KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO AUGUST 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 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 August 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 245,181 million, whilst operating expenditure amounted to R 141,201 million, resulting in an operating surplus of R 103,980 million.
- Capital expenditure constituted 3.19%% of the 2020/21 Capital Budget.
- Overdue consumer debts increased by R 8,982 million (5.31%) since June 2020.

- An amount of R 41,263 million is owing to creditors, of which R 38,441 million (93.16%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 189,740 (0.13%) since June 2020, from R 141,031,684 to R 141,221,424.

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 August 2019	Actuals as at 31 August 2020	Approved Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	3.31:1	1.69:1	0.96:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	2.51:1	0.99:1	0.25:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	4.32 Months	1.42 Months	0.69 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	72.33%	66.39%	85%
Capital Expenditure	72.92%	73.82%	75.33%	5.87%	3.19%	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 August 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 2020 to August 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 ____2020/09/14_____

Annexure "A1"

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

Below is an analysis of the operating revenue and expenditure performance

Description	Budget Year 2020/21		
	Adjusted Budget	Actuals as at 31 August 2020	%
R thousands			
Revenue By Source			
Property rates	205 650	86 514	42.07%
Service charges - electricity revenue	291 625	50 072	17.17%
Service charges - water revenue	81 846	15 174	18.54%
Service charges - sanitation revenue	53 555	10 242	19.12%
Service charges - refuse revenue	54 690	10 478	19.16%
Rental of facilities and equipment	4 083	130	3.17%
Interest earned - external investments	13 013	481	3.70%
Interest earned - outstanding debtors	6 993	765	10.94%
Fines, penalties and forfeits	6 685	92	1.38%
Licences and permits	20 714	4 645	22.43%
Transfers and subsidies	145 612	64 667	44.41%
Other revenue	21 540	1 921	8.92%
Total Revenue (excluding capital transfers and contributions)	**906 005**	**245 181**	**27.06%**
Expenditure By Type			
Employee related costs	336 974	49 356	14.65%
Remuneration of councillors	13 651	2 121	15.54%
Debt impairment	89 573	–	0.00%
Depreciation & asset impairment	89 271	12 254	13.73%
Finance charges	1 388	282	20.30%
Bulk purchases	279 744	59 429	21.24%
Other materials	26 059	2 980	11.43%
Contracted services	60 352	5 607	9.29%
Transfers and subsidies	761	–	0.00%
Other expenditure	98 571	9 172	9.31%
Total Expenditure	**996 342**	**141 201**	**14.17%**
Surplus/(Deficit)	**(90 337)**	**103 980**	

The statement of financial performance indicates a surplus of R 103,980 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 31 August 2020, the Municipality has recognised 42.07% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2020.

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

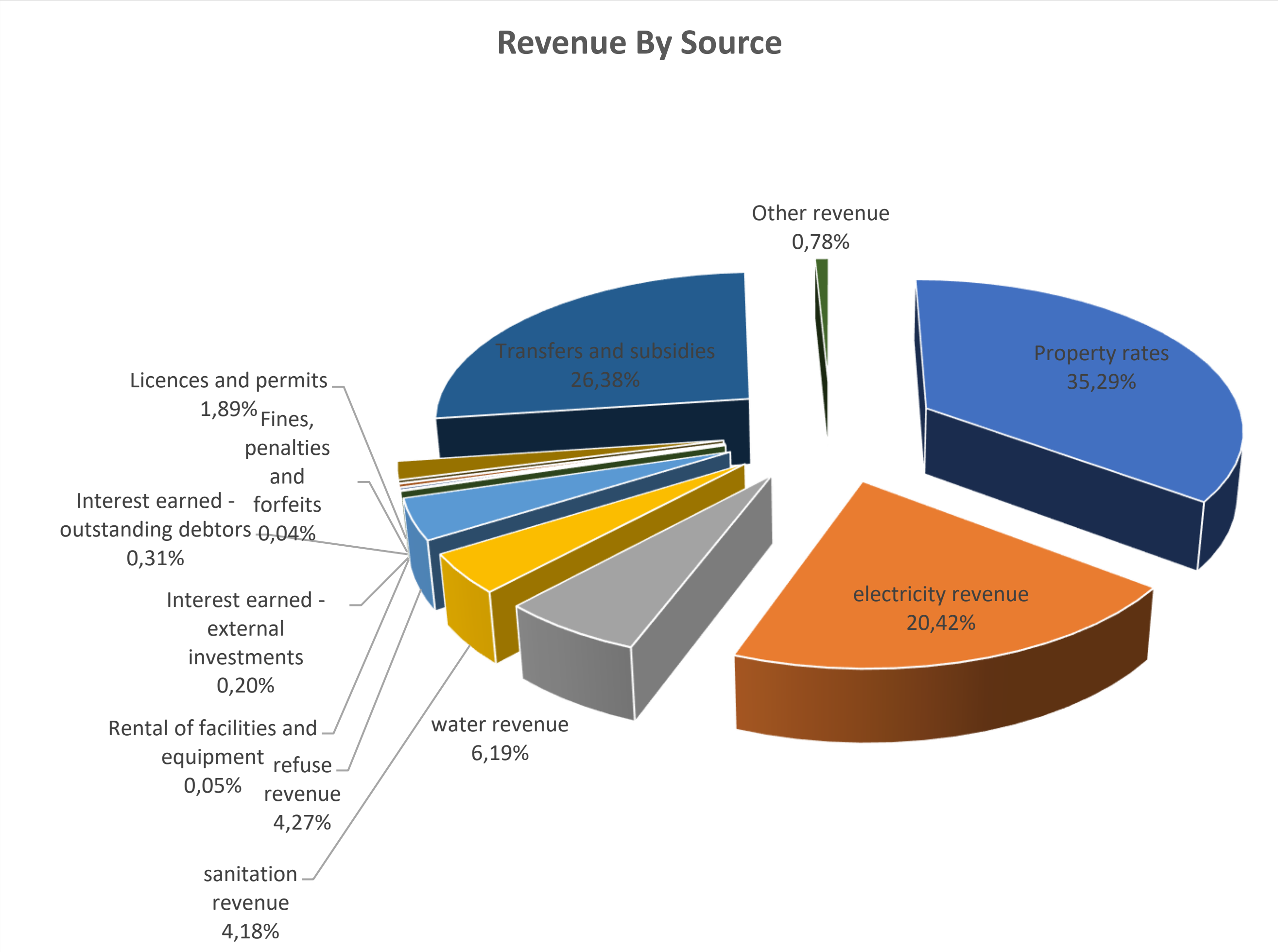
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 141,221 million.

Fines, penalties and forfeits

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

Transfers and Subsidies

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



Expenditure Variations

Bad Debts

Bad debts are written off upon Council approval.

Bulk purchases

Item Description	Approved Budget 2020/21	Actuals as at 31 August 2020	%
Bulk purchases - Electricity	246 173 454	57 819 435	23.49%
Bulk purchases - Water	33 570 286	1 609 941	4.80%
	279 743 740	**59 429 376**	**21.24%**

Transfers and subsidies

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy.

Contracted Services

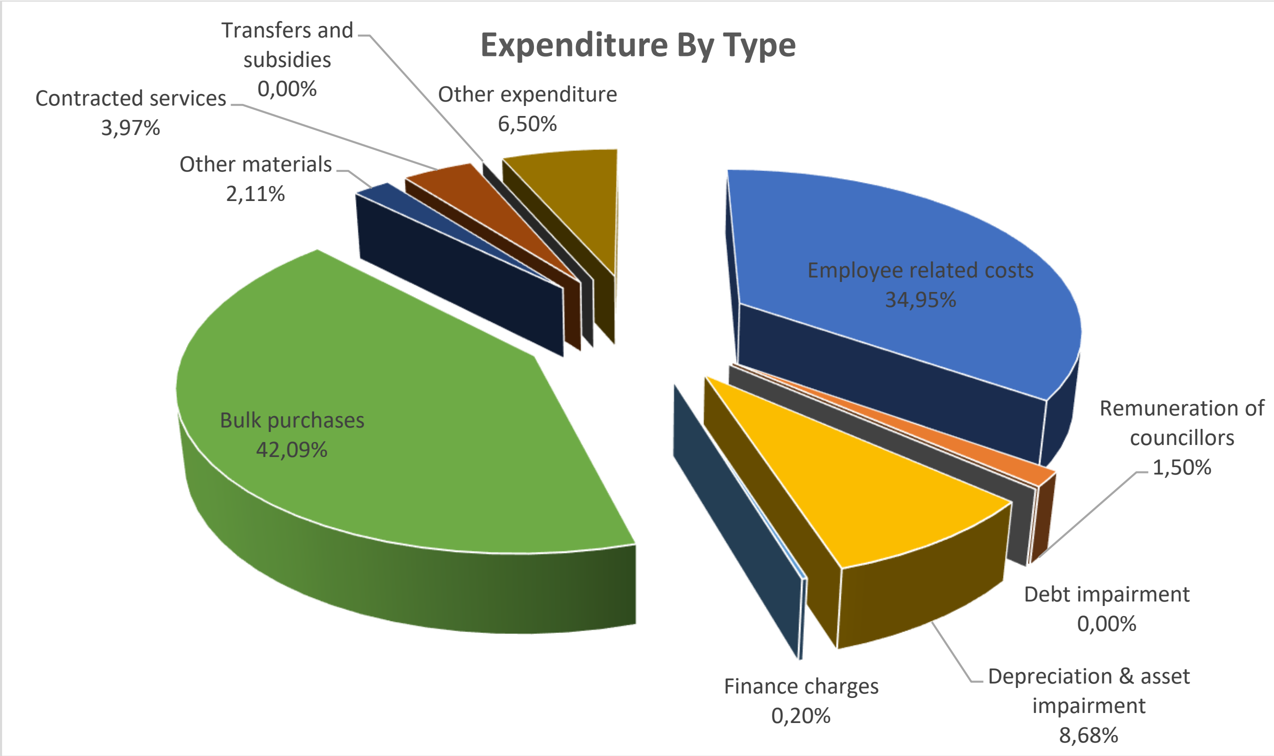
Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

The contracted services are broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 August 2020	%
Consultants and Professional Services	9 817 119	-	0.00%
Drivers Licence Cards	850 000	-	0.00%
Transport Services	397 556	1 800	0.45%
Dune Stabilisation	3 659 604	2 608 696	71.28%
Valuer	2 082 451	4 300	0.21%
Other Contracted Services	1 420 011	62 650	4.41%
Legal Advice and Litigation	2 449 703	5 230	0.21%
Maintenance of Buildings and Facilities	4 148 303	168 435	4.06%
Catering Services	457 385	2 080	0.45%
Maintenance of Vehicles	7 038 120	681 641	9.68%
Qualification Verification	800 000	204 100	25.51%
Maintenance of Water Infrastructure	1 653 900	57 285	3.46%
Maintenance of Equipment	619 275	2 468	0.40%
Burial Services	202 250	-	0.00%
Roads Maintenance	5 000 000	740 136	14.80%
Medical Health Services & Support	600 000	168 819	28.14%
Maintenance of Electrical Infrastructure	2 266 032	53 708	2.37%
Maintenance of Sanitation Infrastructure	1 339 000	278 009	20.76%
Laboratory Services:Water	702 408	-	0.00%
Special Rating Area	7 350 000	506 193	6.89%
Internal Auditors	450 000	-	0.00%
Legal Cost:Collection	1 250 000	-	0.00%
Security Services	1 739 147	4 646	0.27%
Occupational Health and Safety	73 150	-	0.00%
Animal Care	400 000	-	0.00%
Personnel and Labour	1 054 000	-	0.00%
Professional Staff	482 230	28 500	5.91%
Employee Wellness	250 000	28 127	11.25%
Call Centre	250 000	-	0.00%
Clearing and Grass Cutting Services	350 000	-	0.00%
Litter Picking and Street Cleaning	1 200 000	-	0.00%
Total	**60 351 644**	**5 606 823**	**9.29%**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 August 2020	%
Bank Charges	999 180	103 312	10.34%
Other	4 910 296	6 422	0.13%
Air Transport	360 700	-	0.00%
Uniform and Protective Clothing	4 239 285	203 132	4.79%
Signage	628 730	3 784	0.60%
Vehicle Tracking	619 329	94 771	15.30%
Accommodation	693 900	-	0.00%
Leases:Other Assets	4 245 514	758 496	17.87%
Software Licences	3 917 205	162 170	4.14%
Printing, Publications and Books	1 333 848	61 962	4.65%
Cellular Contract (Subscription and Calls)	1 727 723	217 908	12.61%
Claims paid to Third Parties	274 835	1 216	0.44%
External Audit Fees	4 500 000	1 094	0.02%
Tenders	940 000	-	0.00%
Gifts and Promotional Items	213 465	1 578	0.74%
Registration Fees:Professional and Regulatory Bodies	730 320	27 382	3.75%
Leases:Machinery and Equipment	274 822	-	0.00%
Insurance Claims	3 164 901	- 3 000	-0.09%
Workmen''s Compensation Fund	1 594 581	180 284	11.31%
Leases:Furniture and Office Equipment	6 608 585	428 148	6.48%
Postage/Stamps/Franking Machines	1 483 156	100 011	6.74%
Advertising, Publicity and Marketing	300 000	-	0.00%
Achievements and Awards	1 260 500	2 000	0.16%
Own Transport	628 750	21 388	3.40%
Motor Vehicle Licence and Registrations	761 289	110 738	14.55%
Skills Development Fund Levy	1 760 001	-	0.00%
Storage of Files (Archiving)	500 000	-	0.00%
Staff Recruitment	200 000	-	0.00%
Hire Charges	14 906 860	2 253 454	15.12%
Non-employees	322 000	6 957	2.16%
Municipal Services	11 468 404	2 787 834	24.31%
Leases:Computer Equipment	120 000	-	0.00%
Insurance Underwriting:Premiums	5 655 503	-	0.00%
Registration Fees:Seminars, Conferences, Workshops	1 436 100	1 390	0.10%
External Computer Service:Internet Charge	4 288 705	663 475	15.47%
Bargaining Council	3 040 340	-	0.00%
Third Party Vendors	5 112 212	482 240	9.43%
Remuneration to Ward Committees	3 000 000	494 175	16.47%
Telephone, Fax, Telegraph and Telex	100 000	-	0.00%
Supplier Development Programme	250 000	-	0.00%
Total	**98 571 039**	**9 172 321**	**9.31%**


Expenditure By Type
Transfers and subsidies 0,00%
Contracted services 3,97%
Other expenditure 6,50%
Other materials 2,11%
Employee related costs 34,95%
Bulk purchases 42,09%
Remuneration of councillors 1,50%
Debt impairment 0,00%
Depreciation & asset impairment 8,68%
Finance charges 0,20%

Repairs and Maintenance

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

Item Description	Budget Year 2020/21		
	Adjusted Budget	Actuals as at 31 August 2020	%
Maintenance of Equipment	476 850	18 105	3.80%
Maintenance of Vehicles	7 530 931	858 378	11.40%
Maintenance of Buildings and Facilities	4 944 198	199 320	4.03%
Maintenance of Water Infrastructure	4 932 575	397 416	8.06%
Roads Maintenance	5 049 000	740 136	14.66%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	24 078	7.33%
Maintenance of Electrical Infrastructure	5 253 220	673 895	12.83%
Maintenance of Sanitation Infrastructure	2 696 403	455 258	16.88%
Hire Charges	1 233 306	131 605	10.67%
Other Contracted Services	267 519	-	0.00%
Total	**32 772 452**	**3 498 191**	**10.67%**

It is to be noted that actual repairs and maintenance expenditure constituted 10.67% of the 2020/21 Approved Budget.

Annexure "A2"

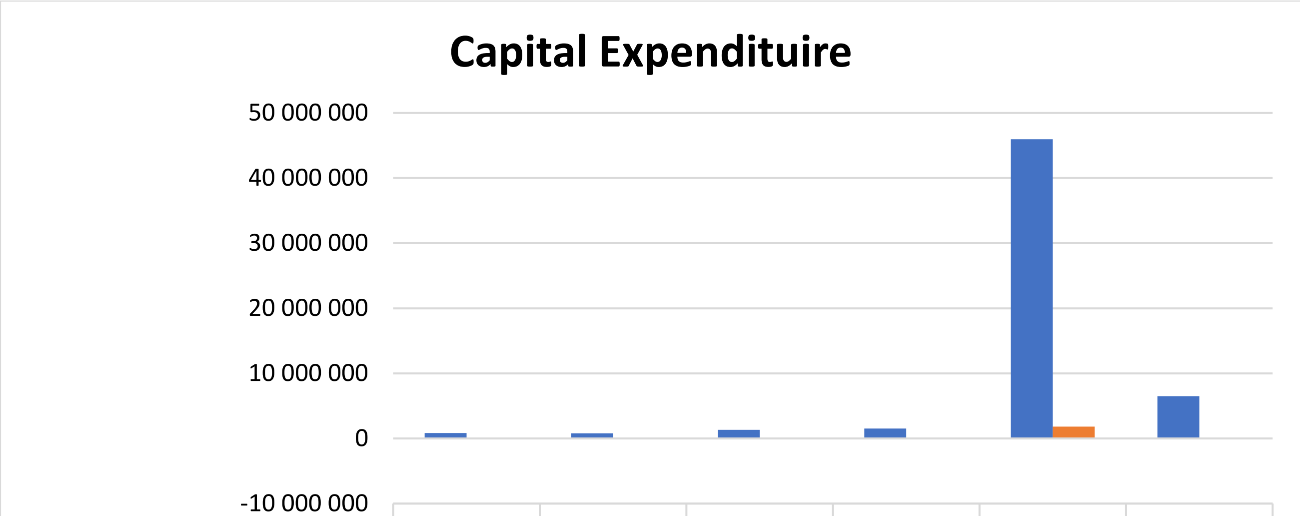
CAPITAL BUDET PERFORMANCE

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

Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 August 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%
Furniture and equipment	Internal	-	- 22 167	0.00%
Cibex Software	Internal	600 000	-	0.00%
		800 000	**- 22 167**	**-2.77%**
Planning, Development and Tourism				
Land acquisition housing projects	Internal	360 000	-	0.00%
Computer Software and Applications	Internal	315 000	-	0.00%
Vehicles	Internal	399 999	-	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%
Sanitation Infrastructure:Waste Water Treatment Wo	Distr	1	-	0.00%
		1 505 000	**-**	**0.00%**
Community Services				
Vehicle	Internal	1 325 000	-	0.00%
Vehicle	Distr	1 965 100	-	0.00%
Jack Hammer and water pump	Internal	250 000	-	0.00%
Kouga Skip Bins	Internal	200 000	-	0.00%
Machinery and Equipment (Security Cameras System)	Internal	750 000	-	0.00%
Fleet Management	Internal	100 000	-	0.00%
Machinery and Equipment	Internal	278 500	-	0.00%
Computer Equipment	Internal	30 000	-	0.00%
Upgrading of Sports Facilities	Internal	-	- 696	0.00%
Fencing Humansdorp Fire Station	Internal	200 000	-	0.00%
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	**- 696**	**-0.01%**

Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 August 2020	%
Infrastructure and 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%
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	-	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%
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154	-	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	39 865	3.07%
Machinery & Equipment	Internal	300 000	-	0.00%
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739	587 207	12.99%
Kouga Backup Generators	Internal	500 000	-	0.00%
Patensie Sewage Package Plant	MIG	-	66 363	0.00%
Upgrade Sanitation System Old Hankey	MIG	6 333 460	394 607	6.23%
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	751 230	13.22%
		45 937 913	**1 839 272**	**4.00%**
Total		**56 912 490**	**1 816 409**	**3.19%**
Internally generated funds		23 302 955	17 002	0.07%
Transfers recognised - capital		33 609 535	1 799 407	5.35%
		56 912 490	**1 816 409**	**3.19%**

It is to be noted that capital expenditure as at 31 August 2020 amounted to 3.19%, 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 August 2020	0	-22 167	0	0	1 839 272	-696

Annexure “A3”

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 August 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 – M02 August 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	33 201	49 822	29 134	20 688	71%	174 803
Service charges			424 039	424 039	31 793	81 386	70 673	10 712	15%	424 039
Other revenue			53 022	53 022	4 181	6 788	8 837	(2 049)	-23%	53 022
Transfers and Subsidies - Operational			145 612	145 612	1 764	64 376	24 269	40 107	165%	145 612
Transfers and Subsidies - Capital			38 356	38 356	–	8 068	6 393	1 676	26%	38 356
Interest			18 957	18 957	1 255	1 712	3 160	(1 448)	-46%	18 957
Dividends							–	–		–
Payments										
Suppliers and employees			(815 350)	(815 350)	(83 851)	(208 172)	(135 892)	72 280	-53%	(815 350)
Finance charges			(1 388)	(1 388)	(138)	(282)	(231)	50	-22%	(1 388)
Transfers and Grants			(761)	(761)	–	–	(127)	(127)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**37 290**	**37 290**	**(11 795)**	**3 698**	**6 215**	**2 517**	**41%**	**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)	(2 090)	(2 090)	(9 485)	(7 396)	78%	(56 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(56 912)**	**(56 912)**	**(2 090)**	**(2 090)**	**(9 485)**	**(7 396)**	**78%**	**(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)	(712)	(1 418)	(1 601)	(183)	11%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(9 608)**	**(9 608)**	**(712)**	**(1 418)**	**(1 601)**	**(183)**	**11%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(29 230)**	**(29 230)**	**(14 597)**	**190**	**(4 872)**			**(29 230)**
Cash/cash equivalents at beginning:			76 328	76 328		141 032	76 328			141 032
Cash/cash equivalents at month/year end:		–	47 099	47 099		141 221	71 457			111 802

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

Table C1 Monthly Budget Statement Summary – M02 August 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	11 275	86 514	34 275	52 239	152%	205 650
Service charges	–	481 716	481 716	37 914	85 966	80 286	5 680	7%	481 716
Investment revenue	–	13 013	13 013	35	481	2 169	(1 688)	-78%	13 013
Transfers and subsidies	–	145 612	145 612	2 367	64 667	24 269	40 398	166%	145 612
Other own revenue	–	60 015	60 015	4 181	7 553	10 002	(2 450)	-24%	60 015
Total Revenue (excluding capital transfers and contributions)	**–**	**906 005**	**906 005**	**55 772**	**245 181**	**151 001**	**94 180**	**62%**	**906 005**
Employee costs	–	336 974	336 974	24 398	49 356	56 162	(6 806)	-12%	336 974
Remuneration of Councillors	–	13 651	13 651	1 061	2 121	2 275	(154)	-7%	13 651
Depreciation & asset impairment	–	89 271	89 271	6 127	12 254	14 878	(2 624)	-18%	89 271
Finance charges	–	1 388	1 388	138	282	231	50	22%	1 388
Materials and bulk purchases	–	305 802	305 802	31 806	62 409	50 967	11 442	22%	305 802
Transfers and subsidies	–	761	761	–	–	127	(127)	-100%	761
Other expenditure	–	248 495	248 495	10 630	14 779	41 416	(26 637)	-64%	248 495
Total Expenditure	**–**	**996 342**	**996 342**	**74 162**	**141 201**	**166 057**	**(24 856)**	**-15%**	**996 342**
Surplus/(Deficit)	**–**	**(90 337)**	**(90 337)**	**(18 390)**	**103 980**	**(15 056)**	**119 036**	**-791%**	**(90 337)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	38 356	38 356	675	675	6 393	### ###	-89%	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)**	**(17 715)**	**104 655**	**(8 663)**	**113 319**	**-1308%**	**(51 980)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**	**113 319**	**-1308%**	**(51 980)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**56 912**	**1 817**	**1 816**	**9 485**	**(7 669)**	**-81%**	**56 912**
Capital transfers recognised	–	33 610	33 610	1 799	1 799	5 602	(3 802)	-68%	33 610
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**23 303**	**23 303**	**18**	**17**	**3 884**	**(3 867)**	**-100%**	**23 303**
Total sources of capital funds	**–**	**56 912**	**56 912**	**1 817**	**1 816**	**9 485**	**(7 669)**	**-81%**	**56 912**
Financial position									
Total current assets	–	182 094	182 094		241 466				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		142 634				190 365
Total non current liabilities	–	170 192	170 192		170 192				170 192
Community wealth/Equity	–	**2 050 785**	**2 050 785**		**2 157 888**				**2 050 785**
Cash flows									
Net cash from (used) operating	–	37 290	37 290	(11 795)	3 698	6 215	2 517	41%	37 290
Net cash from (used) investing	–	(56 912)	(56 912)	(2 090)	(2 090)	(9 485)	(7 396)	78%	(56 912)
Net cash from (used) financing	–	(9 608)	(9 608)	(712)	(1 418)	(1 601)	(183)	11%	(9 608)
Cash/cash equivalents at the month/year end	**–**	**47 099**	**47 099**	**–**	**141 221**	**71 457**	**(69 765)**	**-98%**	**111 802**
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	81 740	9 432	7 148	6 082	6 119	5 595	24 212	119 651	259 979
Creditors Age Analysis									
Total Creditors	38 441	290	1 292	16	395	66	780	(18)	41 263

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) – M02 August 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
Revenue - Functional										
Governance and administration		–	**332 007**	**332 007**	**12 502**	**149 927**	**55 335**	94 593	171%	**332 007**
Executive and council		–	28	28	–	–	5	(5)	-100%	28
Finance and administration		–	331 979	331 979	12 502	149 927	55 330	94 597	171%	331 979
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**15 620**	**15 620**	**635**	**2 354**	**2 603**	(249)	-10%	**15 620**
Community and social services		–	2 498	2 498	29	47	416	(369)	-89%	2 498
Sport and recreation		–	8 085	8 085	599	1 756	1 348	408	30%	8 085
Public safety		–	1 985	1 985	1	1	331	(330)	-100%	1 985
Housing		–	–	–	–	–	–	–		–
Health		–	3 051	3 051	6	551	508	42	8%	3 051
Economic and environmental services		–	**23 813**	**23 813**	**4 719**	**6 287**	**3 969**	2 318	58%	**23 813**
Planning and development		–	7 173	7 173	2 843	3 280	1 196	2 084	174%	7 173
Road transport		–	15 252	15 252	1 705	2 682	2 542	140	6%	15 252
Environmental protection		–	1 389	1 389	171	325	231	94	40%	1 389
Trading services		–	**572 921**	**572 921**	**38 591**	**87 288**	**95 487**	(8 199)	-9%	**572 921**
Energy sources		–	304 317	304 317	23 701	50 821	50 720	101	0%	304 317
Water management		–	100 261	100 261	6 094	15 427	16 710	(1 283)	-8%	100 261
Waste water management		–	93 692	93 692	4 386	10 357	15 615	(5 258)	-34%	93 692
Waste management		–	74 651	74 651	4 410	10 683	12 442	(1 759)	-14%	74 651
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	–	**944 362**	**944 362**	**56 447**	**245 856**	**157 394**	**88 463**	**56%**	**944 362**
Expenditure - Functional										
Governance and administration		–	**242 971**	**242 971**	**12 047**	**23 254**	**40 495**	(17 241)	-43%	**242 971**
Executive and council		–	41 969	41 969	2 525	5 042	6 995	(1 953)	-28%	41 969
Finance and administration		–	200 981	200 981	9 522	18 212	33 497	(15 285)	-46%	200 981
Internal audit		–	21	21	–	–	3	(3)	-100%	21
Community and public safety		–	**93 241**	**93 241**	**6 077**	**11 938**	**15 540**	(3 602)	-23%	**93 241**
Community and social services		–	10 773	10 773	682	1 308	1 796	(488)	-27%	10 773
Sport and recreation		–	45 537	45 537	2 815	5 466	7 590	(2 124)	-28%	45 537
Public safety		–	25 505	25 505	1 847	3 699	4 251	(552)	-13%	25 505
Housing		–	5 399	5 399	383	776	900	(124)	-14%	5 399
Health		–	6 026	6 026	350	689	1 004	(315)	-31%	6 026
Economic and environmental services		–	**122 804**	**122 804**	**9 098**	**17 632**	**20 467**	(2 835)	-14%	**122 804**
Planning and development		–	39 343	39 343	2 155	4 383	6 557	(2 174)	-33%	39 343
Road transport		–	81 450	81 450	6 747	12 845	13 575	(730)	-5%	81 450
Environmental protection		–	2 011	2 011	196	405	335	69	21%	2 011
Trading services		–	**534 193**	**534 193**	**46 940**	**88 377**	**89 032**	(655)	-1%	**534 193**
Energy sources		–	316 672	316 672	33 230	63 608	52 779	10 829	21%	316 672
Water management		–	91 486	91 486	3 201	7 575	15 248	(7 673)	-50%	91 486
Waste water management		–	62 587	62 587	5 198	9 179	10 431	(1 252)	-12%	62 587
Waste management		–	63 448	63 448	5 312	8 015	10 575	(2 559)	-24%	63 448
Other		–	**3 133**	**3 133**	–	–	**522**	**(522)**	**-100%**	**3 133**
Total Expenditure - Functional	3	–	**996 342**	**996 342**	**74 162**	**141 201**	**166 057**	**(24 856)**	**-15%**	**996 342**
Surplus/ (Deficit) for the year		–	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**	**113 319**	**-1308%**	**(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 – M02 August 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	12 470	149 874	54 310	95 565	176.0%	325 858
Vote 3 - CORPORATE SERVICES		–	307	307	–	–	51	(51)	-100.0%	307
Vote 4 - COMMUNITY SERVICES		–	111 700	111 700	6 954	16 097	18 617	(2 520)	-13.5%	111 700
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	501 976	501 976	36 531	79 147	83 663	(4 515)	-5.4%	501 976
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	4 521	4 521	493	738	754	(16)	-2.1%	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**	**56 447**	**245 856**	**157 394**	**88 463**	**56.2%**	**944 362**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	45 541	45 541	2 404	4 856	7 590	(2 734)	-36.0%	45 541
Vote 2 - FINANCIAL SERVICES		–	115 737	115 737	4 478	8 080	19 290	(11 210)	-58.1%	115 737
Vote 3 - CORPORATE SERVICES		–	43 677	43 677	3 024	5 908	7 279	(1 371)	-18.8%	43 677
Vote 4 - COMMUNITY SERVICES		–	191 251	191 251	14 039	25 473	31 875	(6 403)	-20.1%	191 251
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	575 140	575 140	48 841	94 110	95 857	(1 747)	-1.8%	575 140
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	24 996	24 996	1 375	2 775	4 166	(1 391)	-33.4%	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**	**74 162**	**141 201**	**166 057**	**(24 856)**	**-15.0%**	**996 342**
Surplus/ (Deficit) for the year	2	**–**	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**	**113 319**	**-1308.0%**	**(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) – M02 August 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									%	
Revenue By Source										
Property rates			205 650	205 650	11 275	86 514	34 275	52 239	152%	205 650
Service charges - electricity revenue			291 625	291 625	23 025	50 072	48 604	1 468	3%	291 625
Service charges - water revenue			81 846	81 846	6 094	15 174	13 641	1 533	11%	81 846
Service charges - sanitation revenue			53 555	53 555	4 386	10 242	8 926	1 316	15%	53 555
Service charges - refuse revenue			54 690	54 690	4 409	10 478	9 115	1 363	15%	54 690
Rental of facilities and equipment			4 083	4 083	92	130	680	(551)	-81%	4 083
Interest earned - external investments			13 013	13 013	35	481	2 169	(1 688)	-78%	13 013
Interest earned - outstanding debtors			6 993	6 993	(0)	765	1 165	(400)	-34%	6 993
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			6 685	6 685	53	92	1 114	(1 022)	-92%	6 685
Licences and permits			20 714	20 714	2 418	4 645	3 452	1 193	35%	20 714
Agency services			–	–	–	–	–	–		–
Transfers and subsidies			145 612	145 612	2 367	64 667	24 269	40 398	166%	145 612
Other revenue			21 540	21 540	1 617	1 921	3 590	(1 669)	-46%	21 540
Gains			–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**–**	**906 005**	**906 005**	**55 772**	**245 181**	**151 001**	**94 180**	**62%**	**906 005**
Expenditure By Type										
Employee related costs			336 974	336 974	24 398	49 356	56 162	(6 806)	-12%	336 974
Remuneration of councillors			13 651	13 651	1 061	2 121	2 275	(154)	-7%	13 651
Debt impairment			89 573	89 573	–	–	14 929	(14 929)	-100%	89 573
Depreciation & asset impairment			89 271	89 271	6 127	12 254	14 878	(2 624)	-18%	89 271
Finance charges			1 388	1 388	138	282	231	50	22%	1 388
Bulk purchases			279 744	279 744	30 014	59 429	46 624	12 805	27%	279 744
Other materials			26 059	26 059	1 792	2 980	4 343	(1 363)	-31%	26 059
Contracted services			60 352	60 352	5 151	5 607	10 059	(4 452)	-44%	60 352
Transfers and subsidies			761	761	–	–	127	(127)	-100%	761
Other expenditure			98 571	98 571	5 479	9 172	16 429	(7 256)	-44%	98 571
Losses			–	–	–	–	–	–		–
Total Expenditure		**–**	**996 342**	**996 342**	**74 162**	**141 201**	**166 057**	**(24 856)**	**-15%**	**996 342**
Surplus/(Deficit)		**–**	**(90 337)**	**(90 337)**	**(18 390)**	**103 980**	**(15 056)**	**119 036**	**(0)**	**(90 337)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			38 356	38 356	675	675	6 393	(5 717)	**(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)**	**(17 715)**	**104 655**	**(8 663)**			**(51 980)**
Taxation								–		
Surplus/(Deficit) after taxation		**–**	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**			**(51 980)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**–**	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**			**(51 980)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(51 980)**	**(17 715)**	**104 655**	**(8 663)**			**(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) – M02 August 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	–	–	139	(139)	-100%	835
Vote 2 - FINANCIAL SERVICES		–	800	800	(22)	(22)	133	(156)	-117%	800
Vote 3 - CORPORATE SERVICES		–	1 349	1 349	–	–	225	(225)	-100%	1 349
Vote 4 - COMMUNITY SERVICES		–	11 572	11 572	–	(1)	1 929	(1 929)	-100%	11 572
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	39 758	39 758	1 839	1 839	6 626	(4 787)	-72%	39 758
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	2 597	2 597	–	–	433	(433)	-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	1 817	1 816	9 485	**(7 669)**	**-81%**	56 912
Total Capital Expenditure		–	**56 912**	**56 912**	**1 817**	**1 816**	**9 485**	**(7 669)**	**-81%**	**56 912**
Capital Expenditure - Functional Classification										
Governance and administration		–	**3 734**	**3 734**	**(22)**	**(22)**	**622**	(645)	-104%	**3 734**
Executive and council			835	835	–	–	139	(139)	-100%	835
Finance and administration			2 899	2 899	(22)	(22)	483	(505)	-105%	2 899
Internal audit			–	–	–	–	–	–		–
Community and public safety		–	**16 028**	**16 028**	**751**	**751**	**2 671**	(1 921)	-72%	**16 028**
Community and social services			–	–	–	–	–	–		–
Sport and recreation			11 600	11 600	751	751	1 933	(1 183)	-61%	11 600
Public safety			3 669	3 669	–	–	611	(611)	-100%	3 669
Housing			760	760	–	–	127	(127)	-100%	760
Health			–	–	–	–	–	–		–
Economic and environmental services		–	**9 628**	**9 628**	**–**	**–**	**1 605**	(1 605)	-100%	**9 628**
Planning and development			1 737	1 737	–	–	290	(290)	-100%	1 737
Road transport			7 891	7 891	–	–	1 315	(1 315)	-100%	7 891
Environmental protection			–	–	–	–	–	–		–
Trading services		–	**27 422**	**27 422**	**1 088**	**1 088**	**4 570**	(3 482)	-76%	**27 422**
Energy sources			8 172	8 172	627	627	1 362	(735)	-54%	8 172
Water management			3 380	3 380	–	–	563	(563)	-100%	3 380
Waste water management			14 633	14 633	461	461	2 439	(1 978)	-81%	14 633
Waste management			1 237	1 237	–	–	206	(206)	-100%	1 237
Other			100	100	–	–	17	(17)	-100%	100
Total Capital Expenditure - Functional Classification	3	–	**56 912**	**56 912**	**1 817**	**1 816**	**9 485**	**(7 669)**	**-81%**	**56 912**
Funded by:										
National Government			31 644	31 644	1 799	1 799	5 274	(3 475)	-66%	31 644
Provincial Government			–	–	–	–	–	–		–
District Municipality			1 965	1 965	–	–	328	(328)	-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**	**1 799**	**1 799**	**5 602**	**(3 802)**	**-68%**	**33 610**
Borrowing	6		–	–	–	–	–	–		–
Internally generated funds			23 303	23 303	18	17	3 884	(3 867)	-100%	23 303
Total Capital Funding		–	**56 912**	**56 912**	**1 817**	**1 816**	**9 485**	**(7 669)**	**-81%**	**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 – M02 August 2020

Description	Ref	2019/20	Budget Year 2020/21			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash			4 710	4 710	33 798	4 710
Call investment deposits			42 389	42 389	107 424	42 389
Consumer debtors			81 061	81 061	64 838	81 061
Other debtors			44 682	44 682	26 154	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**	**241 466**	**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**	**2 470 714**	**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	85 999	133 730
Provisions			29 649	29 649	29 649	29 649
Total current liabilities		–	**190 365**	**190 365**	**142 634**	**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**	**312 826**	**360 557**
NET ASSETS	2	–	**2 050 785**	**2 050 785**	**2 157 888**	**2 050 785**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 050 785	2 050 785	2 157 888	2 050 785
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 050 785**	**2 050 785**	**2 157 888**	**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 – M02 August 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	33 201	49 822	29 134	20 688	71%	174 803
Service charges			424 039	424 039	31 793	81 386	70 673	10 712	15%	424 039
Other revenue			53 022	53 022	4 181	6 788	8 837	(2 049)	-23%	53 022
Transfers and Subsidies - Operational			145 612	145 612	1 764	64 376	24 269	40 107	165%	145 612
Transfers and Subsidies - Capital			38 356	38 356	–	8 068	6 393	1 676	26%	38 356
Interest			18 957	18 957	1 255	1 712	3 160	(1 448)	-46%	18 957
Dividends							–	–		–
Payments										
Suppliers and employees			(815 350)	(815 350)	(83 851)	(208 172)	(135 892)	72 280	-53%	(815 350)
Finance charges			(1 388)	(1 388)	(138)	(282)	(231)	50	-22%	(1 388)
Transfers and Grants			(761)	(761)	–	–	(127)	(127)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**37 290**	**37 290**	**(11 795)**	**3 698**	**6 215**	**2 517**	**41%**	**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)	(2 090)	(2 090)	(9 485)	(7 396)	78%	(56 912)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(56 912)**	**(2 090)**	**(2 090)**	**(9 485)**	**(7 396)**	**78%**	**(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)	(712)	(1 418)	(1 601)	(183)	11%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(712)**	**(1 418)**	**(1 601)**	**(183)**	**11%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(29 230)**	**(29 230)**	**(14 597)**	**190**	**(4 872)**			**(29 230)**
Cash/cash equivalents at beginning:			76 328	76 328		141 032	76 328			141 032
Cash/cash equivalents at month/year end:		–	47 099	47 099		141 221	71 457			111 802

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

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

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

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

Below is an analysis of the outstanding consumer debtors as at 30 Jun 2020, compared to the position as at 31 August 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 August 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	12 481	3 259	2 187	1 810	1 929	1 830	8 670	29 125	61 292
Trade and Other Receivables from Exchange Transactions - Electricity	25 120	1 757	1 349	1 143	1 063	923	2 254	8 087	41 696
Receivables from Non-exchange Transactions - Property Rates	43 092	1 484	1 128	901	880	735	2 051	24 455	74 726
Receivables from Exchange Transactions - Waste Water Management	7 199	1 259	973	868	869	813	3 860	12 535	28 375
Receivables from Exchange Transactions - Waste Management	4 905	1 204	1 070	1 009	963	915	4 882	16 944	31 892
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	0	50	37	32	32	64	876	17 943	19 035
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(11 057)	419	404	320	382	314	1 618	10 562	2 963
Total By Income Source	**81 740**	**9 432**	**7 148**	**6 082**	**6 119**	**5 595**	**24 212**	**119 651**	**259 979**
									–
Debtors Age Analysis By Customer Group									
Organs of State	3 822	426	452	369	338	382	837	3 142	9 769
Commercial	7 827	542	480	407	406	412	743	3 491	14 308
Households	70 091	8 465	6 216	5 306	5 375	4 800	22 631	113 018	235 901
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**81 740**	**9 432**	**7 148**	**6 082**	**6 119**	**5 595**	**24 212**	**119 651**	**259 979**

The aforementioned analysis indicates that from 30 June 2020 to 31 August 2020, the overdue debts have increased from R 8,982 million from R 169,257 million to R 178,238 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**31-Aug-20**	**Difference**
Trade and Other Receivables from Exchange Transactions - Water	44 912	48 811	3 898
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	16 576	639
Receivables from Non-exchange Transactions - Property Rates	31 419	31 635	216
Receivables from Exchange Transactions - Waste Water Management	19 681	21 176	1 495
Receivables from Exchange Transactions - Waste Management	25 254	26 987	1 732
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	19 035	537
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	14 020	464
Total By Income Source	**169 257**	**178 238**	**8 982**
	–	–	
Debtors Age Analysis By Customer Group	–		
Organs of State	5 386	5 947	561
Commercial	6 049	6 481	433
Households	157 822	165 810	7 988
Other	–	–	
Total By Customer Group	**169 257**	**178 238**	**8 982**

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	34 380	–	–	–	–	–	–	–	**34 380**
Bulk Water	0	(0)	–	0	–	0	11	(167)	**(156)**
PAYE deductions									**–**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	4 061	290	1 292	16	395	66	770	149	**7 039**
Auditor General									**–**
Other									**–**
Total By Customer Type	**38 441**	**290**	**1 292**	**16**	**395**	**66**	**780**	**(18)**	**41 263**

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

Eskom	R 34,380 million
Other Creditors	R 6,883 million
TOTAL	**R 41,263 million**

It is to be noted that the Eskom amount of R 34,380 million, represents the current account for August 2020, which will be fully paid on 23 September 2020.

3. Investment Portfolio

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

	Balance as at 30 June 2020	INVESTED	INTEREST	WITHDRAWN	CHARGES	Balance as at 31 August 2020
Standard Bank	11 052 012	-	63 861	-		11 115 872
ABSA	29 118 474	-	110 562	10 000 000	235	19 228 801
Nedbank	14 049 368	-	82 280	-		14 131 648
RMB	50 227 524	28 847 232	361 754	34 443 550		44 992 960
INVESTEC	17 846 936	-	107 561	-		17 954 496
Total	**122 294 314**	**28 847 232**	**726 017**	**- 44 443 550**	**- 235**	**107 423 778**
INVESTMENT	**Balance as at 30 June 2020**	**INVESTED**	**INTEREST**	**WITHDRAWN**	**CHARGES**	**Balance as at 31 August 2020**
General Account	74 231 786	354 232	365 555	12 264 268	235	62 687 070
Conditional Grants	48 054 952	28 493 000	360 420	32 179 282	-	44 729 090
Housing Funds	7 576	-	42	-	-	7 617
Total	**122 294 314**	**28 847 232**	**726 017**	**- 44 443 550**	**- 235**	**107 423 778**
Bank	18 737 370	15 060 276				33 797 646
Total	**141 031 684**	**43 907 508**	**726 017**	**- 44 443 550**	**- 235**	**141 221 424**

The increase in the investment portfolio since 30 June 2020 amounts to R 189,740.
The following analysis indicates the extent to which the investments are committed:

<u>Cash backed Reserves</u>

Bank Balances and Cash	R 33,797,646
Short-term Investment Deposits	R107,423,778
	R141,221,424

<u>Application of Cash</u>

Unspent Conditional Grants	44,736,708
Internally Generated Funds	23,285,258
Outstanding Creditors Liability	41,262,768
	109,284,734
Reserves in excess of commitments	**31,936,690**

The cash backed reserves exceed the commitments at this stage by an amount of R 31,936,690. It should be noted that the excess of reserves over commitments as at 31 August 2020, is mainly due to an amount of R 61,492 million in respect of the Equitable share allocation received on 07 July 2020, but not yet fully spent.

These funds are already committed towards spending in the 2020/21 Operating budget.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M02 August 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**	**1 764**	**63 681**	**20 540**			**123 238**
Operational Revenue:General Revenue:Equitable Share	119 105	119 105	–	61 492	61 492			119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	264	264	264			1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	1 500	1 500	1 500			1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	–	425	425			1 579
District Municipality:	**3 815**	**3 815**	**–**	**695**	**695**			**3 815**
Environmental Health Subsidy	**3 815**	**3 815**	**–**	**695**	**695**			**3 815**
Total Operating Transfers and Grants	**127 053**	**127 053**	**1 764**	**64 376**	**64 376**			**127 053**
Capital Transfers and Grants								
National Government:	36 391	36 391	–	8 068	8 068			36 391
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	–					5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	–	8 068	8 068			29 999
Municipal Disaster Relief Grant	1 192	1 192	–	–				1 192
District Municipality:	**1 965**	**1 965**	**–**	**–**				**1 965**
Fire Services Subsidy	1 965	1 965						1 965
Total Capital Transfers and Grants	**38 356**	**38 356**	**–**	**8 068**	**8 068**			**38 356**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	165 409	165 409	1 764	72 444	72 444			165 409

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 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**	**211**	**62 171**	**62 269**	**(98)**	**-0.2%**	**123 238**
Operational Revenue:General Revenue:Equitable Share	119 105	119 105	–	61 492	61 492	–	0.0%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054		264	264	–	0.0%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	58	109	250	(141)	-56.3%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	153	306	263	43	16.2%	1 579
District Municipality:	**3 815**	**3 815**	**–**	**695**	**695**	–	0.0%	**3 815**
Environmental Health Subsidy	**3 815**	**3 815**	**–**	**695**	**695**	–	0.0%	**3 815**
Total Operating Transfers and Grants	**127 053**	**127 053**	**211**	**62 866**	**62 964**	**(98)**	**-0.2%**	**127 053**
Capital Transfers and Grants								
National Government:	36 391	36 391	2 069	2 069	2 069	–	**0.0%**	36 391
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	675	675	675	–	0.0%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	1 394	1 394	1 394	–	0.0%	29 999
Municipal Disaster Relief Grant	1 192	1 192	–	–		–		1 192
District Municipality:	**1 965**	**1 965**	**–**	**–**		–		**1 965**
Fire Services Subsidy	1 965	1 965				–		1 965
Total Capital Transfers and Grants	**38 356**	**38 356**	**2 069**	**2 069**	**2 069**	**–**	**0.0%**	**38 356**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**165 409**	**165 409**	**2 281**	**64 935**	**65 033**	**(98)**	**-0.2%**	**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

<u>Grants received from National Government</u>

<u>DORA Operating Grants</u>

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 1,500,000
Expenditure to date:	R 109,338
Unspent as at 31 August 2020:	R 1,390,662

The spending of the grant amounted to 7.29% as at 31 August 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 1,054,000
Amount of Grant Received:	R 264,000
Expenditure to date:	R 592,007
Overspent as at 31 August 2020:	R -328,007

<u>DORA Capital Grants</u>

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 1,699,815
Unspent as at 31 August 2020:	R 6,793,185

The spending of the grant amounted to 20.01% as at 31 August 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 675,289
Overspent as at 31 August 2020:	R -675,289

5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M02 August 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							%	
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 104	9 104	711	1 421	1 517	(96)	-6%	9 104
Medical Aid Contributions	–	–	10	19	–	19	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	237	474	514	(40)	-8%	3 081
Cellphone Allowance	1 465	1 465	104	207	244	(37)	-15%	1 465
Sub Total - Councillors	**13 651**	**13 651**	**1 061**	**2 121**	**2 275**	**(154)**	**-7%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	8 253	8 253	488	977	1 376	(399)	-29%	8 253
Pension and UIF Contributions	24	24	9	19	4	15	368%	24
Medical Aid Contributions	–	–	4	8	–	8	#DIV/0!	–
Performance Bonus	180	180	–	–	30	(30)	-100%	180
Motor Vehicle Allowance	857	857	56	112	143	(31)	-22%	857
Cellphone Allowance	8	8	1	2	1	0	20%	8
Other benefits and allowances	55	55	1	2	9	(7)	-81%	55
Payments in lieu of leave	1 849	1 849	–	27	308	(282)	-91%	1 849
Sub Total - Senior Managers of Municipality	**11 226**	**11 226**	**559**	**1 146**	**1 871**	**(725)**	**-39%**	**11 226**
Other Municipal Staff								
Basic Salaries and Wages	198 870	198 870	15 513	31 241	33 145	(1 904)	-6%	198 870
Pension and UIF Contributions	31 286	31 286	2 662	5 339	5 214	125	2%	31 286
Medical Aid Contributions	16 124	16 124	1 388	2 768	2 687	81	3%	16 124
Overtime	30 944	30 944	2 476	5 018	5 157	(139)	-3%	30 944
Motor Vehicle Allowance	8 053	8 053	732	1 476	1 342	134	10%	8 053
Housing Allowances	1 058	1 058	72	145	176	(31)	-18%	1 058
Other benefits and allowances	31 481	31 481	802	1 551	5 247	(3 695)	-70%	31 481
Payments in lieu of leave	19	19	165	286	3	283	8826%	19
Long service awards	1 496	1 496	28	385	249	136	54%	1 496
Sub Total - Other Municipal Staff	**319 332**	**319 332**	**23 839**	**48 210**	**53 222**	**(5 012)**	**-9%**	**319 332**
Total Parent Municipality	**344 210**	**344 210**	**25 460**	**51 477**	**57 368**	**(5 891)**	**-10%**	**344 210**
TOTAL SALARY, ALLOWANCES & BENEFITS	**344 210**	**344 210**	**25 460**	**51 477**	**57 368**	**(5 891)**	**-10%**	**344 210**
TOTAL MANAGERS AND STAFF	**330 559**	**330 559**	**24 398**	**49 356**	**55 093**	**(5 737)**	**-10%**	**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**	**Approved Budget 2020/21**	**Actuals as at 31 August 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.10%	1.20%
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	0.96	1.69
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.25	0.99
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	85%	66.39%

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	Approved Budget 2020/21	Actuals as at 31 August 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	1.42
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.82%	34.95%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	3.19%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	3.34%	2.48%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	1.68%	0.18%
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%	73.62%

The above table is discussed in detail below.

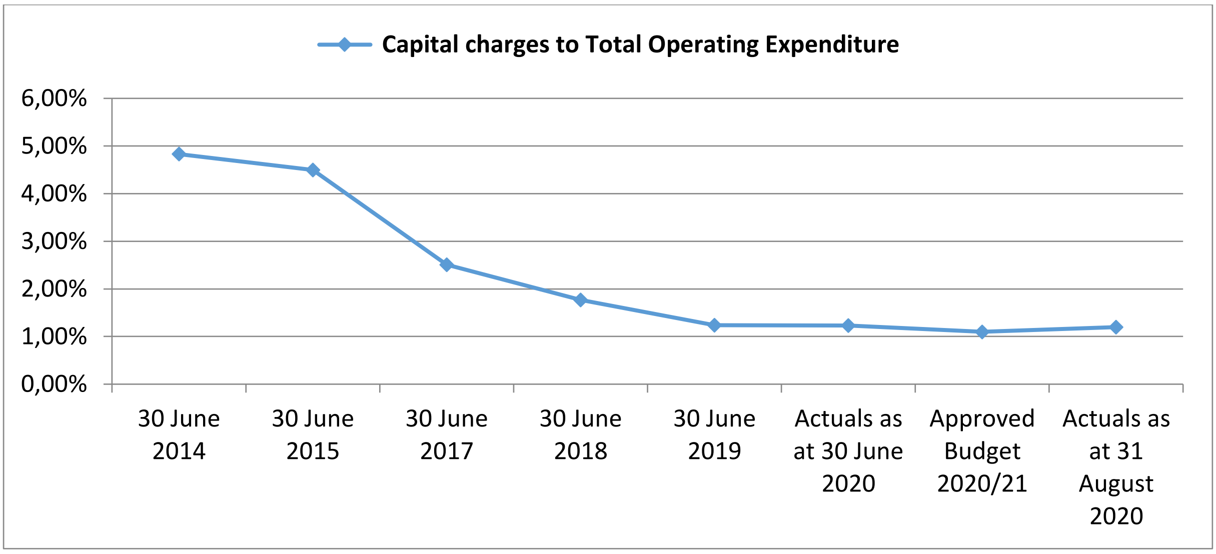
5.1. Borrowing Management

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 1.20% of the Total Operating Expenditure was utilised for capital charges as at 31 August 2020, compared to the approved 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.

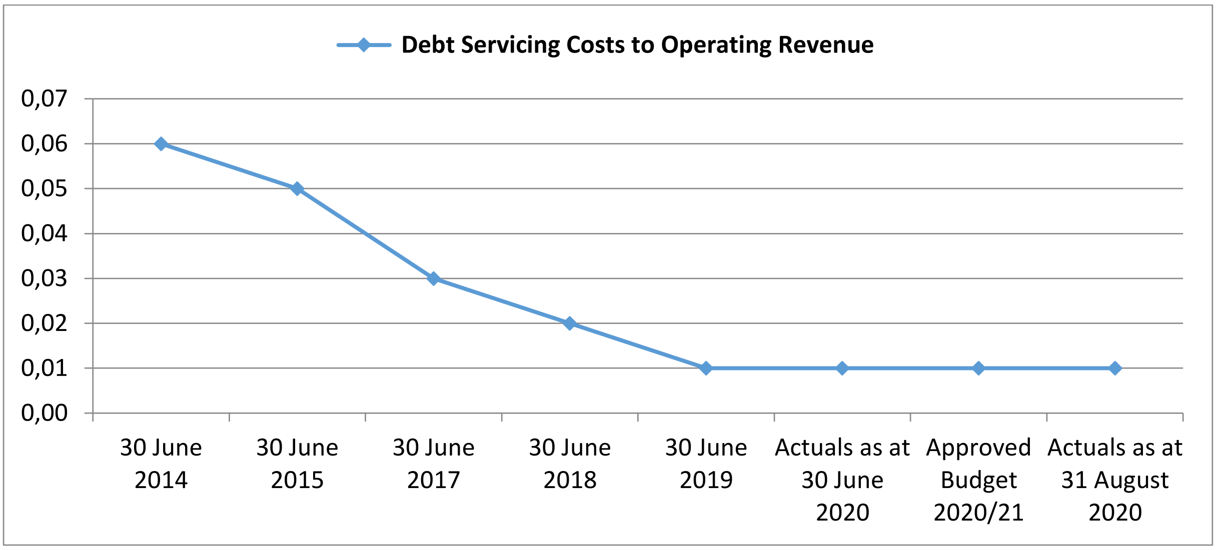
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 August 2020, the ratio was 0.01:1, compared to the approved 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:

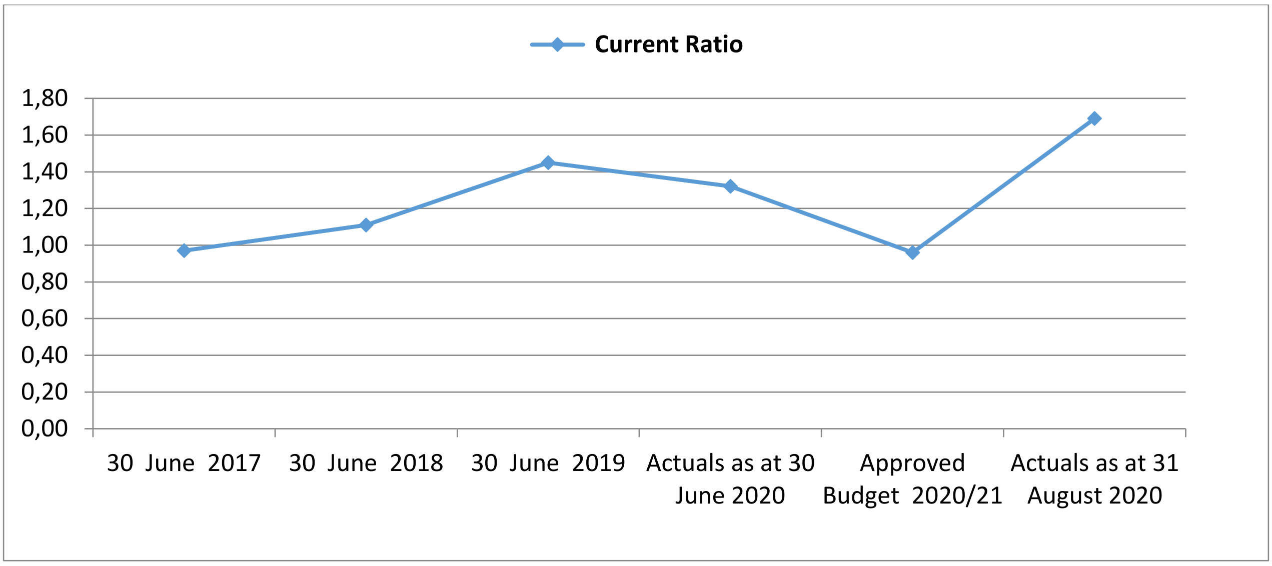
Current assets/Current liabilities

The ratio as at 31 August 2020 was 1.69:1, compared to the approved 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

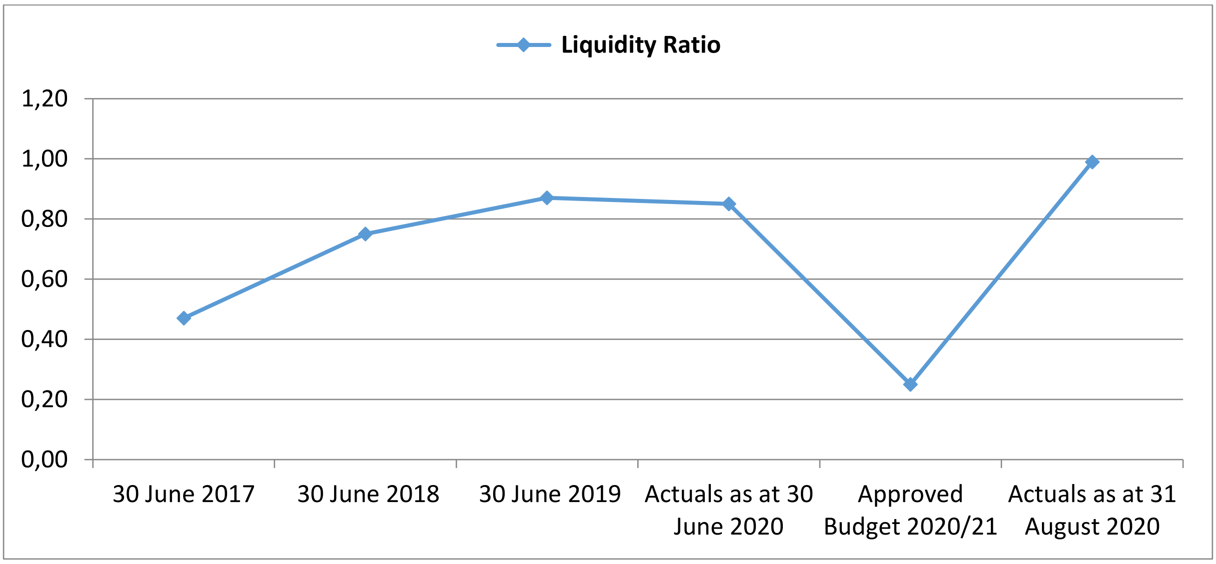
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 August 2020 was 0.99:1, 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

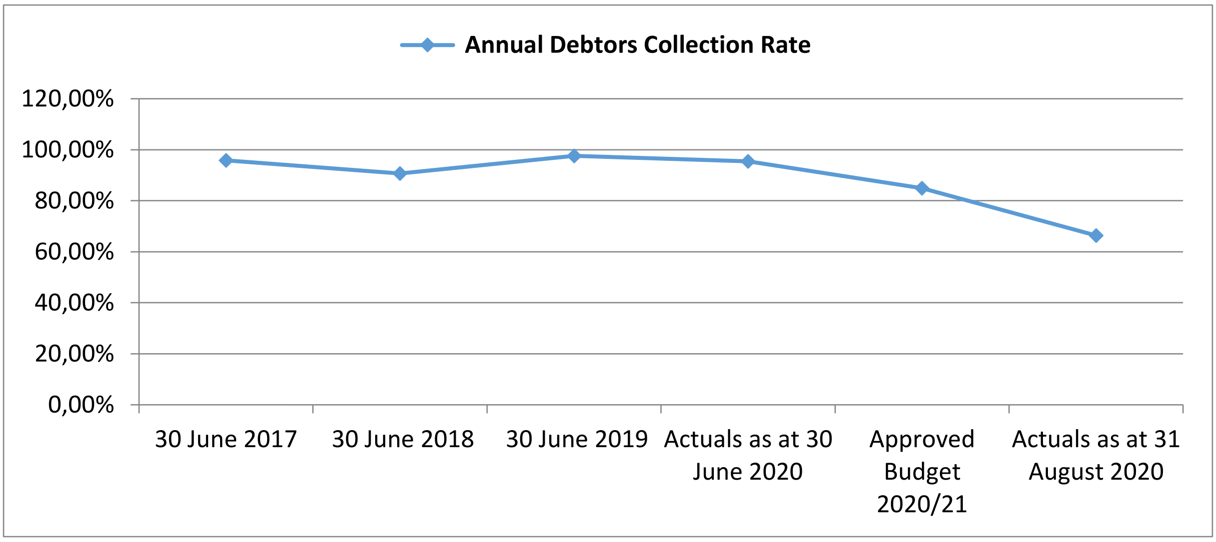
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 August 2020 was 66.39%, compared to the approved budget collection rate of 85%. The actual collection rate for August is 50.87%. 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.

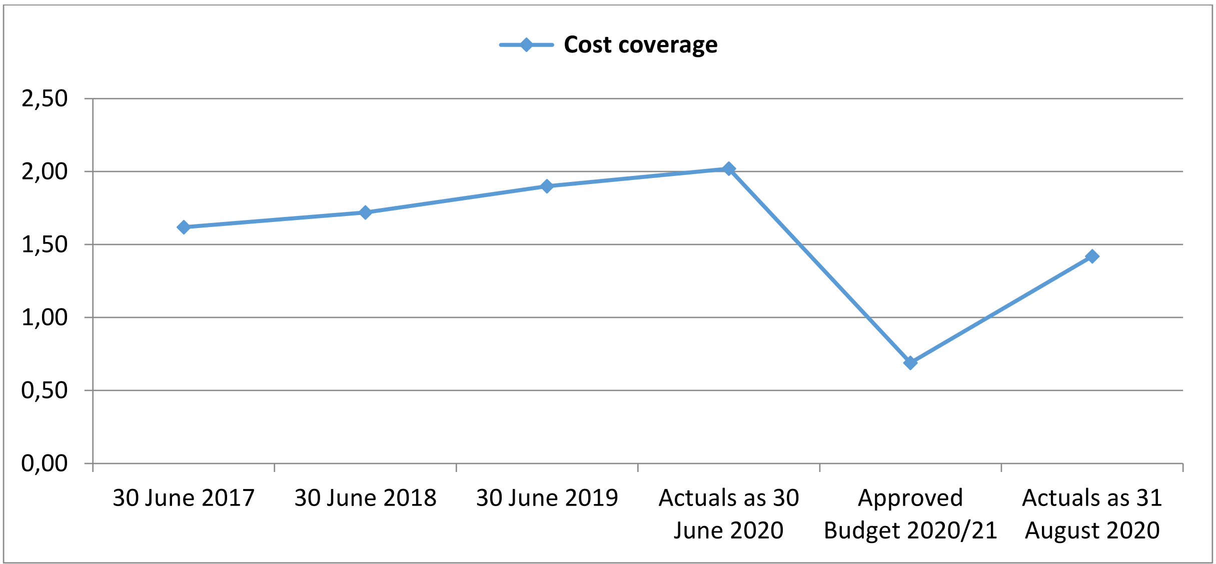
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 August 2020, the Ratio was 1.42 months, compared to the approved budget ratio of 0.69 months.

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



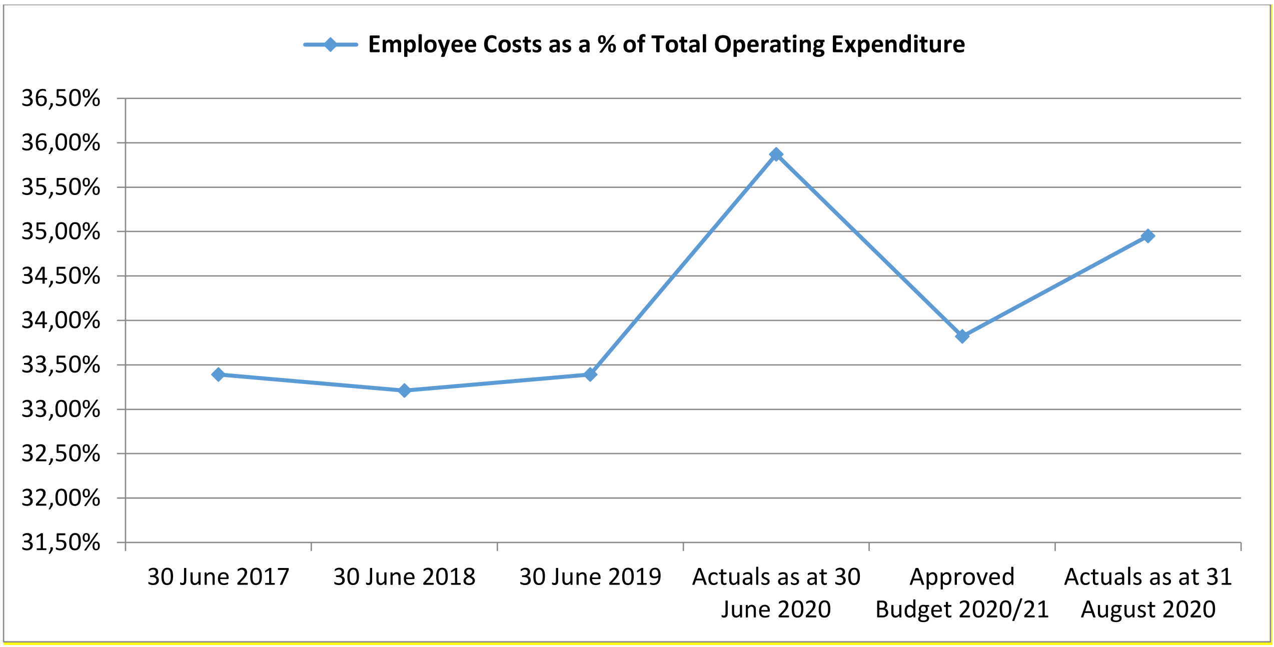
5.4.2. Employee costs as a % of Total Operating Expenditure

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 August 2020, Employee Related Costs constituted 34.95% of the Total Operating Expenditure compared to the approved budget ratio 33,82%.



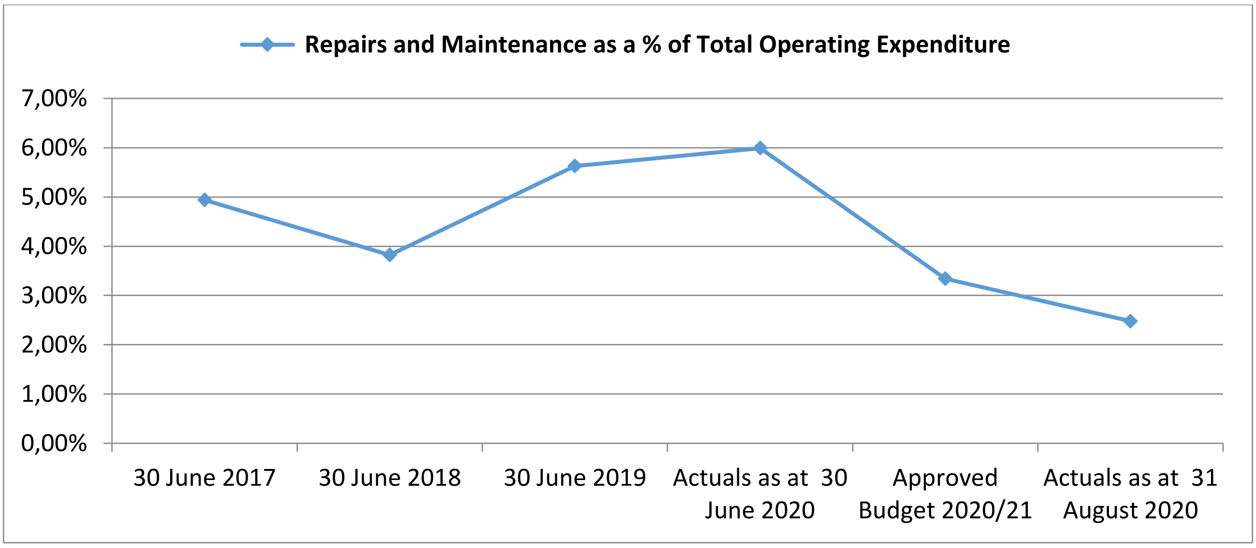
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 August 2020, the ratio was 2.48%, compared to the approved budget ratio of 3.34%.



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

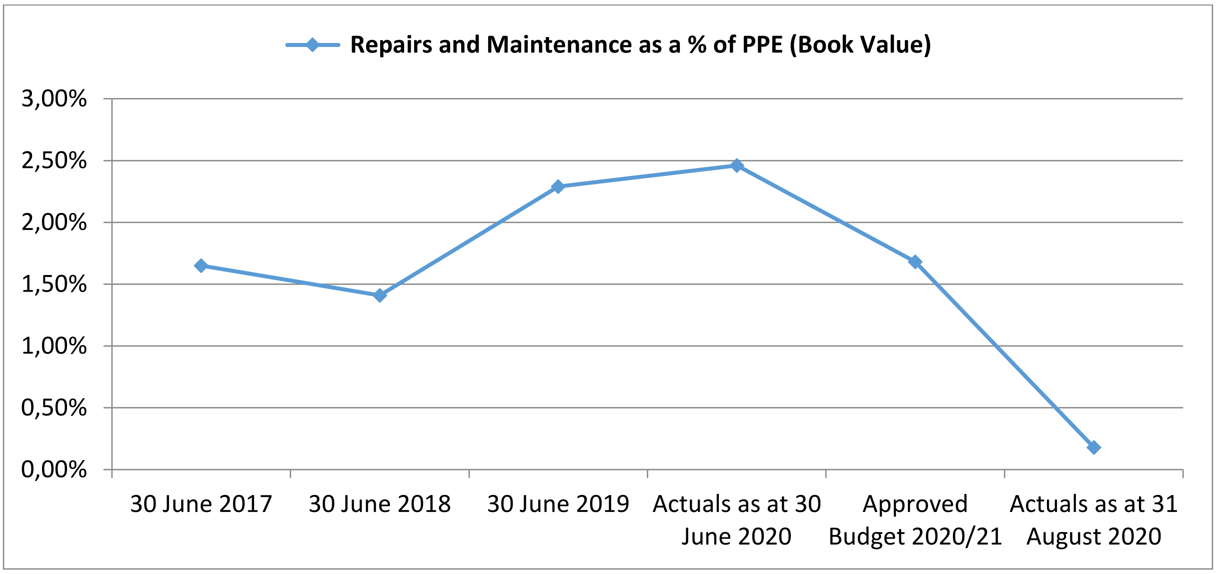
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 August 2020, repairs and maintenance expenditure constituted 0.18% 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%.



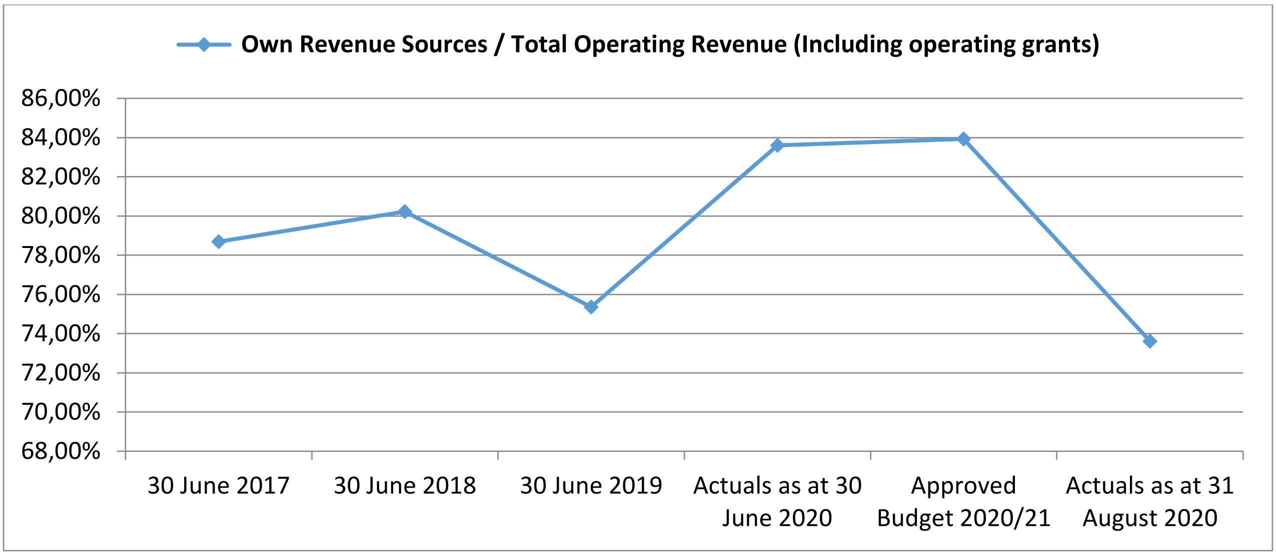
5.4.5. Own Revenue Generation

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 August 2020, the Municipality's own revenue sources constituted 73.62% of its total Operating Income, compared to the approved 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 August 2020 amounted to 3.19% compared to the approved budget ratio of 95%.