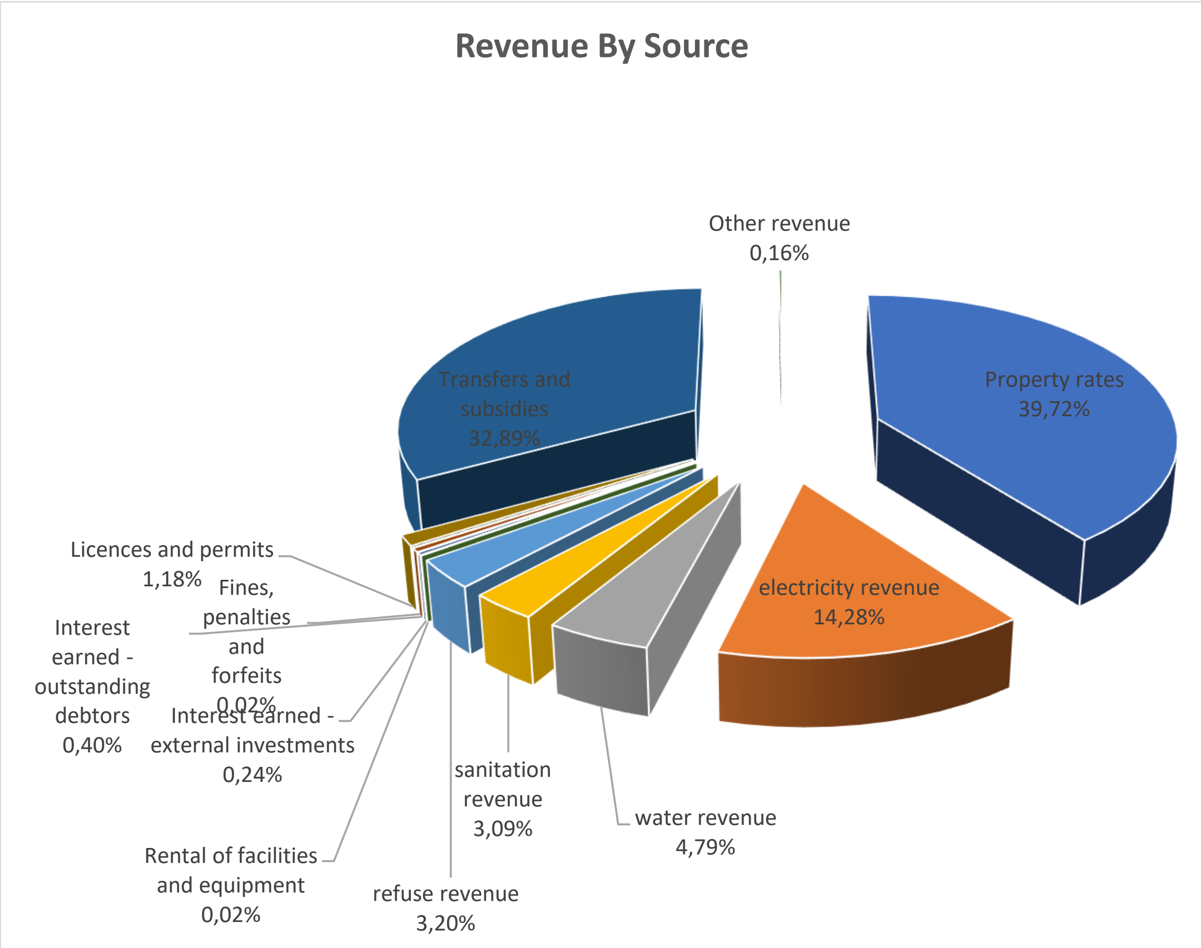
Revenue Variations

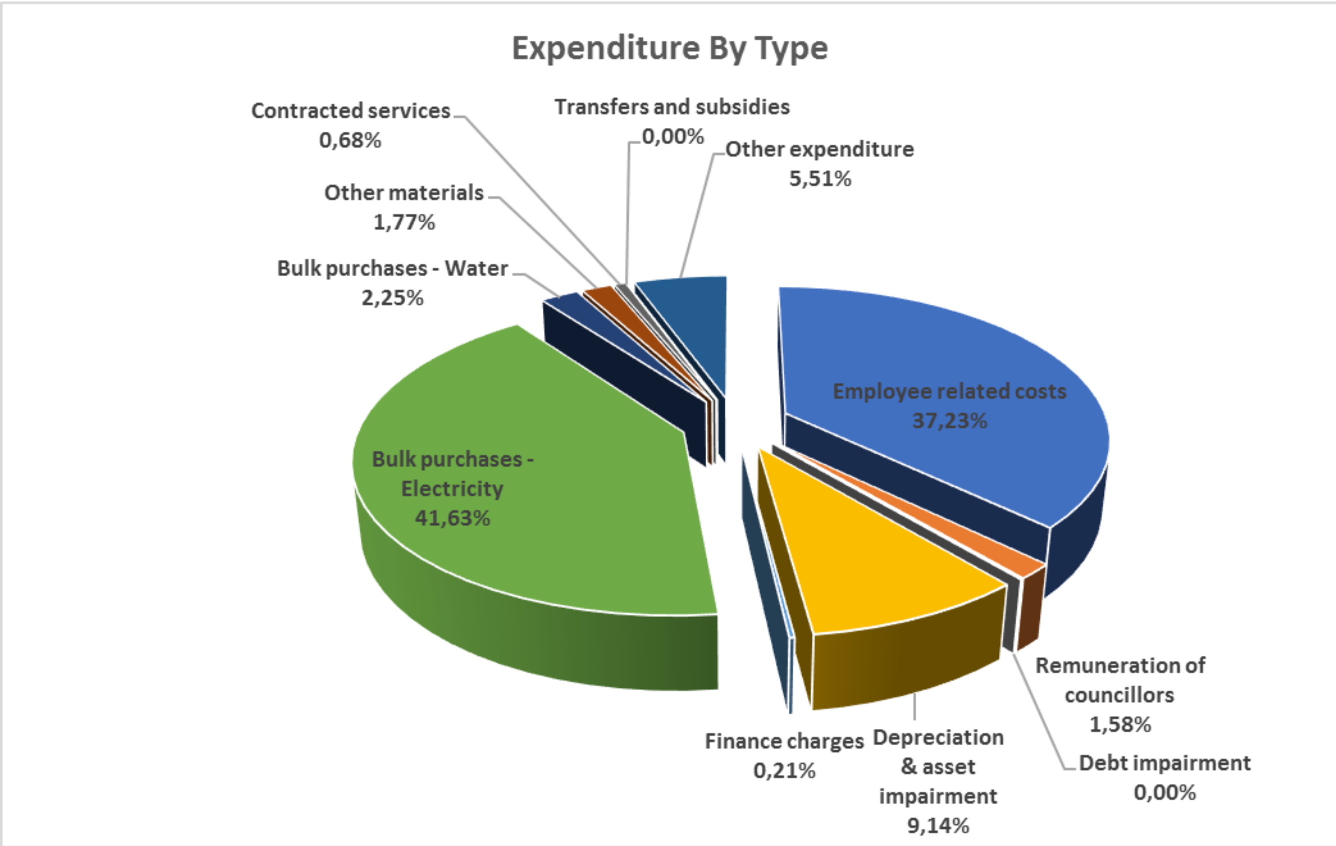
Property Rates

As at 31 July 2020, the Municipality has recognised 36,59% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2020.

Transfers and Subsidies

Transfers and subsidies received mainly represents the Equitable Share Allocation in the amount of R 61,492 million.




Expenditure By Type
Contracted services
0,68%
Transfers and subsidies
0,00%
Other expenditure
5,51%
Other materials
1,77%
Bulk purchases - Water
2,25%
Employee related costs
37,23%
Bulk purchases - Electricity
41,63%
Remuneration of councillors
1,58%
Finance charges
0,21%
Depreciation & asset impairment
9,14%
Debt impairment
0,00%

Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2020/21 Approved Budget.

Item Description	Approved Budget 2020/21	Actuals as at 31 July 2020	%
Corporate Services			
Maintenance of Buildings and Properties	500 000,00	-	0,00%
Maintenance of Vehicles	25 806,00	449,79	1,74%
	525 806,00	**449,79**	**0,09%**
Executive & Council			
Maintenance of Buildings and Properties	300 000,00	-	0,00%
Maintenance of Machinery and Equipment	10 450,00	-	0,00%
Maintenance of Vehicles	10 993,00	-	0,00%
	321 443,00	**-**	**0,00%**
Finance			
Maintenance of Buildings and Properties	542 911,00	-	0,00%
Maintenance of Vehicles	96 887,00	-	0,00%
	639 798,00	**-**	**0,00%**
Infrastructure & Engineering			
Maintenance of Buildings and Properties	667 880,00	29 038,84	4,35%
Maintenance of Vehicles	3 490 807,00	168 556,62	4,83%
Maintenance of Machinery and Equipment	260 100,00	1 690,00	0,65%
Maintenance of Electrical Infrastructure	5 435 991,00	172 095,84	3,17%
Maintenance of Storm Water Infrastructure	906 275,00	-	0,00%
Maintenance of Roads Infrastructure	5 049 000,00	-	0,00%
Maintenace of Sanitation Infrastructure	3 127 553,00	121 985,03	3,90%
Maintenance of Water Supply Infrastructure	4 321 685,00	182 526,66	4,22%
	23 259 291,00	**675 892,99**	**2,91%**
Planning,Development and Tourism			
Maintenance of Buildings and Properties	90 000,00	-	0,00%
Maintenance of Vehicles	21 000,00	-	0,00%
	111 000,00	**-**	**0,00%**
Community Services			
Maintenance of Machinery and Equipment	258 550,00	12 475,32	4,83%
Maintenance of Vehicles	4 094 438,00	181 383,85	4,43%
Maintenance of Buildings and Properties	2 592 300,00	27 000,00	1,04%
Maintenance for Community Facilities	1 198 076,00	-	0,00%
Maintenace of Sanitation Infrastructure	100 000,00	-	0,00%
Maintenance of Solid Waste Disposal	156 750,00	-	0,00%
	8 400 114,00	**220 859,17**	**2,63%**
Total	**33 257 452,00**	**897 201,95**	**2,70%**

It is to be noted that actual repairs and maintenance expenditure constituted 2.70% of the 2020/21 Approved Budget.

Annexure "A2"

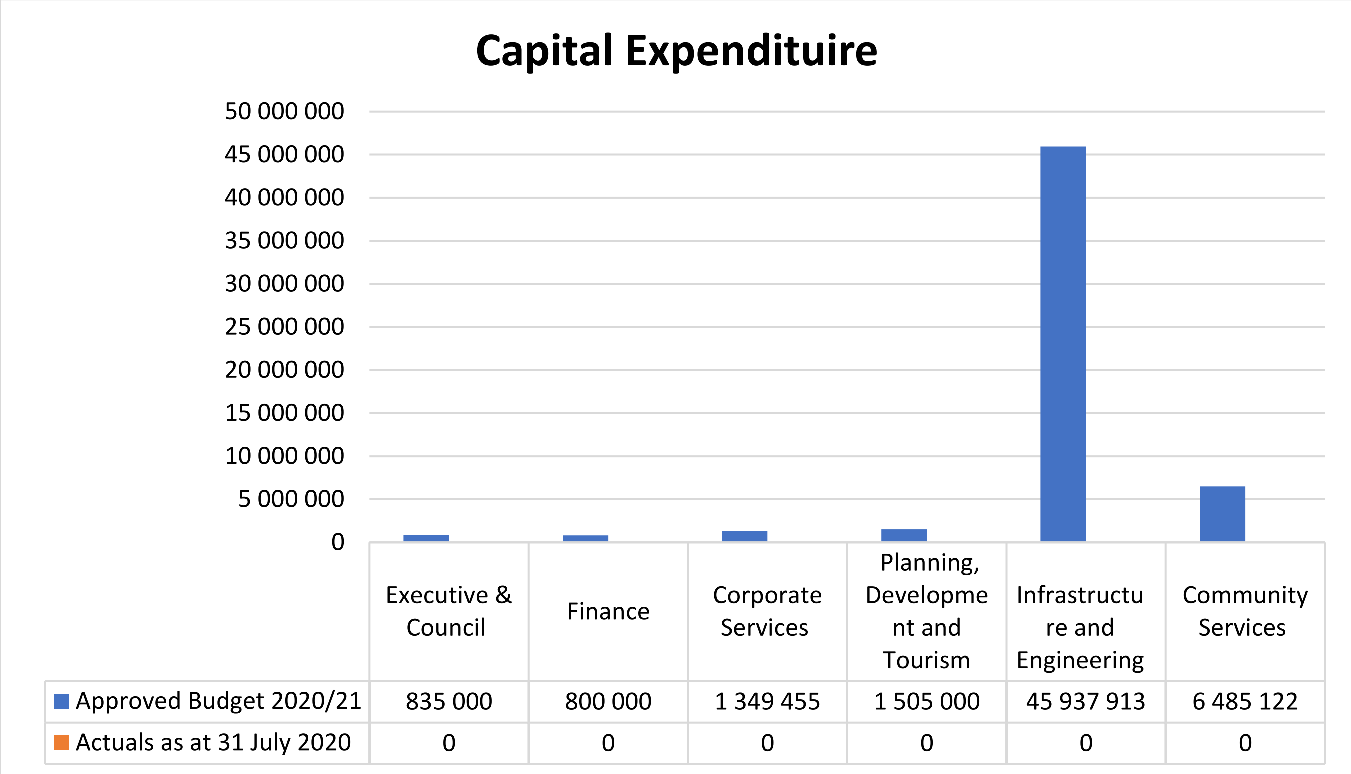
CAPITAL BUDET PERFORMANCE

Below is an analysis of the capital expenditure compared to the 2020/21 Approved Capital Budget.

Project Description	Funding	Approved Budget 2020/21	Actuals as at 31 July 2020	%
Executive & Council				
Computer Equipment	Internal	85 000	-	0,00%
Ward councilors Capital project	Internal	750 000	-	0,00%
		835 000	**-**	**0,00%**
Corporate Services				
EDMS	Internal	799 455	-	0,00%
Computer Software and Applications	Internal	250 000	-	0,00%
Computer Equipment	Internal	200 000	-	0,00%
Fencing of municipal building	Internal	100 000	-	0,00%
		1 349 455	**-**	**0,00%**
Finance				
Computer Equipment	Internal	200 000	-	0,00%
Cibex Software	Internal	600 000	-	0,00%
		800 000	**-**	**0,00%**
Planning, Development & Tourism				
Land acquisition housing projects	Internal	360 000	-	0,00%
Computer Software and Applications	Internal	315 000	-	0,00%
Vehicles	Internal	400 000	-	0,00%
Computer Equipment	Internal	30 000	-	0,00%
Restoration of Fisherman Grave Site	Internal	100 000	-	0,00%
Kouga Business Support Centre	Internal	300 000	-	0,00%
		1 505 000	**-**	**0,00%**
Community Services				
Vehicle	Internal	1 325 000	-	0,00%
Vehicle	District	1 965 100	-	0,00%
Jack Hammer and water pump	Internal	350 000	-	0,00%
Kouga Skip Bins	Internal	200 000	-	0,00%
Machinery and Equipment (Security Cameras System)	Internal	750 000	-	0,00%
Fleet Management	Internal	178 500	-	0,00%
Machinery and Equipment	Internal	100 000	-	0,00%
Computer Equipment	Internal	30 000	-	0,00%
Fencing Humansdorp Fire Station	Internal	200 000	-	0,00%
Upgrading of Sports Facilities	Internal	-	-	
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000	-	0,00%
Fencing Community Hall	Internal	200 000	-	0,00%
Covid-19 Wheelie Bins	MDRG	1 036 522	-	0,00%
		6 485 122	**-**	**0,00%**

Project Description	Funding	Approved Budget 2020/21	Actuals as at 31 July 2020	%
Infrastructure & Engineering				
Saffery Substation	Internal	1 000 000	-	0,00%
SUBSTATION SECURITY	Internal	200 000	-	0,00%
Replace 250mm Water Main Canal Road St Francis Ba	Internal	1 000 000	-	0,00%
Repair Leaking Concrete Water Tower Paradise Beach	Internal	300 000	-	0,00%
Replace Main Waterline Sout Rivier Bridge Crossing	Internal	1 000 000	-	0,00%
Replace 250mm Water Main Mimosa Street Jbay	Internal	330 000	-	0,00%
Upgrade Hankey Water Treatment Works	Internal	600 000	-	0,00%
New bypass Sewer Rising Main and Pump Stations Jba	Internal	1 000 000	-	0,00%
Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000	-	0,00%
Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	1 000 000	-	0,00%
Piped Reticulation - St Francis Bay	Internal	1 500 000	-	0,00%
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	1 300 000	-	0,00%
Machinery & Equipment	Internal	300 000	-	0,00%
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739	-	0,00%
Kouga Backup Generators	Internal	500 000	-	0,00%
Upgrade Sanitation System Old Hankey	MIG	6 333 460	-	0,00%
Construct emergency overflow pond Koraal Sewer pu	Internal	1 300 000	-	0,00%
Upgrade Loerie sewer pump station	Internal	1 600 000	-	0,00%
Upgrading of Gravel Roads in Humansdorp	MIG	7 890 511	-	0,00%
Container toilets	Internal	1 100 000	-	0,00%
Fencing Main Substation Jeffrey's Bay	Internal	500 000	-	0,00%
Upgrading of Sports Facilities	MIG	5 682 636	-	0,00%
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413		
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154		
		45 937 913	**-**	**0,00%**
Total		**56 912 490**	**-**	**0,00%**
Internally generated funds		23 302 955	-	0,00%
Transfers recognised - capital		33 609 535	-	0,00%
		56 912 490	**-**	**0,00%**

It is to be noted that capital expenditure as at 31 July 2020 amounted to 0%, compared to the approved capital budget of R 56,912,490.



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Approved Budget 2020/21	835 000	800 000	1 349 455	1 505 000	45 937 913	6 485 122
Actuals as at 31 July 2020	0	0	0	0	0	0

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 July 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 – M01 July 2020

Description	Ref	2019/20	Budget Year 2020/21							
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			174 803	174 803	16 621	16 621	14 567	2 054	14%	174 803
Service charges			424 039	424 039	32 479	32 479	35 337	(2 857)	-8%	424 039
Other revenue			53 022	53 022	9 378	9 378	4 418	4 959	112%	53 022
Transfers and Subsidies - Operational			145 612	145 612	62 612	62 612	12 134	50 477	416%	145 612
Transfers and Subsidies - Capital			38 356	38 356	8 068	8 068	3 196	4 872	152%	38 356
Interest			18 957	18 957	457	457	1 580	(1 123)	-71%	18 957
Dividends							–	–		–
Payments										
Suppliers and employees			(815 350)	(815 350)	(122 813)	(122 813)	(67 946)	54 867	-81%	(815 350)
Finance charges			(1 388)	(1 388)	(143)	(143)	(116)	28	-24%	(1 388)
Transfers and Grants			(761)	(761)	–	–	(63)	(63)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**37 290**	**37 290**	**6 658**	**6 658**	**3 108**	**(3 551)**	**-114%**	**37 290**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets			(56 912)	(56 912)	–	–	(4 743)	(4 743)	100%	(56 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(56 912)**	**–**	**–**	**(4 743)**	**(4 743)**	**100%**	**(56 912)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing			(9 608)	(9 608)	(707)	(707)	(801)	(94)	12%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(707)**	**(707)**	**(801)**	**(94)**	**12%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(29 230)**	**(29 230)**	**5 951**	**5 951**	**(2 436)**			**(29 230)**
Cash/cash equivalents at beginning:			76 328	76 328		163 924	76 328			163 924
Cash/cash equivalents at month/year end:		–	47 099	47 099		169 875	73 893			134 694

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 2020/21 budget performance for the period of July 2020 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M01 July 2020

Description R thousands	2019/20 Audited Outcome	Budget Year 2020/21 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	205 650	205 650	75 239	75 239	17 138	58 101	339%	205 650
Service charges	–	481 716	481 716	48 052	48 052	40 143	7 909	20%	481 716
Investment revenue	–	13 013	13 013	446	446	1 084	(638)	-59%	13 013
Transfers and subsidies	–	145 612	145 612	62 300	62 300	12 134	50 166	413%	145 612
Other own revenue	–	60 015	60 015	3 372	3 372	5 001	(1 629)	-33%	60 015
Total Revenue (excluding capital transfers and contributions)	**–**	**906 005**	**906 005**	**189 409**	**189 409**	**75 500**	**113 908**	**151%**	**906 005**
Employee costs	–	336 974	336 974	24 958	24 958	28 081	(3 123)	-11%	336 974
Remuneration of Councillors	–	13 651	13 651	1 059	1 059	1 138	(78)	-7%	13 651
Depreciation & asset impairment	–	89 271	89 271	6 127	6 127	7 439	(1 312)	-18%	89 271
Finance charges	–	1 388	1 388	143	143	116	28	24%	1 388
Materials and bulk purchases	–	305 802	305 802	30 603	30 603	25 484	5 119	20%	305 802
Transfers and subsidies	–	761	761	–	–	63	(63)	-100%	761
Other expenditure	–	248 495	248 495	4 149	4 149	20 708	(16 559)	-80%	248 495
Total Expenditure	**–**	**996 342**	**996 342**	**67 039**	**67 039**	**83 028**	**(15 989)**	**-19%**	**996 342**
Surplus/(Deficit)	**–**	**(90 337)**	**(90 337)**	**122 369**	**122 369**	**(7 528)**	**129 897**	**-1726%**	**(90 337)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	38 356	38 356	–	–	3 196	### ###	-100%	38 356
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**	**126 701**	**-2925%**	**(51 980)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**	**126 701**	**-2925%**	**(51 980)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**56 912**	**–**	**–**	**4 743**	**(4 743)**	**-100%**	**56 912**
Capital transfers recognised	–	33 610	33 610	–	–	2 801	(2 801)	-100%	33 610
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	23 303	23 303	–	–	1 942	(1 942)	-100%	23 303
Total sources of capital funds	**–**	**56 912**	**56 912**	**–**	**–**	**4 743**	**(4 743)**	**-100%**	**56 912**
Financial position									
Total current assets	–	182 094	182 094		280 774				182 094
Total non current assets	–	2 229 248	2 229 248		2 229 248				2 229 248
Total current liabilities	–	190 365	190 365		109 685				190 365
Total non current liabilities	–	170 192	170 192		170 192				170 192
Community wealth/Equity	–	2 050 785	2 050 785		2 230 145				2 050 785
Cash flows									
Net cash from (used) operating	–	37 290	37 290	6 658	6 658	3 108	(3 551)	-114%	37 290
Net cash from (used) investing	–	(56 912)	(56 912)	–	–	(4 743)	(4 743)	100%	(56 912)
Net cash from (used) financing	–	(9 608)	(9 608)	(707)	(707)	(801)	(94)	12%	(9 608)
Cash/cash equivalents at the month/year end	**–**	**47 099**	**47 099**	**–**	**169 875**	**73 893**	**(95 982)**	**-130%**	**134 694**

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	116 532	8 880	7 059	6 720	6 054	5 014	31 558	108 604	290 420
Creditors Age Analysis									
Total Creditors	37 513	4 762	177	489	80	215	1 281	193	44 711

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) – M01 July 2020

Description	Ref	2019/20	Budget Year 2020/21							
		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		**–**	**332 007**	**332 007**	**137 425**	**137 425**	**27 667**	109 758	397%	**332 007**
Executive and council		–	28	28	–	–	2	(2)	-100%	28
Finance and administration		–	331 979	331 979	137 425	137 425	27 665	109 760	397%	331 979
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**15 620**	**15 620**	**1 720**	**1 720**	**1 302**	418	32%	**15 620**
Community and social services		–	2 498	2 498	18	18	208	(190)	-91%	2 498
Sport and recreation		–	8 085	8 085	1 157	1 157	674	483	72%	8 085
Public safety		–	1 985	1 985	1	1	165	(165)	-100%	1 985
Housing		–	–	–	–	–	–	–		–
Health		–	3 051	3 051	544	544	254	290	114%	3 051
Economic and environmental services		**–**	**23 813**	**23 813**	**1 567**	**1 567**	**1 984**	(417)	-21%	**23 813**
Planning and development		–	7 173	7 173	437	437	598	(161)	-27%	7 173
Road transport		–	15 252	15 252	976	976	1 271	(295)	-23%	15 252
Environmental protection		–	1 389	1 389	154	154	116	38	33%	1 389
Trading services		**–**	**572 921**	**572 921**	**48 697**	**48 697**	**47 743**	953	2%	**572 921**
Energy sources		–	304 317	304 317	27 120	27 120	25 360	1 761	7%	304 317
Water management		–	100 261	100 261	9 333	9 333	8 355	978	12%	100 261
Waste water management		–	93 692	93 692	5 971	5 971	7 808	(1 837)	-24%	93 692
Waste management		–	74 651	74 651	6 272	6 272	6 221	51	1%	74 651
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**–**	**944 362**	**944 362**	**189 409**	**189 409**	**78 697**	**110 712**	**141%**	**944 362**
Expenditure - Functional										
Governance and administration		**–**	**242 971**	**242 971**	**11 207**	**11 207**	**20 248**	(9 041)	-45%	**242 971**
Executive and council		–	41 969	41 969	2 517	2 517	3 497	(980)	-28%	41 969
Finance and administration		–	200 981	200 981	8 690	8 690	16 748	(8 059)	-48%	200 981
Internal audit		–	21	21	–	–	2	(2)	-100%	21
Community and public safety		**–**	**93 241**	**93 241**	**5 861**	**5 861**	**7 770**	(1 909)	-25%	**93 241**
Community and social services		–	10 773	10 773	626	626	898	(272)	-30%	10 773
Sport and recreation		–	45 537	45 537	2 651	2 651	3 795	(1 144)	-30%	45 537
Public safety		–	25 505	25 505	1 852	1 852	2 125	(274)	-13%	25 505
Housing		–	5 399	5 399	393	393	450	(57)	-13%	5 399
Health		–	6 026	6 026	339	339	502	(163)	-32%	6 026
Economic and environmental services		**–**	**122 804**	**122 804**	**8 535**	**8 535**	**10 234**	(1 699)	-17%	**122 804**
Planning and development		–	39 343	39 343	2 228	2 228	3 279	(1 050)	-32%	39 343
Road transport		–	81 450	81 450	6 098	6 098	6 787	(689)	-10%	81 450
Environmental protection		–	2 011	2 011	208	208	168	41	24%	2 011
Trading services		**–**	**534 193**	**534 193**	**41 437**	**41 437**	**44 516**	(3 079)	-7%	**534 193**
Energy sources		–	316 672	316 672	30 378	30 378	26 389	3 989	15%	316 672
Water management		–	91 486	91 486	4 374	4 374	7 624	(3 250)	-43%	91 486
Waste water management		–	62 587	62 587	3 981	3 981	5 216	(1 234)	-24%	62 587
Waste management		–	63 448	63 448	2 703	2 703	5 287	(2 584)	-49%	63 448
Other		**–**	**3 133**	**3 133**	**–**	**–**	**261**	**(261)**	**-100%**	**3 133**
Total Expenditure - Functional	3	**–**	**996 342**	**996 342**	**67 039**	**67 039**	**83 028**	**(15 989)**	**-19%**	**996 342**
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**	**126 701**	**-2925%**	**(51 980)**

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 – M01 July 2020

Vote Description	Ref	2019/20	Budget Year 2020/21							
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		–	325 858	325 858	137 405	137 405	27 155	110 250	406,0%	325 858
Vote 3 - CORPORATE SERVICES		–	307	307	–	–	26	(26)	-100,0%	307
Vote 4 - COMMUNITY SERVICES		–	111 700	111 700	9 143	9 143	9 308	(165)	-1,8%	111 700
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	501 976	501 976	42 616	42 616	41 831	785	1,9%	501 976
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	4 521	4 521	245	245	377	(132)	-35,0%	4 521
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
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	**–**	**944 362**	**944 362**	**189 409**	**189 409**	**78 697**	**110 712**	**140,7%**	**944 362**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	45 541	45 541	2 452	2 452	3 795	(1 343)	-35,4%	45 541
Vote 2 - FINANCIAL SERVICES		–	115 737	115 737	3 602	3 602	9 645	(6 043)	-62,7%	115 737
Vote 3 - CORPORATE SERVICES		–	43 677	43 677	2 884	2 884	3 640	(755)	-20,8%	43 677
Vote 4 - COMMUNITY SERVICES		–	191 251	191 251	11 433	11 433	15 938	(4 504)	-28,3%	191 251
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	575 140	575 140	45 269	45 269	47 928	(2 660)	-5,5%	575 140
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	24 996	24 996	1 399	1 399	2 083	(684)	-32,8%	24 996
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
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	**–**	**996 342**	**996 342**	**67 039**	**67 039**	**83 028**	**(15 989)**	**-19,3%**	**996 342**
Surplus/ (Deficit) for the year	2	**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**	**126 701**	**-2925,0%**	**(51 980)**

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) – M01 July 2020

Description	Ref	2019/20	Budget Year 2020/21							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates			205 650	205 650	75 239	75 239	17 138	58 101	339%	205 650
Service charges - electricity revenue			291 625	291 625	27 047	27 047	24 302	2 745	11%	291 625
Service charges - water revenue			81 846	81 846	9 079	9 079	6 821	2 259	33%	81 846
Service charges - sanitation revenue			53 555	53 555	5 856	5 856	4 463	1 393	31%	53 555
Service charges - refuse revenue			54 690	54 690	6 070	6 070	4 557	1 512	33%	54 690
Rental of facilities and equipment			4 083	4 083	37	37	340	(303)	-89%	4 083
Interest earned - external investments			13 013	13 013	446	446	1 084	(638)	-59%	13 013
Interest earned - outstanding debtors			6 993	6 993	765	765	583	183	31%	6 993
Dividends received			–	–	–		–	–		–
Fines, penalties and forfeits			6 685	6 685	39	39	557	(518)	-93%	6 685
Licences and permits			20 714	20 714	2 227	2 227	1 726	501	29%	20 714
Agency services			–	–			–	–		–
Transfers and subsidies			145 612	145 612	62 300	62 300	12 134	50 166	413%	145 612
Other revenue			21 540	21 540	303	303	1 795	(1 492)	-83%	21 540
Gains			–	–			–	–		–
Total Revenue (excluding capital transfers and contributions)		**–**	**906 005**	**906 005**	**189 409**	**189 409**	**75 500**	**113 908**	**151%**	**906 005**
Expenditure By Type										
Employee related costs			336 974	336 974	24 958	24 958	28 081	(3 123)	-11%	336 974
Remuneration of councillors			13 651	13 651	1 059	1 059	1 138	(78)	-7%	13 651
Debt impairment			89 573	89 573	–	–	7 464	(7 464)	-100%	89 573
Depreciation & asset impairment			89 271	89 271	6 127	6 127	7 439	(1 312)	-18%	89 271
Finance charges			1 388	1 388	143	143	116	28	24%	1 388
Bulk purchases			279 744	279 744	29 415	29 415	23 312	6 103	26%	279 744
Other materials			26 059	26 059	1 187	1 187	2 172	(984)	-45%	26 059
Contracted services			60 352	60 352	456	456	5 029	(4 574)	-91%	60 352
Transfers and subsidies			761	761	–	–	63	(63)	-100%	761
Other expenditure			98 571	98 571	3 693	3 693	8 214	(4 521)	-55%	98 571
Losses			–	–	–	–	–	–		–
Total Expenditure		**–**	**996 342**	**996 342**	**67 039**	**67 039**	**83 028**	**(15 989)**	**-19%**	**996 342**
Surplus/(Deficit)		**–**	**(90 337)**	**(90 337)**	**122 369**	**122 369**	**(7 528)**	**129 897**	**(0)**	**(90 337)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			38 356	38 356	–	–	3 196	(3 196)	(0)	38 356
(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		**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**			**(51 980)**
Taxation								–		
Surplus/(Deficit) after taxation		**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**			**(51 980)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**			**(51 980)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(51 980)**	**122 369**	**122 369**	**(4 332)**			**(51 980)**

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) – M01 July 2020

Vote Description	Ref	2019/20	Budget Year 2020/21							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	–	–	–	–	–	–		–
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	–	–	–	–	–	–		–
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
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	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		–	835	835	–	–	70	(70)	-100%	835
Vote 2 - FINANCIAL SERVICES		–	800	800	–	–	67	(67)	-100%	800
Vote 3 - CORPORATE SERVICES		–	1 349	1 349	–	–	112	(112)	-100%	1 349
Vote 4 - COMMUNITY SERVICES		–	11 572	11 572	–	–	964	(964)	-100%	11 572
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	39 758	39 758	–	–	3 313	(3 313)	-100%	39 758
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	2 597	2 597	–	–	216	(216)	-100%	2 597
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
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	–	56 912	56 912	–	–	4 743	**(4 743)**	**-100%**	56 912
Total Capital Expenditure		**–**	**56 912**	**56 912**	**–**	**–**	**4 743**	**(4 743)**	**-100%**	**56 912**
Capital Expenditure - Functional Classification										
Governance and administration		–	**3 734**	**3 734**	–	–	**311**	(311)	-100%	**3 734**
Executive and council			835	835			70	(70)	-100%	835
Finance and administration			2 899	2 899			242	(242)	-100%	2 899
Internal audit			–	–			–	–		–
Community and public safety		–	**16 028**	**16 028**	–	–	**1 336**	(1 336)	-100%	**16 028**
Community and social services			–	–			–	–		–
Sport and recreation			11 600	11 600			967	(967)	-100%	11 600
Public safety			3 669	3 669			306	(306)	-100%	3 669
Housing			760	760			63	(63)	-100%	760
Health			–	–			–	–		–
Economic and environmental services		–	**9 628**	**9 628**	–	–	**802**	(802)	-100%	**9 628**
Planning and development			1 737	1 737			145	(145)	-100%	1 737
Road transport			7 891	7 891			658	(658)	-100%	7 891
Environmental protection			–	–			–	–		–
Trading services		–	**27 422**	**27 422**	–	–	**2 285**	(2 285)	-100%	**27 422**
Energy sources			8 172	8 172			681	(681)	-100%	8 172
Water management			3 380	3 380			282	(282)	-100%	3 380
Waste water management			14 633	14 633			1 219	(1 219)	-100%	14 633
Waste management			1 237	1 237			103	(103)	-100%	1 237
Other			100	100			8	(8)	-100%	100
Total Capital Expenditure - Functional Classification	3	–	**56 912**	**56 912**	–	–	**4 743**	**(4 743)**	**-100%**	**56 912**
Funded by:										
National Government			31 644	31 644			2 637	(2 637)	-100%	31 644
Provincial Government			–	–			–	–		–
District Municipality			1 965	1 965			164	(164)	-100%	1 965
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private			–	–			–	–		–
Transfers recognised - capital		–	**33 610**	**33 610**	–	–	**2 801**	**(2 801)**	**-100%**	**33 610**
Borrowing	6		–	–			–	–		–
Internally generated funds			23 303	23 303			1 942	(1 942)	-100%	23 303
Total Capital Funding		–	**56 912**	**56 912**	–	–	**4 743**	**(4 743)**	**-100%**	**56 912**

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 – M01 July 2020

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			4 710	4 710	7 402	4 710
Call investment deposits			42 389	42 389	162 473	42 389
Consumer debtors			81 061	81 061	66 280	81 061
Other debtors			44 682	44 682	35 367	44 682
Current portion of long-term receivables			3	3	3	3
Inventory			9 249	9 249	9 249	9 249
Total current assets		–	**182 094**	**182 094**	**280 774**	**182 094**
Non current assets						
Long-term receivables			13	13	13	13
Investments			–	–	–	–
Investment property			242 552	242 552	242 552	242 552
Investments in Associate			–	–	–	–
Property, plant and equipment			1 985 075	1 985 075	1 985 075	1 985 075
Biological			–	–	–	–
Intangible			1 608	1 608	1 608	1 608
Other non-current assets			–	–	–	–
Total non current assets		–	**2 229 248**	**2 229 248**	**2 229 248**	**2 229 248**
TOTAL ASSETS		–	**2 411 341**	**2 411 341**	**2 510 022**	**2 411 341**
LIABILITIES						
Current liabilities						
Bank overdraft			–	–	–	–
Borrowing			9 608	9 608	9 608	9 608
Consumer deposits			17 378	17 378	17 378	17 378
Trade and other payables			133 730	133 730	53 051	133 730
Provisions			29 649	29 649	29 649	29 649
Total current liabilities		–	**190 365**	**190 365**	**109 685**	**190 365**
Non current liabilities						
Borrowing			6 747	6 747	6 747	6 747
Provisions			163 445	163 445	163 445	163 445
Total non current liabilities		–	**170 192**	**170 192**	**170 192**	**170 192**
TOTAL LIABILITIES		–	**360 557**	**360 557**	**279 877**	**360 557**
NET ASSETS	2	–	**2 050 785**	**2 050 785**	**2 230 145**	**2 050 785**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 050 785	2 050 785	2 230 145	2 050 785
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 050 785**	**2 050 785**	**2 230 145**	**2 050 785**

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 – M01 July 2020

Description	Ref	2019/20	Budget Year 2020/21							
		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			174 803	174 803	16 621	16 621	14 567	2 054	14%	174 803
Service charges			424 039	424 039	32 479	32 479	35 337	(2 857)	-8%	424 039
Other revenue			53 022	53 022	9 378	9 378	4 418	4 959	112%	53 022
Transfers and Subsidies - Operational			145 612	145 612	62 612	62 612	12 134	50 477	416%	145 612
Transfers and Subsidies - Capital			38 356	38 356	8 068	8 068	3 196	4 872	152%	38 356
Interest			18 957	18 957	457	457	1 580	(1 123)	-71%	18 957
Dividends							–	–		–
Payments										
Suppliers and employees			(815 350)	(815 350)	(122 813)	(122 813)	(67 946)	54 867	-81%	(815 350)
Finance charges			(1 388)	(1 388)	(143)	(143)	(116)	28	-24%	(1 388)
Transfers and Grants			(761)	(761)	–	–	(63)	(63)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**37 290**	**37 290**	**6 658**	**6 658**	**3 108**	**(3 551)**	**-114%**	**37 290**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets			(56 912)	(56 912)	–	–	(4 743)	(4 743)	100%	(56 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(56 912)**	**–**	**–**	**(4 743)**	**(4 743)**	**100%**	**(56 912)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing			(9 608)	(9 608)	(707)	(707)	(801)	(94)	12%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(707)**	**(707)**	**(801)**	**(94)**	**12%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(29 230)**	**(29 230)**	**5 951**	**5 951**	**(2 436)**			**(29 230)**
Cash/cash equivalents at beginning:			76 328	76 328		163 924	76 328			163 924
Cash/cash equivalents at month/year end:		–	47 099	47 099		169 875	73 893			134 694

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 2020, compared to the position as at 31 July 2020.

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**
2018/19 - totals only									–
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**

Debtors' Age Analysis (Inclusive of VAT) as at 31 July 2020

Description	Budget Year 2020/21								
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	14 732	2 522	2 006	2 042	1 938	1 728	8 923	27 411	61 302
Trade and Other Receivables from Exchange Transactions - Electricity	26 331	2 035	1 534	1 240	1 051	741	2 961	6 903	42 796
Receivables from Non-exchange Transactions - Property Rates	69 603	1 464	1 120	1 061	882	504	7 141	19 276	101 049
Receivables from Exchange Transactions - Waste Water Management	7 943	1 173	937	929	845	786	4 042	11 681	28 335
Receivables from Exchange Transactions - Waste Management	5 047	1 190	1 077	1 010	941	895	4 785	16 225	31 170
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	70	44	37	36	69	93	1 467	17 344	19 160
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(7 193)	452	348	403	327	269	2 238	9 764	6 607
Total By Income Source	**116 532**	**8 880**	**7 059**	**6 720**	**6 054**	**5 014**	**31 558**	**108 604**	**290 420**
2018/19 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	3 696	486	416	371	403	348	1 137	2 549	9 407
Commercial	8 120	577	558	504	487	250	735	3 279	14 511
Households	104 716	7 816	6 085	5 844	5 163	4 416	29 685	102 776	266 502
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**116 532**	**8 880**	**7 059**	**6 720**	**6 054**	**5 014**	**31 558**	**108 604**	**290 420**

The aforementioned analysis indicates that from 30 June 2020 to 31 July 2020, the overdue debts have increased from R 169,257 million to R 173,888 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**31-Jul-20**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	46 570	1 658
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	16 465	529
Receivables from Non-exchange Transactions - Property Rates	31 419	31 446	27
Receivables from Exchange Transactions - Waste Water Management	19 681	20 392	711
Receivables from Exchange Transactions - Waste Management	25 254	26 122	868
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	19 091	593
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	13 801	245
Total By Income Source	**169 257**	**173 888**	**4 631**
Debtors Age Analysis By Customer Group			–
Organs of State	5 386	5 710	324
Commercial	6 049	6 392	343
Households	157 822	161 786	3 964
Other	–	–	–
Total By Customer Group	**169 257**	**173 888**	**4 631**

2. Overview of Creditors position

Below is an analysis of the status of the major creditors

Description	Budget Year 2020/21								
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	31 854								**31 854**
Bulk Water	194	–	0	–	0	1	10	(167)	**38**
PAYE deductions	3 727								**3 727**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	1 739	4 762	176	489	80	214	1 271	360	**9 092**
Auditor General									**–**
Other									**–**
Total By Customer Type	**37 513**	**4 762**	**177**	**489**	**80**	**215**	**1 281**	**193**	**44 711**

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

Eskom	R 31,854 million
NMBM	R 0,038 million
PAYE	R 3,727 million
Other Creditors	R 9,092 million
TOTAL	**R 44,711 million**

It is to be noted that the Eskom amount of R 31,854 million, represents the current account for July 2020, which will be fully paid on 24 August 2020.

3. Investment Portfolio

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

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 July 2020
Standard Bank	11 052 011,82	-	32 792,68	-		11 084 805
ABSA	29 118 474,34	-	56 627,12	10 000 000,00	171,00	19 174 930
Nedbank	14 049 368,39	-	42 186,55	-		14 091 555
RMB	50 227 523,83	20 165 023,72	189 837,88	3 254 341,49		67 328 044
INVESTEC	17 846 935,53	-	55 105,47	-		17 902 041
Other	22 891 953,82	- 165 023,72		- 10 165 023,72	- 171,00	32 892 125
Total	**145 186 268**	**20 000 000**	**376 550**	**3 089 318**	**-**	**162 473 500**
	Balance as at 30 June 2020	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 July 2020**
General Account	74 231 786,46	165 023,72	187 319,93	12 264 268,13	171,00	62 319 691
Conditional Grants	48 054 951,81	20 000 000,00	189 208,31	990 073,36	-	67 254 087
Housing Funds	7 575,64	-	21,46	-	-	7 597
Other	22 891 953,82	- 165 023,72		- 10 165 023,72	- 171,00	32 892 125
Total	**145 186 268**	**20 000 000**	**376 550**	**3 089 318**	**-**	**162 473 500**
Cheque Accounts FNB	18 737 370	(11 335 864)				7 401 507
TOTAL Investments & Bank	**163 923 638**	**8 664 136**	**376 550**	**3 089 318**	**-**	**169 875 006**

The increase in the investment portfolio since 30 June 2020 amounts to R 5,951,368. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 7,401,506
Short-term Investment Deposits	R 162,473,500
	R 169,875,006

Application of Cash

Unspent Conditional Grants	44,646,790
Outstanding Creditors Liability	44,710,801
	89,357,591
Reserves in excess of commitments	**80,517,415**

The cash backed reserves exceed the commitments at this stage by an amount of R 80,517,415.

4. Allocation and Grants receipts and expenditure for the 20120/2021 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M01 July 2020

Description	Budget Year 2020/21							
	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:	123 238	123 238	61 917	61 917	10 270	51 567	502,1%	123 238
Operational Revenue:General Revenue:Equitable Share	119 105	119 105	61 492	61 492	9 925	51 567	519,5%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054			88			1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500			125			1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	425	425	132			1 579
Provincial Government:	–	–	–	–	–	–		–
Other transfers and grants [insert description]						–		–
District Municipality:	3 815	3 815	695	695	318	377	118,6%	3 815
Environmental Health			695	695	–	695	#DIV/0!	–
Other grant providers:	3 815	3 815			318	(318)	-100,0%	3 815
Other grant providers:	–	–	–	–	–	–		–
[insert description]						–		–
Total Operating Transfers and Grants	127 053	127 053	62 612	62 612	10 588	51 944	490,6%	127 053
Capital Transfers and Grants								
National Government:	36 391	36 391	8 068	8 068	3 033	5 036	166,1%	36 391
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200			433	(433)	-100,0%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	8 068	8 068	2 500	5 568	222,7%	29 999
Municipal Disaster Relief Grant	1 192	1 192	–	–	99	(99)	-100,0%	1 192
Provincial Government:	–	–	–	–	–	–		–
[insert description]						–		–
District Municipality:	1 965	1 965	–	–	164	(164)	-100,0%	1 965
Other grant providers:	1 965	1 965			164	(164)	-100,0%	1 965
Other grant providers:	–	–	–	–	–	–		–
[insert description]						–		–
Total Capital Transfers and Grants	38 356	38 356	8 068	8 068	3 196	4 872	152,4%	38 356
TOTAL RECEIPTS OF TRANSFERS & GRANTS	165 409	165 409	70 680	70 680	13 784	56 816	412,2%	165 409

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M01 July 2020.

Description	Budget Year 2020/21							
	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:	123 238	123 238	61 990	61 990	10 270	51 720	503,6%	123 238
Operational Revenue:General Revenue:Equitable Share	119 105	119 105	61 492	61 492	9 925	51 567	519,5%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	295	295	88	207	235,3%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	51	51	125	(74)	-59,3%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	153	153	132	21	16,2%	1 579
Provincial Government:	-	-	-	-	-	-		-
Other transfers and grants [insert description]						-		
District Municipality:	3 815	3 815	38	38	318	(280)	-88,1%	3 815
Environmental Health	3 815	3 815	38	38	318	(280)	-88,1%	3 815
Other grant providers:	-	-	-	-	-	-		-
[insert description]						-		
Total operating expenditure of Transfers and Grants:	127 053	127 053	62 028	62 028	10 588	51 440	485,8%	127 053
Capital expenditure of Transfers and Grants								
National Government:	36 391	36 391	-	-	3 033	(3 033)	-100,0%	36 391
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200			433	(433)	-100,0%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999			2 500	(2 500)	-100,0%	29 999
Municipal Disaster Relief Grant	1 192	1 192			99	(99)	-100,0%	1 192
Provincial Government:	-	-	-	-	-	-		-
0						-		
District Municipality:	1 965	1 965	-	-	164	(164)	-100,0%	1 965
Other grant providers:	1 965	1 965			164	(164)	-100,0%	1 965
Other grant providers:	-	-	-	-	-	-		-
0					-	-		
Total capital expenditure of Transfers and Grants	38 356	38 356	-	-	3 196	(3 196)	-100,0%	38 356
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	165 409	165 409	62 028	62 028	13 784	48 244	350,0%	165 409

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 1,500,000
Amount of Grant Received:	R 0
Expenditure to date:	R 50,890
Overspent as at 31 July 2020:	R -50,890

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 1,054,000
Amount of Grant Received:	R 0
Expenditure to date:	R 294,500
Overspent as at 31 July 2020:	R -294,500

DORA Capital Grants

Municipal Infrastructure Grant (MIG)

The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 31,578,000
Amount of Grant Received:	R 8,493,000
Expenditure to date:	R 152,887
Unspent as at 31 July 2020:	R 8,340,113

The spending of the grant amounted to 1.80% as at 31 July 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 5,200,000
Amount of Grant Received:	R 0
Expenditure to date:	R 0
Unspent as at 31 July 2020:	R 0

Municipal Disaster Relief Grant (MDRG)
The purpose of this grant is for disaster response and intervention measures to the municipality.

Revised DORA Allocation:	R 1,192,000
Amount of Grant Received:	R 0
Expenditure to date:	R 0
Unspent as at 31 July 2020:	R 0

5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M01 July 2020

Summary of Employee and Councillor remuneration	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 104	9 104	711	711	759	(48)	-6%	9 104
Medical Aid Contributions	–	–	8	8	–	8	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	237	237	257	(20)	-8%	3 081
Cellphone Allowance	1 465	1 465	104	104	122	(19)	-15%	1 465
Sub Total - Councillors	**13 651**	**13 651**	**1 059**	**1 059**	**1 138**	**(78)**	**-7%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	8 253	8 253	488	488	688	(199)	-29%	8 253
Pension and UIF Contributions	24	24	9	9	2	7	368%	24
Medical Aid Contributions	–	–	4	4	–	4	#DIV/0!	–
Performance Bonus	180	180	–	–	15	(15)	-100%	180
Motor Vehicle Allowance	857	857	56	56	71	(15)	-22%	857
Cellphone Allowance	8	8	1	1	1	0	20%	8
Other benefits and allowances	55	55	1	1	5	(3)	-74%	55
Payments in lieu of leave	1 849	1 849	27	27	154	(128)	-83%	1 849
Sub Total - Senior Managers of Municipality	**11 226**	**11 226**	**587**	**587**	**936**	**(349)**	**-37%**	**11 226**
Other Municipal Staff								
Basic Salaries and Wages	198 870	198 870	15 728	15 728	16 573	(844)	-5%	198 870
Pension and UIF Contributions	31 286	31 286	2 677	2 677	2 607	70	3%	31 286
Medical Aid Contributions	16 124	16 124	1 380	1 380	1 344	36	3%	16 124
Overtime	30 944	30 944	2 542	2 542	2 579	(37)	-1%	30 944
Motor Vehicle Allowance	8 053	8 053	743	743	671	72	11%	8 053
Cellphone Allowance	1	1	–	–	0	(0)	-100%	1
Housing Allowances	1 058	1 058	73	73	88	(15)	-17%	1 058
Other benefits and allowances	31 481	31 481	749	749	2 623	(1 874)	-71%	31 481
Payments in lieu of leave	19	19	122	122	2	120	7488%	19
Long service awards	1 496	1 496	357	357	125	232	186%	1 496
Sub Total - Other Municipal Staff	**319 332**	**319 332**	**24 371**	**24 371**	**26 611**	**(2 240)**	**-8%**	**319 332**
Total Parent Municipality	**344 210**	**344 210**	**26 017**	**26 017**	**28 684**	**(2 667)**	**-9%**	**344 210**
TOTAL SALARY, ALLOWANCES & BENEFITS	**344 210**	**344 210**	**26 017**	**26 017**	**28 684**	**(2 667)**	**-9%**	**344 210**
TOTAL MANAGERS AND STAFF	**330 559**	**330 559**	**24 958**	**24 958**	**27 547**	**(2 589)**	**-9%**	**330 559**

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 2017**	**Actuals as at 30 June 2018**	**Actuals as at 30 June 2019**	**Actuals as at 30 June 2020**	**Adjusted Budget 2020/21**	**Actuals as at 31 July 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.10%	1.27%
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	0.03	0.02	0.01	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	95.81%	90.73%	97,62%	95.42%	85%	108.64%

Other indicators		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 2020/21	Actuals as at 31 July 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)	1.62	1.73	1.90	2.02	0.69	2.65
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.82%	37.23%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	0%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	3.34%	1.34%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	1.68%	0.05%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	78.69%	80.22%	75.36%	83.61%	83.93%	67.11%

The above table is discussed in detail below.

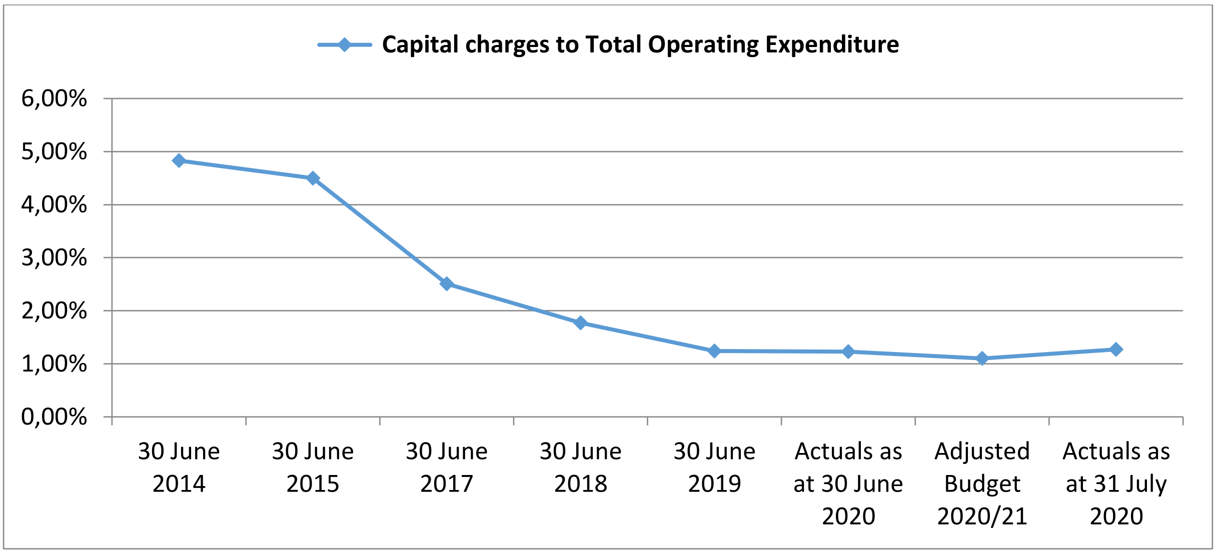
5.1. Borrowing Management

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 1.27% of the Total Operating Expenditure was utilised for capital charges as at 31 July 2020, compared to the adjusted budget ratio of 1,10%.



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 2020/21 Operating Budget as no borrowing is planned for the 2020/21 to 2022/23 financial years.

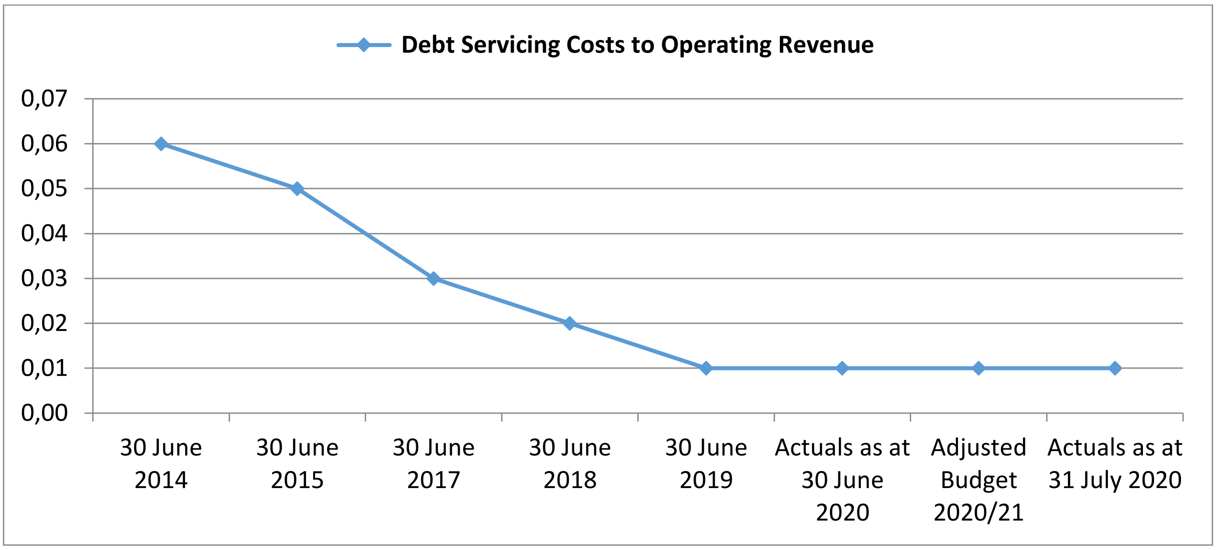
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 July 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:

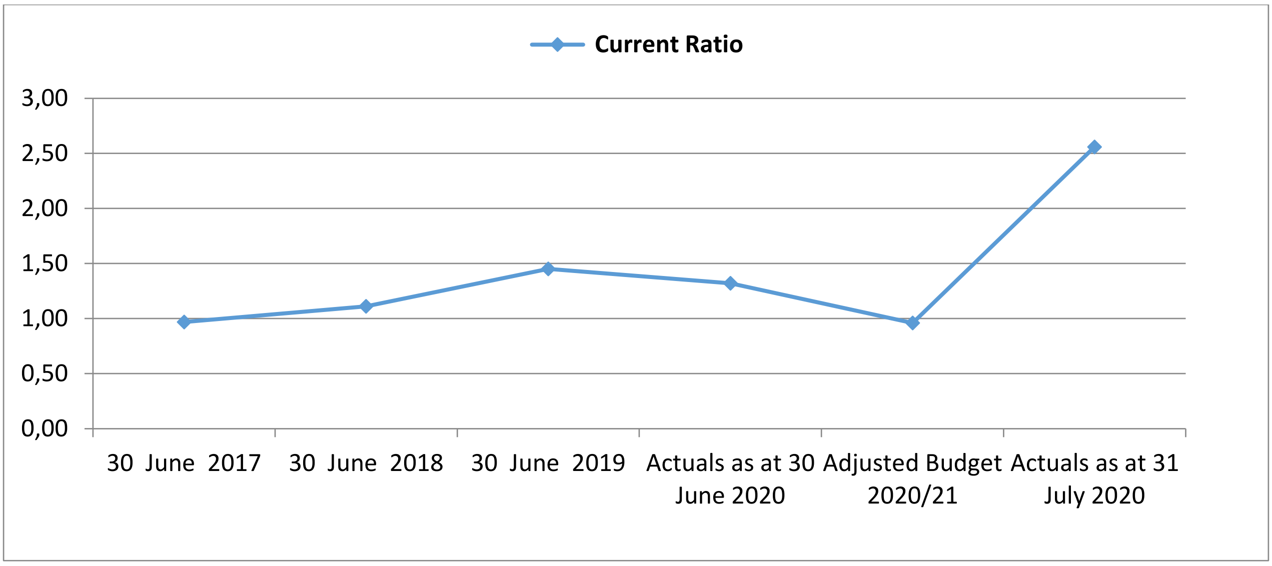
Current assets/Current liabilities

The ratio as at 31 July 2020 was 2.56:1, compared to the adjusted budget ratio of 0.96:1.

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

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

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



5.2.2. Liquidity Ratio

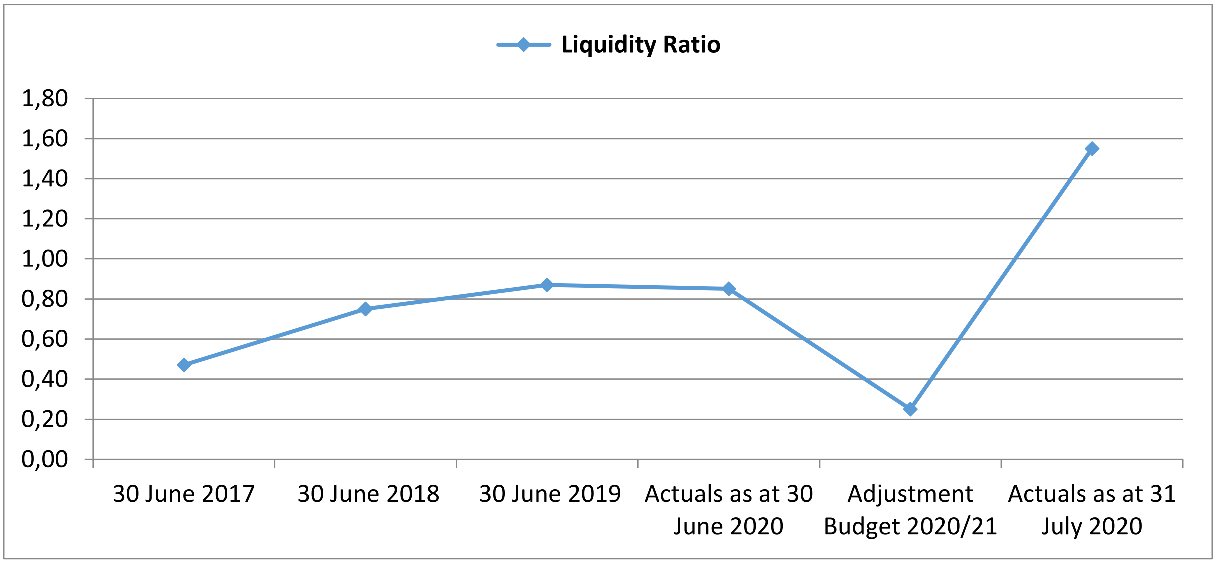
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 July 2020 was 1.55:1, compared to the budgeted ratio of 0.25:1.

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



5.3. Revenue Management

5.3.1. Annual Debtors Collection Rate

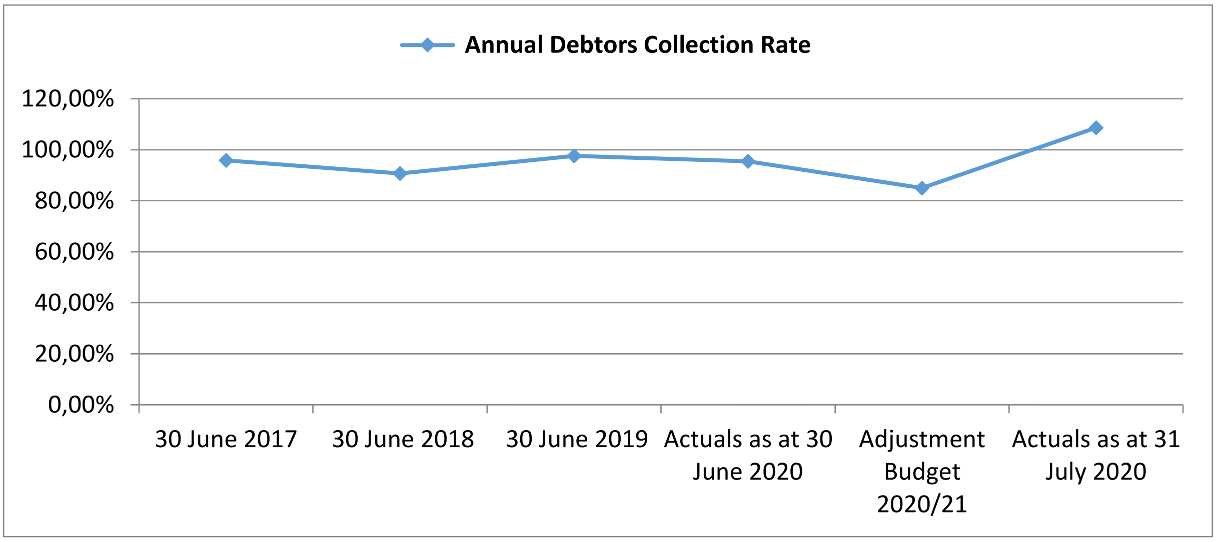
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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

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

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

The average collection rate as at 31 July 2020 was 108.64%, compared to the adjusted budget collection rate of 96%. The actual collection rate for July is 108.64%. The collection rates have been calculated, based on the revenue receipted, compared to the revenue billed on a month – to - month basis.



5.4. Other indicators

5.4.1. Cost coverage

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

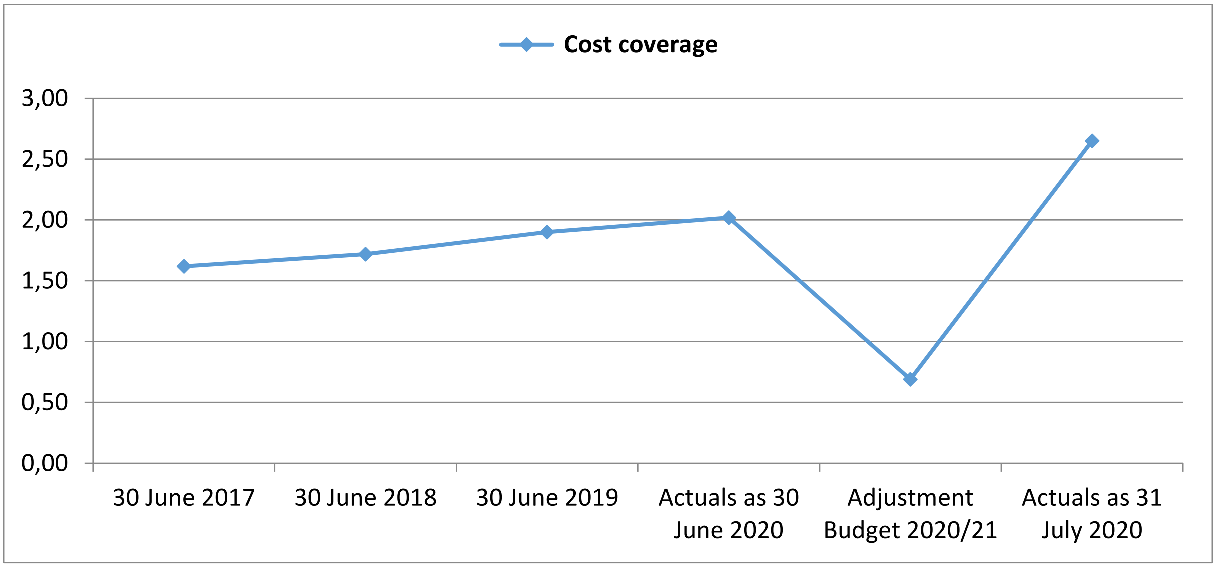
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

The ratio is determined as follows:

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

As at 31 July 2020, the Ratio was 2.65 months, compared to the adjusted budget ratio of 0.69 months.

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



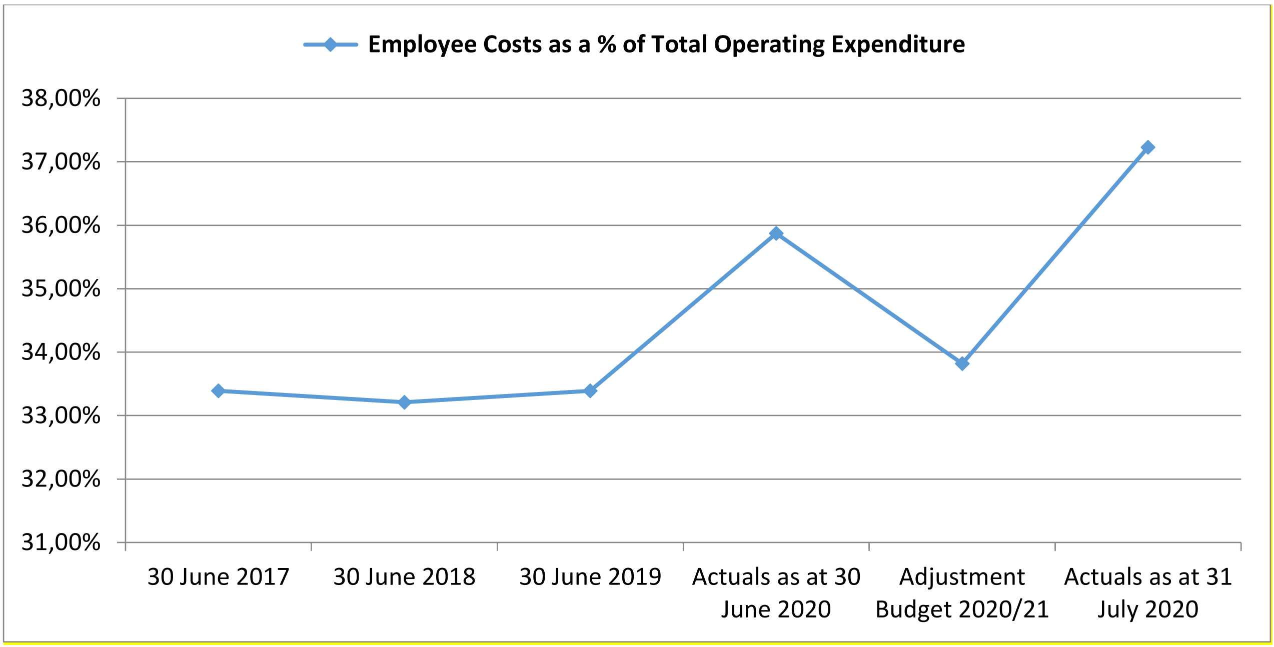
5.4.2. Employee costs as a % of Total Operating Expenditure

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

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 July 2020, Employee Related Costs constituted 37.23% of the Total Operating Expenditure compared to the adjusted budget ratio 33,82%.



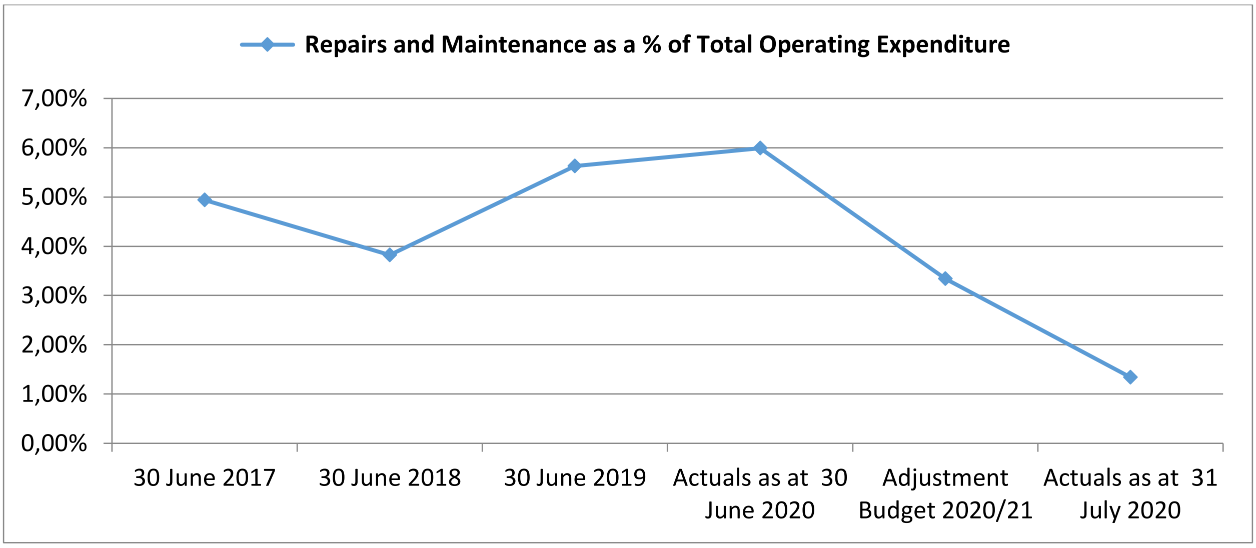
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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

The ratio is determined as follows:

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

As at 31 July 2020, the ratio was 1.34%, compared to the adjusted budget ratio of 3.34%.



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

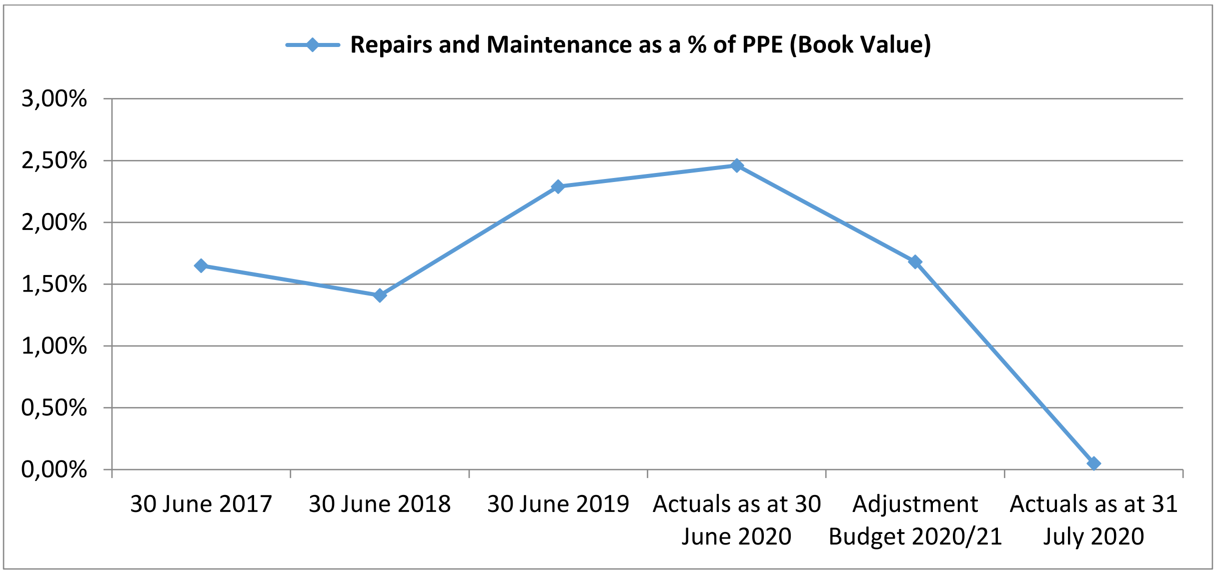
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 July 2020, repairs and maintenance expenditure constituted 0.05% of the book value of PPE, compared to the budgeted ratio of 1.68%.

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



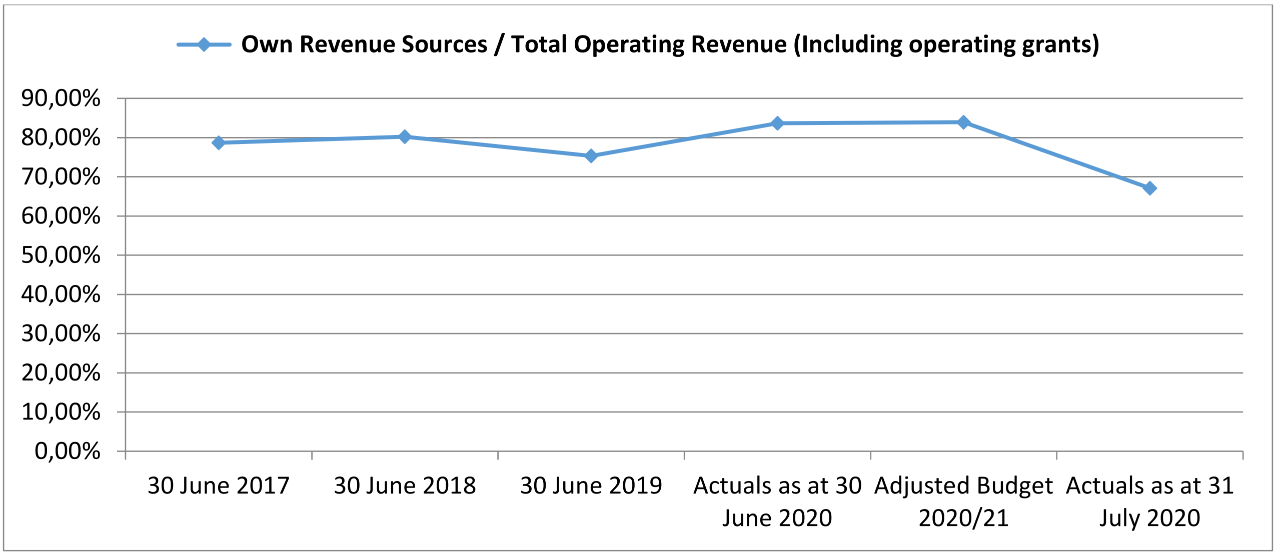
5.4.5. Own Revenue Generation

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

The ratio is determined as follows:

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

As at 31 July 2020, the Municipality's own revenue sources constituted 67.11% of its total Operating Income, compared to the adjusted budget ratio of 83.93%.



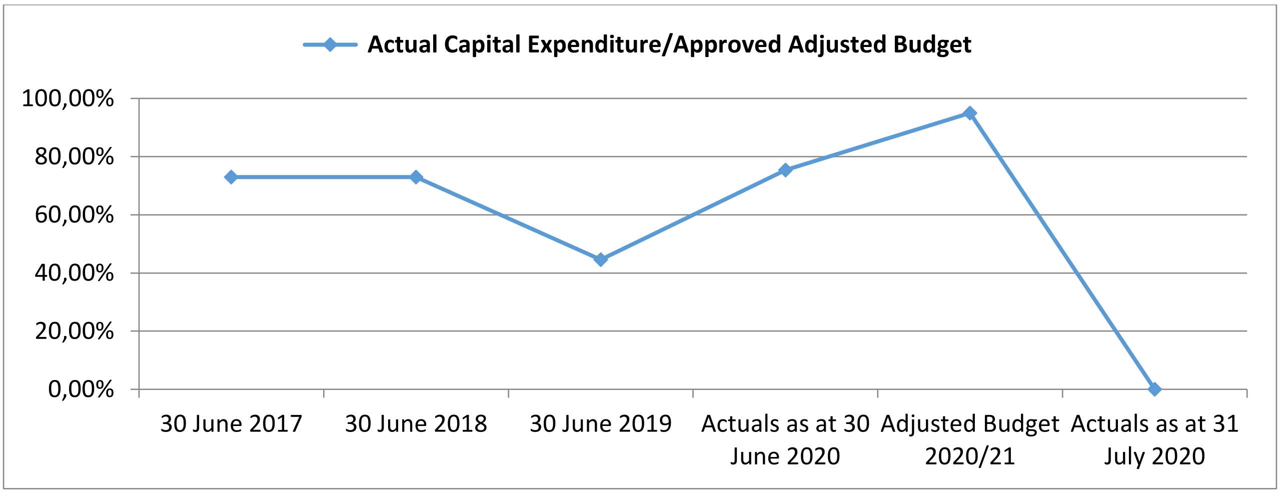
5.4.6. Capital Budget Spending

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 July 2020 amounted to 0% compared to the adjusted budget ratio of 95%.



5.4.7. Bulk Purchases

Bulk purchases split between Water and Electricity.

Bulk Purchases Split	Approved Budget 2020/21	Actuals as at 31 July 2020
Expenditure:Bulk Purchases:Electricity:ESKOM	246 173 454,00	27 906 856,54
Expenditure:Bulk Purchases:Water	33 570 286,00	1 508 292,29
	279 743 740,00	**29 415 148,83**