KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

………

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO OCTOBER 2020 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 OCTOBER 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 October 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 365,456 million, whilst operating expenditure amounted to R 278,913 million, resulting in an operating surplus of R 86,543 million.
- Capital expenditure constituted 9,05% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 33,401 million (19,73%) since June 2020.

- An amount of R 35,846 million is owing to creditors, of which R 33,161 million (92,51%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 1,649,965 (1,17%) since June 2020, from R 141,031,684 to R 142,681,649.

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 October 2019	Actuals as at 31 October 2020	Adjustment Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	2.93:1	1.69:1	0.96:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	2.29:1	1.04:1	0.33:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	2.09 Months	1.44 Months	1.04 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	89.25%	89.52%	85%
Capital Expenditure	72.92%	73.82%	75.33%	22.30%	9.05%	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 October 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.

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 ____13 November 2020_____________________

Annexure “A1”

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

Below is an analysis of the operating revenue and expenditure performance

Description	Budget Year		
	Adjusted Budget	Actuals as at 31 October 2020	%
R thousands			
Revenue By Source			
Property rates	205 650	110 739	53,85%
Service charges - electricity revenue	291 625	103 449	35,47%
Service charges - water revenue	81 846	27 953	34,15%
Service charges - sanitation revenue	53 555	18 975	35,43%
Service charges - refuse revenue	54 690	19 285	35,26%
Rental of facilities and equipment	4 083	260	6,37%
Interest earned - external investments	13 013	1 495	11,49%
Interest earned - outstanding debtors	6 993	2 700	38,61%
Fines, penalties and forfeits	6 685	265	3,97%
Licences and permits	20 714	9 378	45,27%
Transfers and subsidies	166 000	62 930	37,91%
Other revenue	21 540	8 026	37,26%
Total Revenue (excluding capital transfers and contributions)	**926 393**	**365 456**	**39,45%**
Expenditure By Type			
Employee related costs	348 729	101 027	28,97%
Remuneration of councillors	13 651	4 248	31,12%
Debt impairment	58 222	7	0,01%
Depreciation & asset impairment	89 271	24 509	27,45%
Finance charges	1 388	526	37,92%
Bulk purchases	246 173	98 309	39,93%
Other materials	60 866	8 067	13,25%
Contracted services	71 808	15 950	22,21%
Transfers and subsidies	761	–	0,00%
Other expenditure	101 735	26 270	25,82%
Total Expenditure	**992 604**	**278 913**	**28,10%**
Surplus/(Deficit)	**(66 211)**	**86 543**	

The statement of financial performance indicates a surplus of R 86,543 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 31 October 2020, the Municipality has recognised 53,85% 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

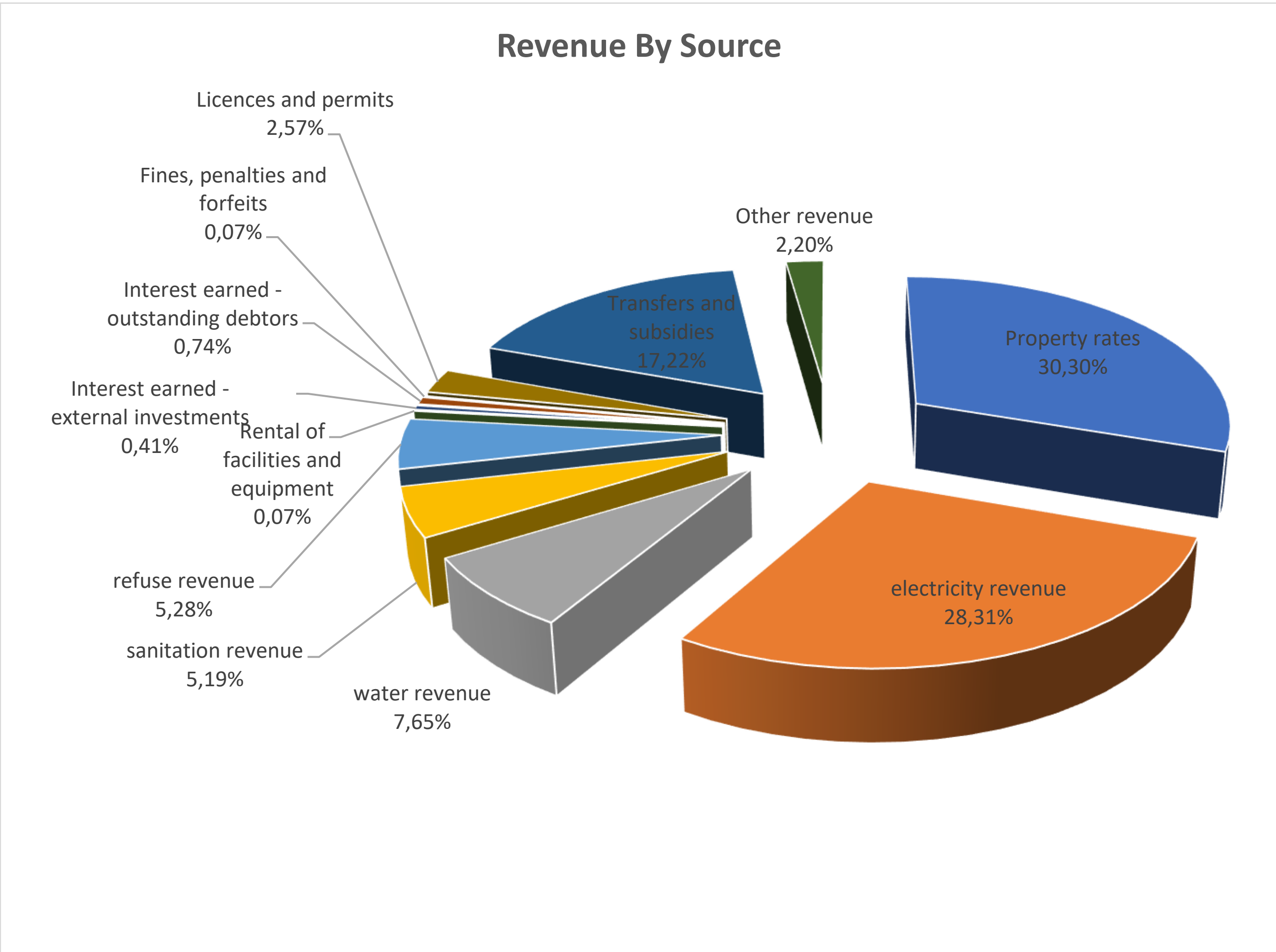
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 142,682 million.

Fines, penalties and forfeits

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

Licences and permits

This is largely influenced by the extent of vehicle registrations.



Expenditure Variations

Bad Debts

Bad debts are written off upon Council approval.

Bulk purchases

Item Description	Approved Budget 2020/21	Actuals as at 31 October 2020	%
Bulk Purchases - Electricity	246 173 454	98 308 808	39.93%

Other materials

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

Transfers and subsidies

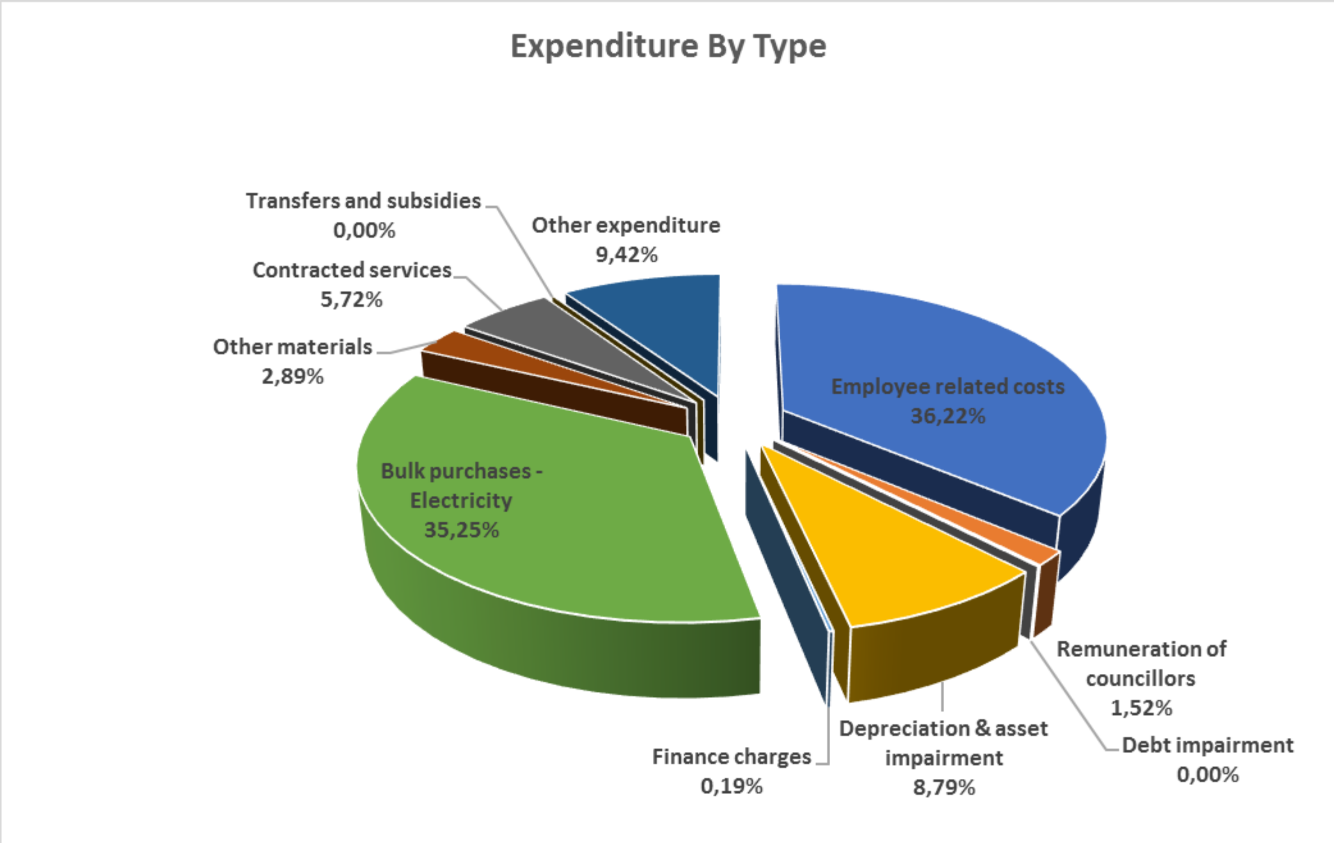
Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy.

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 October 2020	%
Consultants and Professional Services	10 740 448	375 654	3.50%
Drivers Licence Cards	850 000	100 093	11.78%
Transport Services	397 556	1 800	0.45%
Dune Stabilisation	6 759 604	4 215 460	62.36%
Valuer	2 082 451	24 455	1.17%
Other Contracted Services	1 520 011	183 978	12.10%
Legal Advice and Litigation	2 449 703	664 035	27.11%
Maintenance of Buildings and Facilities	4 633 303	1 074 046	23.18%
Catering Services	467 385	23 103	4.94%
Maintenance of Vehicles	6 558 120	1 795 980	27.39%
Qualification Verification	800 000	239 600	29.95%
Maintenance of Water Infrastructure	1 653 900	143 097	8.65%
Maintenance of Equipment	619 275	90 757	14.66%
Burial Services	202 250	1 050	0.52%
Roads Maintenance	11 000 000	2 259 922	20.54%
Medical Health Services & Support	600 000	366 605	61.10%
Maintenance of Electrical Infrastructure	2 266 032	1 148 263	50.67%
Maintenance of Sanitation Infrastructure	1 339 000	384 168	28.69%
Laboratory Services:Water	702 408	41 482	5.91%
Special Rating Area	7 350 000	1 370 721	18.65%
Internal Auditors	450 000	-	0.00%
Legal Cost:Collection	1 250 000	207 588	16.61%
Security Services	2 239 147	863 313	38.56%
Occupational Health and Safety	73 150	-	0.00%
Animal Care	400 000	-	0.00%
Personnel and Labour	1 432 000	260 797	18.21%
Professional Staff	482 230	58 400	12.11%
Employee Wellness	250 000	55 745	22.30%
Call Centre	250 000	-	0.00%
Clearing and Grass Cutting Services	790 000	-	0.00%
Litter Picking and Street Cleaning	1 200 000	-	0.00%
Total	**71 807 973**	**15 950 114**	**22.21%**



Repairs and Maintenance

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

Item Description	Budget Year 2020/21		
	Adjusted Budget	Actuals as at 31 October 2020	%
Maintenance of Equipment	476 850	81 010	16.99%
Maintenance of Vehicles	7 525 931	2 212 946	29.40%
Maintenance of Buildings and Facilities	4 929 198	1 110 844	22.54%
Maintenance of Water Infrastructure	4 932 575	1 179 987	23.92%
Roads Maintenance	11 049 000	2 259 922	20.45%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	169 257	51.53%
Maintenance of Electrical Infrastructure	5 003 220	2 505 143	50.07%
Maintenance of Sanitation Infrastructure	2 696 403	757 345	28.09%
Hire Charges	3 276 076	715 908	21.85%
Other Contracted Services	267 519	53 700	20.07%
Total	**40 545 222**	**11 046 062**	**27.24%**

It is to be noted that actual repairs and maintenance expenditure constituted 27.24% of the 2020/21 Adjusted Budget.

Annexure “A2”

CAPITAL BUDET PERFORMANCE

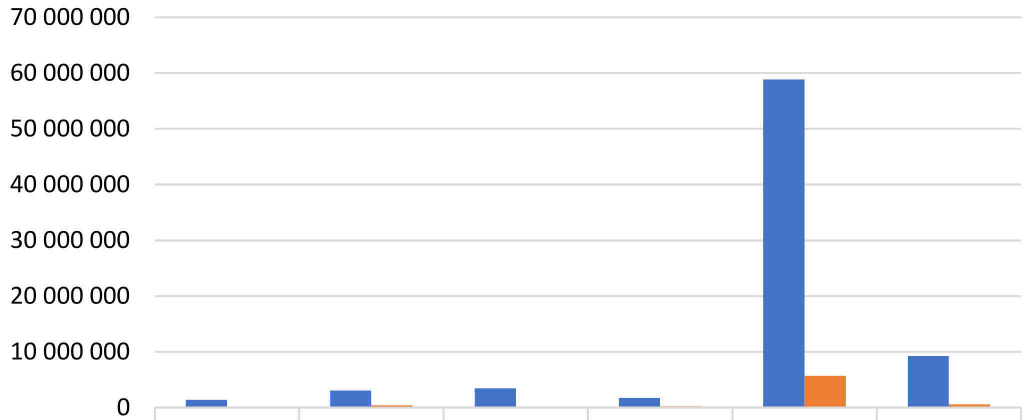
Below is an analysis of the capital expenditure compared to the 2020/21 Adjusted Capital Budget.

Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 October 2020	%
Executive & Council				
Computer Equipment	Internal	147 445,00	26 000,00	17,63%
Vehicle	Internal	400 000,00	-	0,00%
Furniture and Equipment	Internal	16 847,00	-	0,00%
Ward councilors Capital project	Internal	850 000,00	50 300,00	5,92%
		1 414 292,00	**76 300,00**	**5,39%**
Corporate Services				
EDMS	Internal	1 560 455,00	-	0,00%
Library upgrade – Corporate Services	Internal	22 000,00	-	0,00%
Computer Software and Applications	Internal	434 000,00	-	0,00%
Computer Equipment	Internal	402 220,00	-	0,00%
Fencing of municipal building	Internal	100 000,00	-	0,00%
Bio-metric System	Internal	600 000,00	-	0,00%
Furniture and Equipment	Internal	352 446,00	10 848,00	3,08%
		3 471 121,00	**10 848,00**	**0,31%**
Finance				
SCM Furniture	Internal	327 833,00	316 426,00	96,52%
Computer Equipment	Internal	900 000,00	107 200,00	11,91%
Furniture and Equipment	Internal	141 005,00	-	0,00%
Cibex Software	Internal	681 497,00	-	0,00%
WIFI Solution	Internal	75 904,00	-	0,00%
Machinery and Equipment	Internal	156 465,00	-	0,00%
DISASTER RECOVERY SERVER	Internal	637 267,00	-	0,00%
Office upgrade ICT	Internal	153 950,00	-	0,00%
		3 073 921,00	**423 626,00**	**13,78%**
Planning, Development and Tourism				
Land acquisition housing projects	Internal	360 000,00	-	0,00%
Computer Software and Applications	Internal	315 000,00	37 250,00	11,83%
Vehicles	Internal	400 000,00	-	0,00%
Computer Equipment	Internal	30 000,00	-	0,00%
Furniture and equipment	Internal	250 000,00	223 750,00	89,50%
Restoration of Fisherman Grave Site	Internal	100 000,00	-	0,00%
Kouga Business Support Centre	Internal	300 000,00	-	0,00%
Housing Projects	Distr	1,00	-	0,00%
		1 755 001,00	**261 000,00**	**14,87%**
Community Services				
Vehicle	Internal	1 296 500,00	-	0,00%
Vehicle	Distr	5 118 200,00	-	0,00%
Jack Hammer and water pump	Internal	250 000,00	-	0,00%
Kouga Skip Bins	Internal	200 000,00	-	0,00%
Machinery and Equipment (Security Cameras System)	Internal	750 000,00	-	0,00%
Fleet Management	Internal	100 000,00	77 200,00	77,20%
Machinery and Equipment	Internal	647 638,00	237 600,00	36,69%
Computer Equipment	Internal	30 000,00	-	0,00%
Furniture and Equipment	Internal	144 760,00	120 350,00	83,14%
Fencing Humansdorp Fire Station	Internal	200 000,00	-	0,00%
Upgrading of Sports Facilities	Internal	153 457,00	20 828,87	13,57%
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000,00	81 380,00	54,25%
Fencing Community Hall	Internal	200 000,00	39 400,00	19,70%
		9 240 555,00	**576 758,87**	**6,24%**

Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 October 2020	%
Infrasturcture and Engineering				
Saffery Substation	Internal	1 000 000,00	-	0,00%
SUBSTATION SECURITY	Internal	200 000,00	-	0,00%
Replace 250mm Water Main Canal Road St Francis Ba	Internal	1 000 000,00	-	0,00%
Repair Leaking Concrete Water Tower Paradise Beach	Internal	300 000,00	-	0,00%
Replace Main Waterline Sout Rivier Bridge Crossing	Internal	1 000 000,00	-	0,00%
Replace 250mm Water Main Mimosa Street Jbay	Internal	330 000,00	-	0,00%
Upgrade Hankey Water Treatment Works	Internal	600 000,00	-	0,00%
New bypass Sewer Rising Main and Pump Stations Jba	Internal	1 000 000,00	-	0,00%
Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000,00	407 128,80	50,89%
Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	1 000 000,00	-	0,00%
Piped Reticulation - St Francis Bay	Internal	1 500 000,00	-	0,00%
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086,00	684 710,87	22,50%
Electrcial supply of tri switches St francis Bay	Internal	200 000,00	-	0,00%
Machinery & Equipment	Internal	300 000,00	22 494,60	7,50%
Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935,00	-	0,00%
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739,00	926 636,90	20,49%
Humansdorp, Kruisfontein and Osean View Electrific	Internal	800 000,00	-	0,00%
Electrical Oil circuit breakers replacement with v	Internal	800 000,00	-	0,00%
Electrcial Supply auto recloser St Francis Bay	Internal	400 000,00	-	0,00%
Electrcial 5 MV 22000/11000 transformer	Internal	1 406 000,00	1 222 570,40	86,95%
Kouga Backup Generators	Internal	500 000,00	-	0,00%
Upgrade Sanitation System Old Hankey	MIG	6 333 460,00	988 579,35	15,61%
Construct emergency overflow pond Koraal Sewer pu	Internal	1 300 000,00	-	0,00%
Upgrade Loerie sewer pump station	Internal	1 600 000,00	-	0,00%
Upgrading of Gravel Roads in Humansdorp	MIG	7 890 511,00	-	0,00%
Container toilets	Internal	1 100 000,00	-	0,00%
Fencing Main Substation Jeffrey's Bay	Internal	500 000,00	-	0,00%
Substations Movements in Ocean View	Internal	3 000 000,00	-	0,00%
Roads Capital	Internal	2 500 000,00	-	0,00%
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413,00	-	0,00%
Security Camera	Internal	150 000,00	-	0,00%
LV Networks (Informal Areas, Electrification/illeg	Internal	1 000 000,00	167 560,00	16,76%
Purchase of mini sub station 11000/400,22000/400	Internal	422 552,00	-	0,00%
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154,00	-	0,00%
Upgrading of Sports Facilities	MIG	5 682 636,00	1 268 848,13	22,33%
		58 845 486,00	**5 688 529,05**	**9,67%**
Total		**77 800 376,00**	**7 037 061,92**	**9,05%**
Internally generated funds		42 074 262,00	3 852 997,54	9,16%
Transfers recognised - capital		35 726 114,00	3 184 064,38	8,91%
		77 800 376,00	**7 037 061,92**	**9,05%**

It is to be noted that capital expenditure as at 31 October 2020 amounted to 9.05%, compared to the adjusted capital budget of R 77,800,376.

Capital Expendituire



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Adjusted Budget 2020/21	1 414 292	3 073 921	3 471 121	1 755 001	58 845 486	9 240 555
Actuals as at 31 October 2020	76 300	423 626	10 848	261 000	5 688 529	576 759

Annexure “A3”

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 October 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 – M04 October 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		117 564	174 803	174 803	22 506	95 058	58 268	36 790	63%	174 803
Service charges		210 608	424 039	493 499	47 480	163 128	164 500	(1 371)	-1%	493 499
Other revenue		43 263	53 022	53 022	8 220	35 043	17 674	17 369	98%	53 022
Transfers and Subsidies - Operational		72 160	145 612	166 000	96	72 063	55 333	16 730	30%	166 000
Transfers and Subsidies - Capital		9 181	38 356	37 164	–	9 181	12 388	(3 207)	-26%	37 164
Interest		4 947	18 957	18 957	1 439	3 507	6 319	(2 812)	-44%	18 957
Dividends		–		–	–	–	–	–		–
Payments										
Suppliers and employees		(445 010)	(815 350)	(921 829)	(81 777)	(363 233)	(307 276)	55 956	-18%	(921 829)
Finance charges		(645)	(1 388)	(1 388)	(119)	(526)	(463)	64	-14%	(1 388)
Transfers and Grants		–	(761)	(761)	–	–	(254)	(254)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**12 067**	**37 290**	**19 466**	**(2 155)**	**14 223**	**6 489**	**(7 734)**	**-119%**	**19 466**
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		(14 085)	(56 912)	(77 800)	(4 386)	(9 699)	(25 933)	(16 235)	63%	(77 800)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(14 085)**	**(56 912)**	**(77 800)**	**(4 386)**	**(9 699)**	**(25 933)**	**(16 235)**	**63%**	**(77 800)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing		(3 605)	(9 608)	(9 608)	(731)	(2 874)	(3 203)	(329)	10%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(3 605)**	**(9 608)**	**(9 608)**	**(731)**	**(2 874)**	**(3 203)**	**(329)**	**10%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(5 623)**	**(29 230)**	**(67 942)**	**(7 273)**	**1 650**	**(22 647)**			**(67 942)**
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		(5 623)	47 099	73 090		142 682	118 384			73 090

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

Table C1 Monthly Budget Statement Summary – M04 October 2020

Description	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
Financial Performance									
Property rates	–	205 650	205 650	12 294	110 739	68 550	42 189	62%	205 650
Service charges	–	481 716	481 716	44 489	169 662	160 572	9 090	6%	481 716
Investment revenue	–	13 013	13 013	325	1 495	4 338	(2 843)	-66%	13 013
Transfers and subsidies	–	145 612	166 000	207	62 930	55 333	7 597	14%	166 000
Other own revenue	–	60 015	60 015	9 160	20 630	20 005	625	3%	60 015
Total Revenue (excluding capital transfers and contributions)	**–**	**906 005**	**926 393**	**66 475**	**365 456**	**308 798**	**56 658**	**18%**	**926 393**
Employee costs	–	336 974	348 729	26 851	101 027	116 243	(15 217)	-13%	348 729
Remuneration of Councillors	–	13 651	13 651	1 065	4 248	4 550	(302)	-7%	13 651
Depreciation & asset impairment	–	89 271	89 271	6 127	24 509	29 757	(5 248)	-18%	89 271
Finance charges	–	1 388	1 388	119	526	463	64	14%	1 388
Materials and bulk purchases	–	305 802	307 040	17 964	106 376	102 347	4 029	4%	307 040
Transfers and subsidies	–	761	761	–	–	254	(254)	-100%	761
Other expenditure	–	248 495	231 765	16 760	42 227	77 255	(35 028)	-45%	231 765
Total Expenditure	**–**	**996 342**	**992 604**	**68 886**	**278 913**	**330 868**	**(51 955)**	**-16%**	**992 604**
Surplus/(Deficit)	**–**	**(90 337)**	**(66 211)**	**(2 411)**	**86 543**	**(22 070)**	**108 613**	**-492%**	**(66 211)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	38 356	37 164	–	3 981	12 388	### ###	-68%	37 164
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)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**	**100 206**	**-1035%**	**(29 047)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**	**100 206**	**-1035%**	**(29 047)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**77 800**	**3 814**	**7 037**	**25 933**	**(18 896)**	**-73%**	**77 800**
Capital transfers recognised	–	33 610	35 726	283	3 184	11 909	(8 725)	-73%	35 726
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	**23 303**	**42 074**	**3 531**	**3 853**	**14 025**	**(10 172)**	**-73%**	**42 074**
Total sources of capital funds	**–**	**56 912**	**77 800**	**3 814**	**7 037**	**25 933**	**(18 896)**	**-73%**	**77 800**
Financial position									
Total current assets	–	182 094	213 364		232 322				213 364
Total non current assets	–	2 229 248	2 311 167		2 320 415				2 311 167
Total current liabilities	–	190 365	221 493		137 762				221 493
Total non current liabilities	–	170 192	163 445		165 319				163 445
Community wealth/Equity	–	**2 050 785**	**2 139 593**		**2 249 655**				**2 139 593**
Cash flows									
Net cash from (used) operating	12 067	37 290	19 466	(2 155)	14 223	6 489	(7 734)	-119%	19 466
Net cash from (used) investing	(14 085)	(56 912)	(77 800)	(4 386)	(9 699)	(25 933)	(16 235)	63%	(77 800)
Net cash from (used) financing	(3 605)	(9 608)	(9 608)	(731)	(2 874)	(3 203)	(329)	10%	(9 608)
Cash/cash equivalents at the month/year end	**(5 623)**	**47 099**	**73 090**	**–**	**142 682**	**118 384**	**(24 297)**	**-21%**	**73 090**

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	35 601	8 700	28 754	6 696	5 348	4 668	25 009	123 482	238 259
Creditors Age Analysis									
Total Creditors	33 161	1 277	171	143	1 232	11	9	(158)	35 846

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) – M04 October 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**	**352 395**	**18 159**	**181 225**	**117 465**	63 760	54%	**352 395**
Executive and council		–	28	28	–	–	9	(9)	-100%	28
Finance and administration		–	331 979	352 367	18 159	181 225	117 456	63 769	54%	352 367
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	**15 620**	**15 620**	**230**	**3 622**	**5 207**	(1 585)	-30%	**15 620**
Community and social services		–	2 498	2 498	28	105	833	(728)	-87%	2 498
Sport and recreation		–	8 085	8 085	194	2 329	2 695	(366)	-14%	8 085
Public safety		–	1 985	1 985	1	624	662	(38)	-6%	1 985
Housing		–	–	(0)	–	–	(0)	0	-100%	(0)
Health		–	3 051	3 051	7	564	1 017	(453)	-45%	3 051
Economic and environmental services		–	**23 813**	**23 813**	**2 872**	**9 479**	**7 938**	1 541	19%	**23 813**
Planning and development		–	7 173	7 173	545	2 215	2 391	(176)	-7%	7 173
Road transport		–	15 252	15 252	2 259	6 749	5 084	1 665	33%	15 252
Environmental protection		–	1 389	1 389	68	515	463	53	11%	1 389
Trading services		–	**572 921**	**571 729**	**45 214**	**175 111**	**190 576**	(15 465)	-8%	**571 729**
Energy sources		–	304 317	304 317	29 532	104 557	101 439	3 118	3%	304 317
Water management		–	100 261	100 261	6 566	28 748	33 420	(4 672)	-14%	100 261
Waste water management		–	93 692	93 692	4 489	21 871	31 231	(9 360)	-30%	93 692
Waste management		–	74 651	73 459	4 626	19 934	24 486	(4 552)	-19%	73 459
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	–	**944 362**	**963 558**	**66 475**	**369 437**	**321 186**	**48 251**	**15%**	**963 558**
Expenditure - Functional										
Governance and administration		–	**242 971**	**237 945**	**16 233**	**52 591**	**79 315**	(26 723)	-34%	**237 945**
Executive and council		–	41 969	43 769	3 677	11 342	14 590	(3 248)	-22%	43 769
Finance and administration		–	200 981	194 154	12 556	41 250	64 718	(23 469)	-36%	194 154
Internal audit		–	21	21	–	–	7	(7)	-100%	21
Community and public safety		–	**93 241**	**94 878**	**7 889**	**26 801**	**31 626**	(4 825)	-15%	**94 878**
Community and social services		–	10 773	10 773	707	2 744	3 591	(847)	-24%	10 773
Sport and recreation		–	45 537	46 175	4 558	13 403	15 392	(1 989)	-13%	46 175
Public safety		–	25 505	25 505	1 744	7 556	8 502	(945)	-11%	25 505
Housing		–	5 399	6 399	360	1 516	2 133	(617)	-29%	6 399
Health		–	6 026	6 026	519	1 582	2 009	(427)	-21%	6 026
Economic and environmental services		–	**122 804**	**131 291**	**10 100**	**37 492**	**43 764**	(6 272)	-14%	**131 291**
Planning and development		–	39 343	41 831	2 201	8 841	13 944	(5 102)	-37%	41 831
Road transport		–	81 450	87 450	7 687	27 666	29 150	(1 484)	-5%	87 450
Environmental protection		–	2 011	2 011	211	985	670	314	47%	2 011
Trading services		–	**534 193**	**525 357**	**34 665**	**162 025**	**175 119**	(13 094)	-7%	**525 357**
Energy sources		–	316 672	306 581	22 305	111 857	102 194	9 664	9%	306 581
Water management		–	91 486	92 377	893	12 873	30 792	(17 919)	-58%	92 377
Waste water management		–	62 587	59 775	5 636	20 623	19 925	698	4%	59 775
Waste management		–	63 448	66 624	5 831	16 671	22 208	(5 537)	-25%	66 624
Other		–	**3 133**	**3 133**	**0**	**3**	**1 044**	**(1 041)**	**-100%**	**3 133**
Total Expenditure - Functional	3	–	**996 342**	**992 604**	**68 886**	**278 913**	**330 868**	**(51 955)**	**-16%**	**992 604**
Surplus/ (Deficit) for the year		–	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**	**100 206**	**-1035%**	**(29 047)**

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 – M04 October 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	346 246	18 008	180 939	115 415	65 524	56,8%	346 246
Vote 3 - CORPORATE SERVICES		–	307	307	96	96	102	(6)	-5,8%	307
Vote 4 - COMMUNITY SERVICES		–	111 700	110 508	7 238	31 010	36 836	(5 826)	-15,8%	110 508
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	501 976	501 976	40 770	155 937	167 325	(11 388)	-6,8%	501 976
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	4 521	4 521	363	1 454	1 507	(53)	-3,5%	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**	**963 558**	**66 475**	**369 437**	**321 186**	**48 251**	**15,0%**	**963 558**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	45 541	46 208	3 734	11 398	15 403	(4 005)	-26,0%	46 208
Vote 2 - FINANCIAL SERVICES		–	115 737	109 469	5 267	18 017	36 490	(18 472)	-50,6%	109 469
Vote 3 - CORPORATE SERVICES		–	43 677	46 967	4 124	13 031	15 656	(2 625)	-16,8%	46 967
Vote 4 - COMMUNITY SERVICES		–	191 251	200 064	17 323	56 010	66 688	(10 678)	-16,0%	200 064
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	575 140	560 204	36 828	174 556	186 735	(12 178)	-6,5%	560 204
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	24 996	29 692	1 610	5 901	9 897	(3 996)	-40,4%	29 692
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**	**992 604**	**68 886**	**278 913**	**330 868**	**(51 955)**	**-15,7%**	**992 604**
Surplus/ (Deficit) for the year	2	**–**	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**	**100 206**	**-1034,9%**	**(29 047)**

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) – M04 October 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	12 294	110 739	68 550	42 189	62%	205 650
Service charges - electricity revenue			291 625	291 625	29 437	103 449	97 208	6 241	6%	291 625
Service charges - water revenue			81 846	81 846	6 291	27 953	27 282	671	2%	81 846
Service charges - sanitation revenue			53 555	53 555	4 359	18 975	17 852	1 123	6%	53 555
Service charges - refuse revenue			54 690	54 690	4 402	19 285	18 230	1 055	6%	54 690
Rental of facilities and equipment			4 083	4 083	62	260	1 361	(1 101)	-81%	4 083
Interest earned - external investments			13 013	13 013	325	1 495	4 338	(2 843)	-66%	13 013
Interest earned - outstanding debtors			6 993	6 993	941	2 700	2 331	369	16%	6 993
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			6 685	6 685	66	265	2 228	(1 963)	-88%	6 685
Licences and permits			20 714	20 714	2 451	9 378	6 905	2 473	36%	20 714
Agency services			–	–	–	–	–	–		–
Transfers and subsidies			145 612	166 000	207	62 930	55 333	7 597	14%	166 000
Other revenue			21 540	21 540	5 641	8 026	7 180	846	12%	21 540
Gains			–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**–**	**906 005**	**926 393**	**66 475**	**365 456**	**308 798**	**56 658**	**18%**	**926 393**
Expenditure By Type										
Employee related costs			336 974	348 729	26 851	101 027	116 243	(15 217)	-13%	348 729
Remuneration of councillors			13 651	13 651	1 065	4 248	4 550	(302)	-7%	13 651
Debt impairment			89 573	58 222	7	7	19 407	(19 401)	-100%	58 222
Depreciation & asset impairment			89 271	89 271	6 127	24 509	29 757	(5 248)	-18%	89 271
Finance charges			1 388	1 388	119	526	463	64	14%	1 388
Bulk purchases			279 744	246 173	15 710	98 309	82 058	16 251	20%	246 173
Other materials			26 059	60 866	2 254	8 067	20 289	(12 222)	-60%	60 866
Contracted services			60 352	71 808	6 507	15 950	23 936	(7 986)	-33%	71 808
Transfers and subsidies			761	761	–	–	254	(254)	-100%	761
Other expenditure			98 571	101 735	10 246	26 270	33 912	(7 642)	-23%	101 735
Losses			–	–	–	–	–	–		–
Total Expenditure		**–**	**996 342**	**992 604**	**68 886**	**278 913**	**330 868**	**(51 955)**	**-16%**	**992 604**
Surplus/(Deficit)		**–**	**(90 337)**	**(66 211)**	**(2 411)**	**86 543**	**(22 070)**	**108 613**	**(0)**	**(66 211)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			38 356	37 164	–	3 981	12 388	(8 407)	(0)	37 164
(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)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**			**(29 047)**
Taxation								–		
Surplus/(Deficit) after taxation		**–**	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**			**(29 047)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**–**	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**			**(29 047)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(29 047)**	**(2 411)**	**90 524**	**(9 682)**			**(29 047)**

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) – M04 October 2020

Vote 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									
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	1 414	–	76	471	(395)	-84%	1 414
Vote 2 - FINANCIAL SERVICES		–	800	3 074	339	424	1 025	(601)	-59%	3 074
Vote 3 - CORPORATE SERVICES		–	1 349	3 471	11	11	1 157	(1 146)	-99%	3 471
Vote 4 - COMMUNITY SERVICES		–	11 572	9 241	456	577	3 080	(2 503)	-81%	9 241
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	39 758	58 845	2 748	5 689	19 615	(13 927)	-71%	58 845
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	2 597	1 755	261	261	585	(324)	-55%	1 755
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	77 800	3 814	7 037	25 933	**(18 896)**	**-73%**	77 800
Total Capital Expenditure		–	**56 912**	**77 800**	**3 814**	**7 037**	**25 933**	**(18 896)**	**-73%**	**77 800**
Capital Expenditure - Functional Classification										
Governance and administration		–	**3 734**	**8 309**	**349**	**511**	**2 770**	(2 259)	-82%	**8 309**
Executive and council			835	1 014	–	76	338	(262)	-77%	1 014
Finance and administration			2 899	7 295	349	434	2 432	(1 997)	-82%	7 295
Internal audit			–	–	–	–	–	–		–
Community and public safety		–	**16 028**	**19 820**	**460**	**1 846**	**6 607**	(4 761)	-72%	**19 820**
Community and social services			–	–	–	–	–	–		–
Sport and recreation			11 600	12 317	362	1 748	4 106	(2 358)	-57%	12 317
Public safety			3 669	6 743	98	98	2 248	(2 150)	-96%	6 743
Housing			760	760	–	–	253	(253)	-100%	760
Health			–	–	–	–	–	–		–
Economic and environmental services		–	**9 628**	**12 528**	**261**	**261**	**4 176**	(3 915)	-94%	**12 528**
Planning and development			1 737	2 137	261	261	712	(451)	-63%	2 137
Road transport			7 891	10 391	–	–	3 464	(3 464)	-100%	10 391
Environmental protection			–	–	–	–	–	–		–
Trading services		–	**27 422**	**37 043**	**2 744**	**4 420**	**12 348**	(7 928)	-64%	**37 043**
Energy sources			8 172	18 429	2 035	3 001	6 143	(3 142)	-51%	18 429
Water management			3 380	3 380	22	22	1 127	(1 104)	-98%	3 380
Waste water management			14 633	14 633	687	1 396	4 878	(3 482)	-71%	14 633
Waste management			1 237	600	–	–	200	(200)	-100%	600
Other			100	100	–	–	33	(33)	-100%	100
Total Capital Expenditure - Functional Classification	3	–	**56 912**	**77 800**	**3 814**	**7 037**	**25 933**	**(18 896)**	**-73%**	**77 800**
Funded by:										
National Government			31 644	30 608	283	3 184	10 203	(7 019)	-69%	30 608
Provincial Government			–	0	–	–	0	(0)	-100%	0
District Municipality			1 965	5 118	–	–	1 706	(1 706)	-100%	5 118
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private			–	–	–	–	–	–		–
Transfers recognised - capital		–	**33 610**	**35 726**	**283**	**3 184**	**11 909**	**(8 725)**	**-73%**	**35 726**
Borrowing	6		–	–	–	–	–	–		–
Internally generated funds			23 303	42 074	3 531	3 853	14 025	(10 172)	-73%	42 074
Total Capital Funding		–	**56 912**	**77 800**	**3 814**	**7 037**	**25 933**	**(18 896)**	**-73%**	**77 800**

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 – M04 October 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	7 309	26 657	7 309
Call investment deposits			42 389	65 781	116 025	65 781
Consumer debtors			81 061	76 556	47 515	76 556
Other debtors			44 682	54 465	32 441	54 465
Current portion of long-term receivables			3	3	3	3
Inventory			9 249	9 249	9 681	9 249
Total current assets		–	**182 094**	**213 364**	**232 322**	**213 364**
Non current assets						
Long-term receivables			13	13	10	13
Investments			–	–	–	–
Investment property			242 552	242 552	242 552	242 552
Investments in Associate			–	–	–	–
Property, plant and equipment			1 985 075	2 065 509	2 077 173	2 065 509
Biological			–	–	–	–
Intangible			1 608	3 092	680	3 092
Other non-current assets			–	–	–	–
Total non current assets		–	**2 229 248**	**2 311 167**	**2 320 415**	**2 311 167**
TOTAL ASSETS		–	**2 411 341**	**2 524 530**	**2 552 736**	**2 524 530**
LIABILITIES						
Current liabilities						
Bank overdraft			–	–	–	–
Borrowing			9 608	6 747	9 608	6 747
Consumer deposits			17 378	17 378	18 076	17 378
Trade and other payables			133 730	167 719	76 984	167 719
Provisions			29 649	29 649	33 095	29 649
Total current liabilities		–	**190 365**	**221 493**	**137 762**	**221 493**
Non current liabilities						
Borrowing			6 747	–	6 747	–
Provisions			163 445	163 445	158 572	163 445
Total non current liabilities		–	**170 192**	**163 445**	**165 319**	**163 445**
TOTAL LIABILITIES		–	**360 557**	**384 937**	**303 081**	**384 937**
NET ASSETS	2	–	**2 050 785**	**2 139 593**	**2 249 655**	**2 139 593**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 050 785	2 139 593	2 249 655	2 139 593
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 050 785**	**2 139 593**	**2 249 655**	**2 139 593**

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 – M04 October 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		117 564	174 803	174 803	22 506	95 058	58 268	36 790	63%	174 803
Service charges		210 608	424 039	493 499	47 480	163 128	164 500	(1 371)	-1%	493 499
Other revenue		43 263	53 022	53 022	8 220	35 043	17 674	17 369	98%	53 022
Transfers and Subsidies - Operational		72 160	145 612	166 000	96	72 063	55 333	16 730	30%	166 000
Transfers and Subsidies - Capital		9 181	38 356	37 164	–	9 181	12 388	(3 207)	-26%	37 164
Interest		4 947	18 957	18 957	1 439	3 507	6 319	(2 812)	-44%	18 957
Dividends		–		–	–	–	–	–		–
Payments										
Suppliers and employees		(445 010)	(815 350)	(921 829)	(81 777)	(363 233)	(307 276)	55 956	-18%	(921 829)
Finance charges		(645)	(1 388)	(1 388)	(119)	(526)	(463)	64	-14%	(1 388)
Transfers and Grants		–	(761)	(761)	–	–	(254)	(254)	100%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**12 067**	**37 290**	**19 466**	**(2 155)**	**14 223**	**6 489**	**(7 734)**	**-119%**	**19 466**
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		(14 085)	(56 912)	(77 800)	(4 386)	(9 699)	(25 933)	(16 235)	63%	(77 800)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(14 085)**	**(56 912)**	**(77 800)**	**(4 386)**	**(9 699)**	**(25 933)**	**(16 235)**	**63%**	**(77 800)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing		(3 605)	(9 608)	(9 608)	(731)	(2 874)	(3 203)	(329)	10%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(3 605)**	**(9 608)**	**(9 608)**	**(731)**	**(2 874)**	**(3 203)**	**(329)**	**10%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(5 623)**	**(29 230)**	**(67 942)**	**(7 273)**	**1 650**	**(22 647)**			**(67 942)**
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		(5 623)	47 099	73 090		142 682	118 384			73 090

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 October 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 October 2020

Description	Budget Year 2019/20								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	9 830	2 383	3 619	2 634	1 838	1 546	9 068	30 925	61 844
Trade and Other Receivables from Exchange Transactions - Electricity	20 245	1 971	3 865	924	675	574	2 336	8 017	38 608
Receivables from Non-exchange Transactions - Property Rates	11 490	1 416	16 352	767	678	570	2 302	23 482	57 057
Receivables from Exchange Transactions - Waste Water Management	5 543	1 152	1 749	962	803	726	3 978	13 401	28 315
Receivables from Exchange Transactions - Waste Management	4 625	1 267	1 179	981	933	902	4 910	18 247	33 044
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	70	91	283	106	83	75	797	18 767	20 272
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(16 202)	421	1 707	322	338	275	1 618	10 642	(881)
Total By Income Source	**35 601**	**8 700**	**28 754**	**6 696**	**5 348**	**4 668**	**25 009**	**123 482**	**238 259**
2018/19 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1 242	489	2 901	287	228	178	664	3 263	9 250
Commercial	6 572	634	741	296	288	273	1 045	3 608	13 456
Households	27 788	7 577	25 113	6 114	4 832	4 217	23 300	116 611	215 553
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**35 601**	**8 700**	**28 754**	**6 696**	**5 348**	**4 668**	**25 009**	**123 482**	**238 259**

The aforementioned analysis indicates that from 30 June 2020 to 31 October 2020, the overdue debts have increased by R 33,401 million from R 169,257 million to R 202,657 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**31-Oct-20**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	52 013	7 101
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	18 363	2 426
Receivables from Non-exchange Transactions - Property Rates	31 419	45 567	14 148
Receivables from Exchange Transactions - Waste Water Management	19 681	22 772	3 091
Receivables from Exchange Transactions - Waste Management	25 254	28 419	3 164
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	20 202	1 705
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 322	1 766
Total By Income Source	**169 257**	**202 657**	**33 401**
Debtors Age Analysis By Customer Group			–
Organs of State	5 386	8 008	2 622
Commercial	6 049	6 885	836
Households	157 822	187 765	29 943
Other	–	–	–
Total By Customer Group	**169 257**	**202 657**	**33 401**

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	21 213								**21 213**
Bulk Water	315	2	0	(0)	–	0	7	(158)	**165**
PAYE deductions	4 584								**4 584**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	7 048	1 276	171	143	1 232	11	3	–	**9 883**
Auditor General									**–**
Other									**–**
Total By Customer Type	**33 161**	**1 277**	**171**	**143**	**1 232**	**11**	**9**	**(158)**	**35 846**

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

Eskom	R 21,213 million
NMBM	R 0,165 million
SARS(PAYE)	R 4,584 million
Other Creditors	R 9,883 million
Total	**R 35,846 million**

It is to be noted that the Eskom amount of R 21,213 million, represents the current account for October 2020, which will be fully paid on 20 November 2020.

The PAYE deductions represent employee related costs for the month of October 2020, with the amounts in question being paid on 2 November 2020 to SARS.

3. Investment Portfolio

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

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 October 2020
Standard Bank	11 052 012	-	125 250	-	-	11 177 262
ABSA	29 118 474	-	217 066	10 000 000	331	19 335 210
Nedbank	14 049 368	-	161 508	-	-	14 210 877
RMB	50 227 524	37 125 496	620 996	34 730 814	-	53 243 202
INVESTEC	17 846 936	-	211 231	-	-	18 058 167
Total	**122 294 314**	**37 125 496**	**1 336 052**	**44 730 814**	**331**	**116 024 717**
	Balance as at 30 June 2020	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 October 2020**
General Account	74 231 786	641 496	718 911	12 264 268	331	63 327 595
Conditional Grants	48 054 952	36 484 000	617 058	32 466 545	-	52 689 465
Housing Funds	7 576	-	82	-	-	7 658
Total	**122 294 314**	**37 125 496**	**1 336 052**	**44 730 814**	**331**	**116 024 717**
Cheque Accounts FNB	18 737 370	7 919 562				26 656 932
TOTAL Investments & Bank	**141 031 684**	**45 045 058**	**1 336 052**	**44 730 814**	**331**	**142 681 649**

The increase in the investment portfolio since 30 June 2020 amounts to R 1,649,965. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves

Bank Balances and Cash	R 26,656,932
Short-term Investment Deposits	R116,024,717
	R142,681,649

Application of Cash

Unspent Conditional Grants	41,137,452
Internally Generated Funds	38,221,264
Outstanding Creditors Liability	35,846,120
	115,204,836
Reserves in excess of commitments	**27,476,813**

The cash backed reserves exceed the commitments at this stage by an amount of R 27,476,813. It should be noted that the excess of reserves over commitments as at 31 October 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 – M04 October 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	125 667	–	64 080	41 889	20 981	50,1%	125 667
Operational Revenue:General Revenue:Equitable Share	119 105	121 534	–	61 492	40 511	20 981	51,8%	121 534
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054		264	351			1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500		1 500	500			1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579		824	526			1 579
District Municipality:	3 815	3 815	–	695	1 272	(577)	-45,3%	3 815
Environmental Health			–	695	–	695	#DIV/0!	–
Other grant providers:	3 815	3 815	–		1 272	(1 272)	-100,0%	3 815
Other grant providers:	–	–	96	96	–	96	#DIV/0!	–
Skills Development			96	96		96	#DIV/0!	–
Total Operating Transfers and Grants	127 053	129 482	96	64 871	43 161	20 500	47,5%	129 482
Capital Transfers and Grants								
National Government:	36 391	35 199	–	15 660	11 733	3 927	33,5%	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	–		1 733	(1 733)	-100,0%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999		15 660	10 000	5 660	56,6%	29 999
Municipal Disaster Relief Grant	1 192		–	–	–	–		–
District Municipality:	1 965	1 965	–	714	655	59	8,9%	1 965
Other grant providers:	1 965	1 965		714	655	59	8,9%	1 965
Total Capital Transfers and Grants	38 356	37 164	–	16 373	12 388	3 985	32,2%	37 164
TOTAL RECEIPTS OF TRANSFERS & GRANTS	165 409	166 646	96	81 245	55 549	24 485	44,1%	166 646

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M04 October 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	473	63 582	20 540	43 042	209,6%	123 238
Operational Revenue:General Revenue:Equitable Share	119 105	119 105		61 492	19 851	41 641	209,8%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	66	1 054	176	878	500,0%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	282	451	250	201	80,5%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	124	585	263	321	122,1%	1 579
District Municipality:	3 815	3 815	51	106	636	(530)	-83,3%	3 815
Environmental Health	3 815	3 815	51	106	636	(530)	-83,3%	3 815
Total operating expenditure of Transfers and Grants:	127 053	127 053	524	63 688	21 175	42 512	200,8%	127 053
Capital expenditure of Transfers and Grants								
National Government:	36 391	35 199	402	3 738	5 867	(2 129)	-36,3%	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200		1 066	867	199	23,0%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	402	2 672	5 000	(2 327)	-46,6%	29 999
Municipal Disaster Relief Grant	1 192				–	–		–
District Municipality:	1 965	1 965	–	–	328	(328)	-100,0%	1 965
Other grant providers:	1 965	1 965			328	(328)	-100,0%	1 965
Total capital expenditure of Transfers and Grants	38 356	37 164	402	3 738	6 194	(2 456)	-39,7%	37 164
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	165 409	164 217	926	67 426	27 370	40 056	146,4%	164 217

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 1,500,000
Expenditure to date:	R 451,366
Unspent as at 31 October 2020:	R 1,048,634

The spending of the grant amounted to 30,09% as at 31 October 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 1,054,000
Overspent as at 31 October 2020:	R -790 000

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 16,484,000
Expenditure to date:	R 3,256,859
Unspent as at 31 October 2020:	R 13,227,141

The spending of the grant amounted to 19,76% as at 31 October 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 1,065,632
Overspent as at 31 October 2020:	R-1,065,632

5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M04 October 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	2 842	2 276	566	25%	9 104
Medical Aid Contributions	–	–	14	44	–	44	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	237	947	770	177	23%	3 081
Cellphone Allowance	1 465	1 465	104	414	366	48	13%	1 465
Sub Total - Councillors	**13 651**	**13 651**	**1 065**	**4 248**	**3 413**	**836**	**24%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	8 253	6 106	488	1 954	1 526	427	28%	6 106
Pension and UIF Contributions	24	36	9	38	9	29	319%	36
Medical Aid Contributions	–	13	4	17	3	14	434%	13
Performance Bonus	180	453	303	303	113	190	168%	453
Motor Vehicle Allowance	857	811	56	224	203	21	10%	811
Cellphone Allowance	8	6	1	3	2	2	110%	6
Other benefits and allowances	55	50	6	11	12	(2)	-13%	50
Payments in lieu of leave	1 849	1 150	–	27	287	(261)	-91%	1 150
Sub Total - Senior Managers of Municipality	**11 226**	**8 624**	**868**	**2 576**	**2 156**	**420**	**19%**	**8 624**
Other Municipal Staff								
Basic Salaries and Wages	198 870	224 540	16 672	63 410	56 135	7 275	13%	224 540
Pension and UIF Contributions	31 286	33 121	2 697	10 692	8 280	2 412	29%	33 121
Medical Aid Contributions	16 124	17 256	1 362	5 480	4 314	1 166	27%	17 256
Overtime	30 944	28 149	2 657	10 261	7 037	3 223	46%	28 149
Motor Vehicle Allowance	8 053	9 393	1 003	3 221	2 348	873	37%	9 393
Cellphone Allowance	1	288	–	–	72	(72)	-100%	288
Housing Allowances	1 058	905	75	295	226	68	30%	905
Other benefits and allowances	31 481	24 869	1 331	3 755	6 217	(2 462)	-40%	24 869
Payments in lieu of leave	19	27	172	728	7	722	10723%	27
Long service awards	1 496	1 557	15	609	389	220	56%	1 557
Sub Total - Other Municipal Staff	**319 332**	**340 105**	**25 984**	**98 451**	**85 026**	**13 424**	**16%**	**340 105**
Total Parent Municipality	**344 210**	**362 380**	**27 916**	**105 275**	**90 595**	**14 680**	**16%**	**362 380**
TOTAL SALARY, ALLOWANCES & BENEFITS	**344 210**	**362 380**	**27 916**	**105 275**	**90 595**	**14 680**	**16%**	**362 380**
TOTAL MANAGERS AND STAFF	**330 559**	**348 729**	**26 851**	**101 027**	**87 182**	**13 844**	**16%**	**348 729**

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**	**Adjustment Budget 2020/21**	**Actuals as at 31 October 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.11%	1.22%
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	0.33	1.04
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	85%	89.52%

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	Adjustment Budget 2020/21	Actuals as at 31 October 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	1.04	1.44
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	35.13%	36.22%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	9.05%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	4.08%	3.96%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	1.96%	0.53%
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%	82.08%	82.78%

The above table is discussed in detail below.

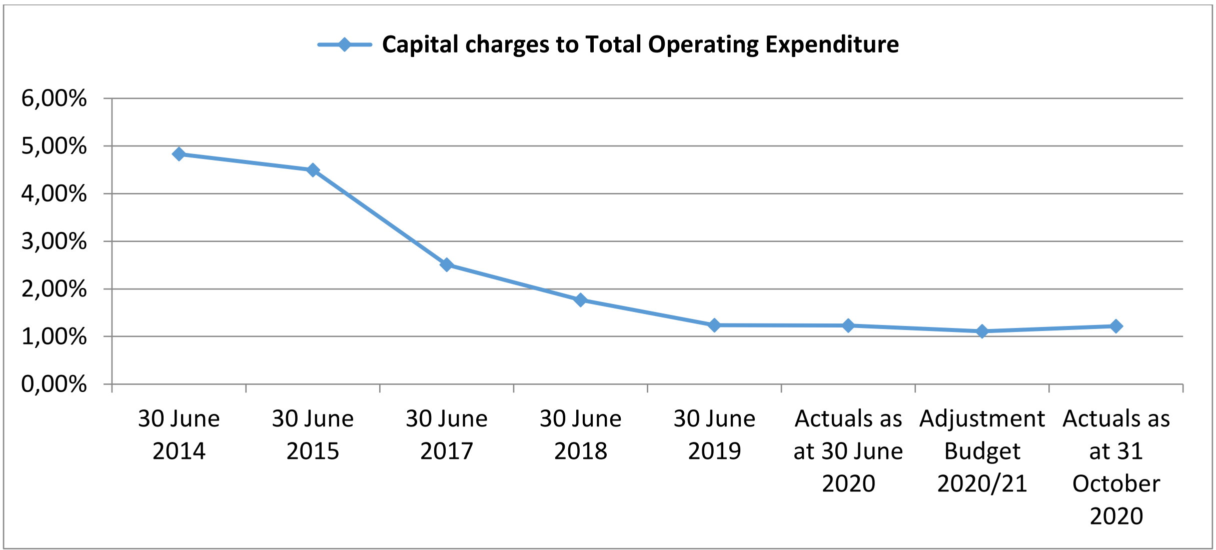
5.1. Borrowing Management

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 1.22% of the Total Operating Expenditure was utilised for capital charges as at 31 October 2020, compared to the approved budget ratio of 1,11%.



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.

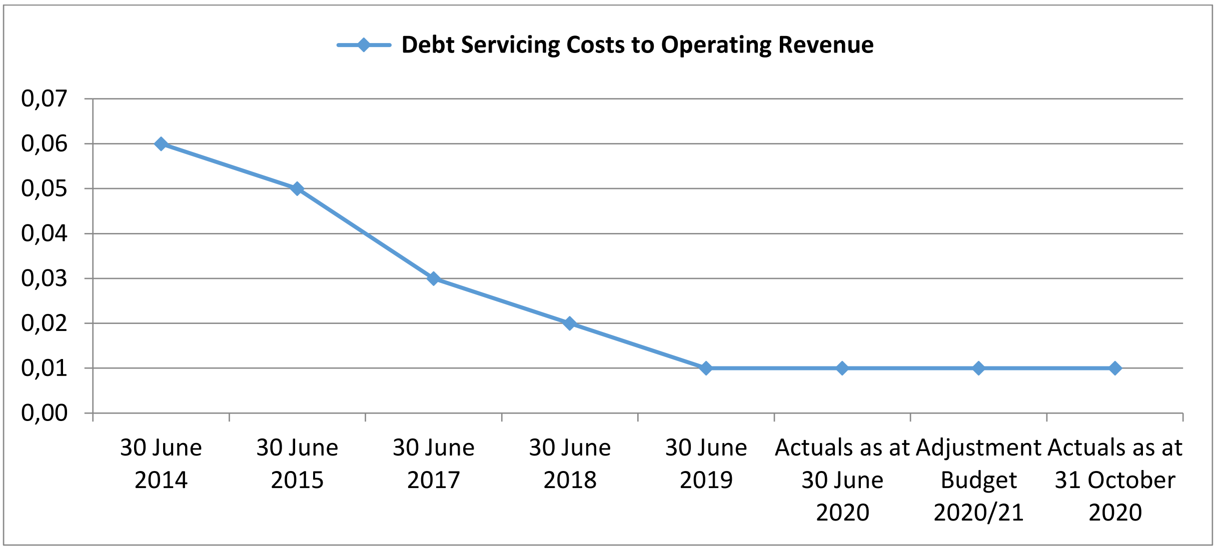
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 October 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:

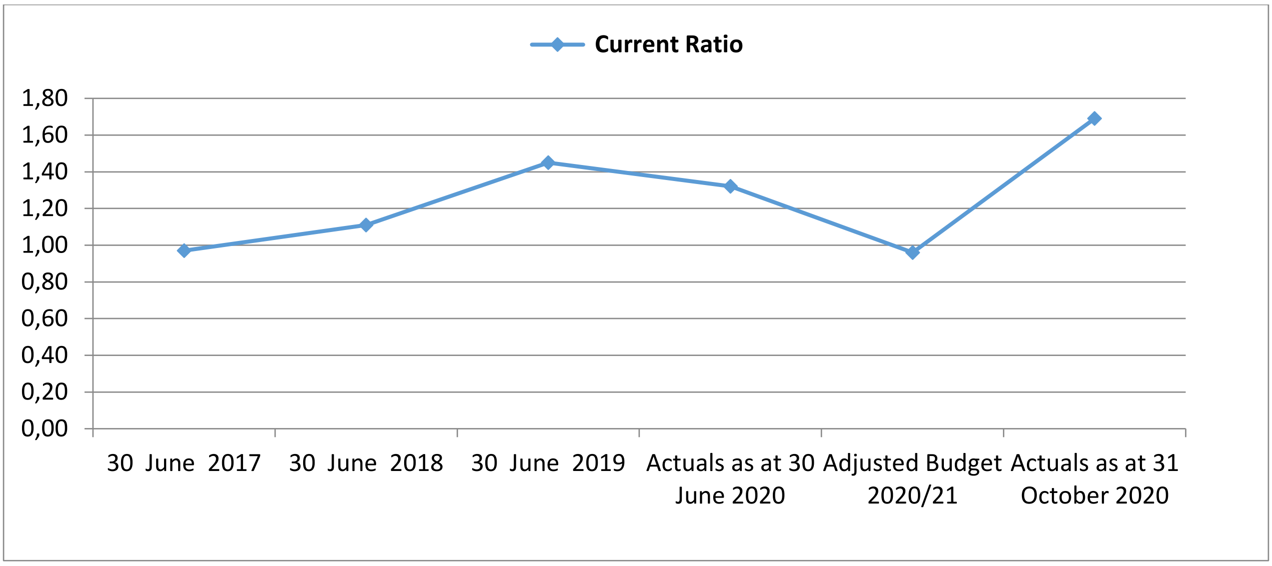
Current assets/Current liabilities

The ratio as at 31 October 2020 was 1.69:1, 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

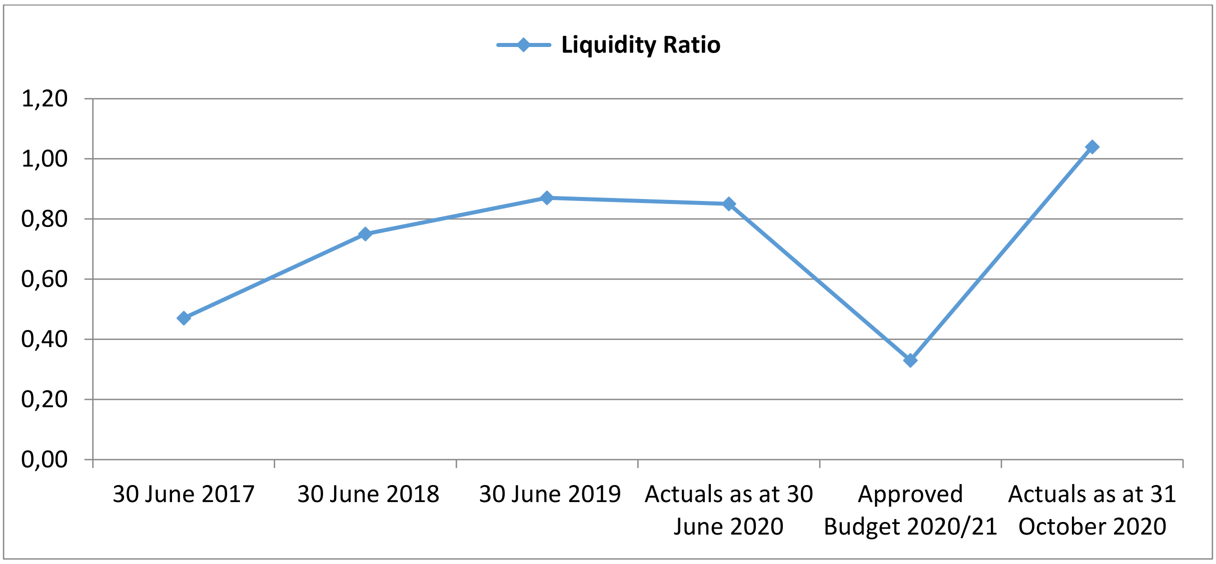
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 October 2020 was 1.04:1, compared to the budgeted ratio of 0.33:1.

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

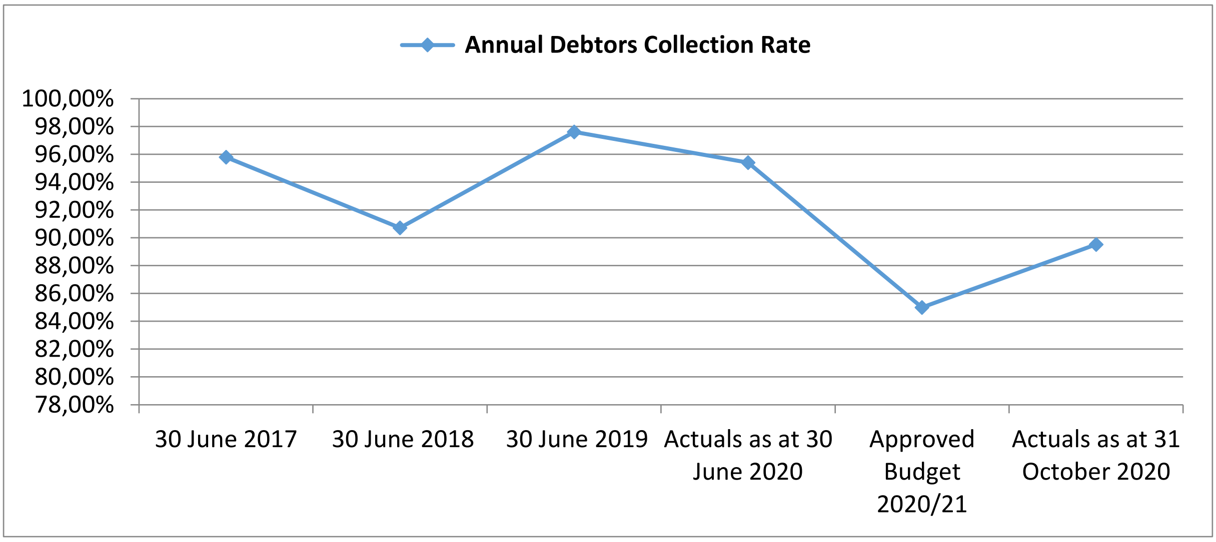
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 October 2020 was 89.52%, compared to the approved budget collection rate of 85%. The actual collection rate for October is 140.09%. 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.

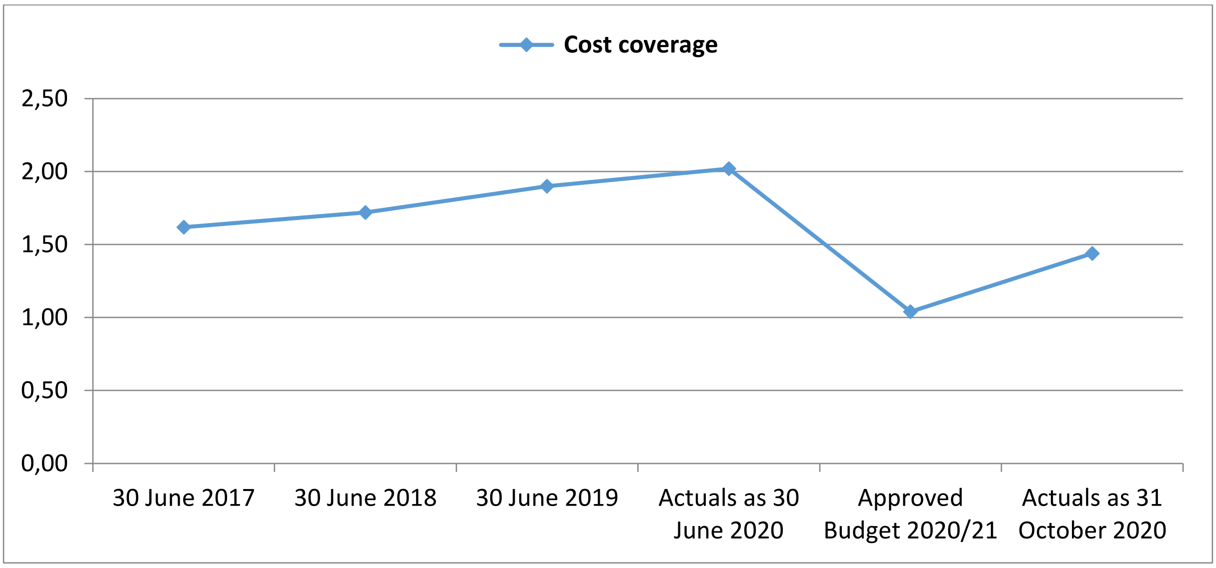
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 October 2020, the Ratio was 1.44 months, compared to the approved budget ratio of 1.04 months.

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



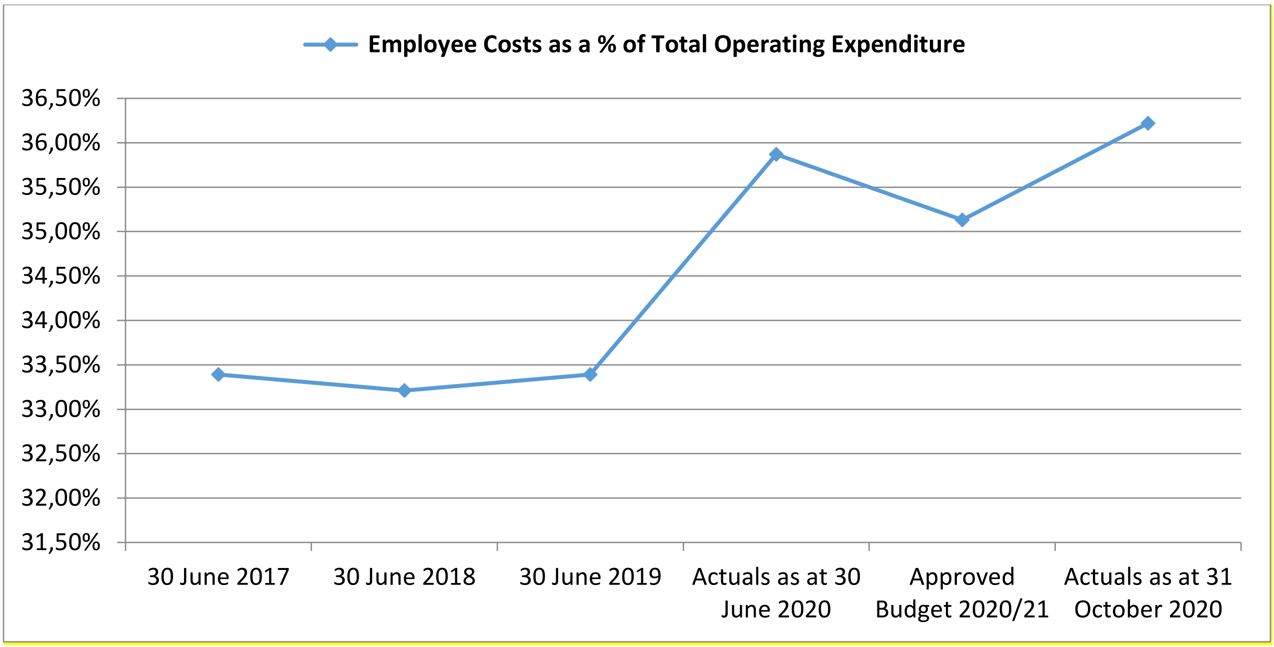
5.4.2. Employee costs as a % of Total Operating Expenditure

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 October 2020, Employee Related Costs constituted 36.22% of the Total Operating Expenditure compared to the approved budget ratio 35,13%.



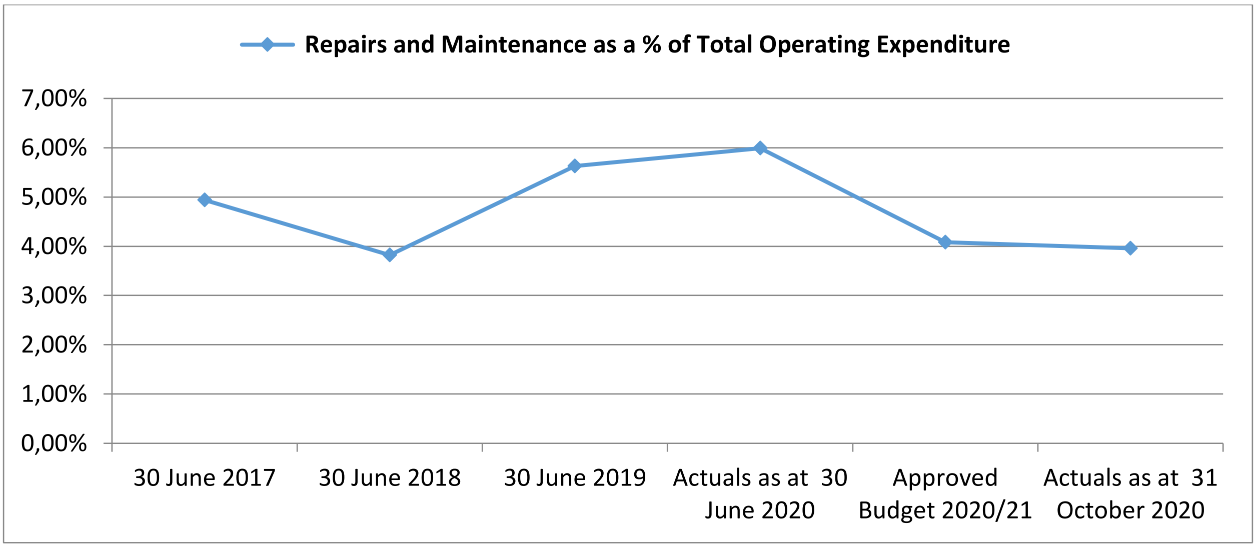
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 October 2020, the ratio was 3.96%, compared to the approved budget ratio of 4.08%.



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

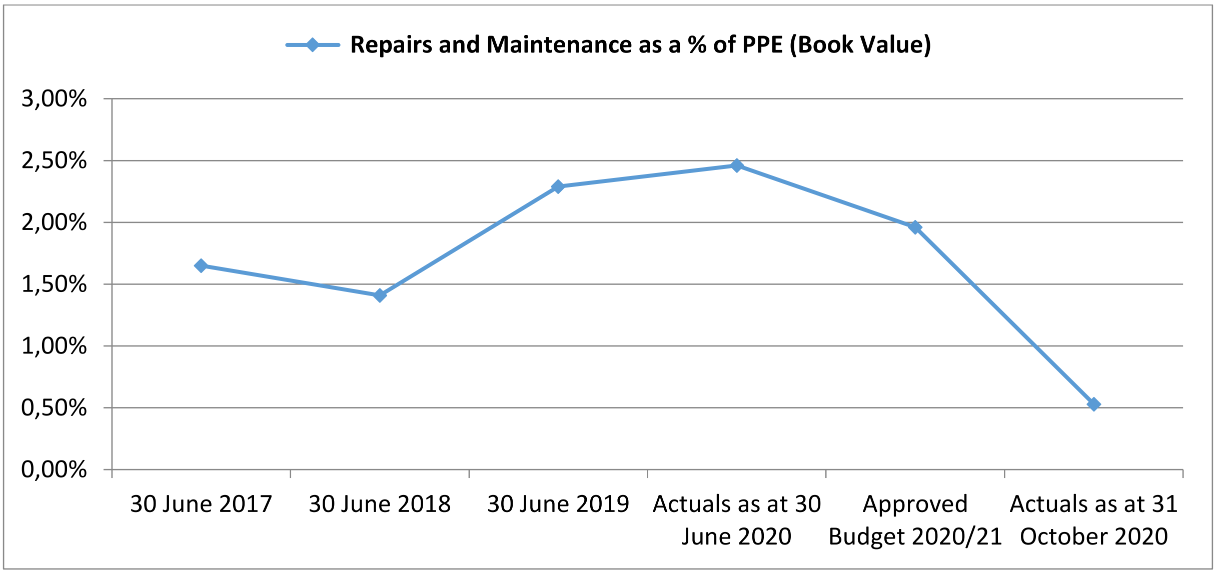
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 October 2020, repairs and maintenance expenditure constituted 0.53% of the book value of PPE, compared to the budgeted ratio of 1.96%.

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



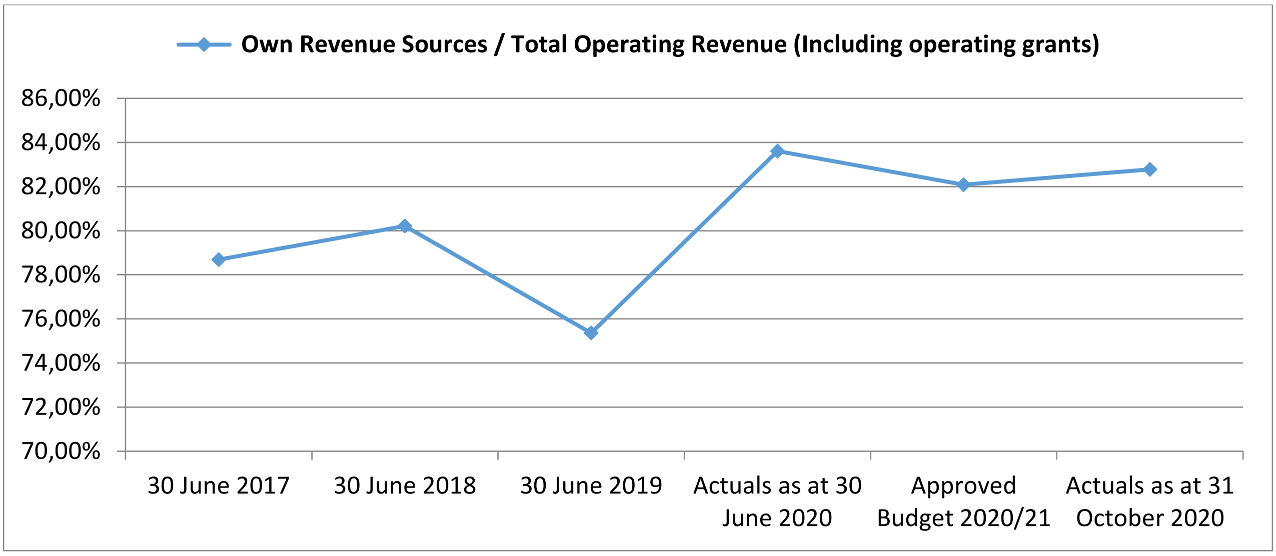
5.4.5. Own Revenue Generation

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 October 2020, the Municipality's own revenue sources constituted 82.78% of its total Operating Income, compared to the approved budget ratio of 82.08%.



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 9.05% compared to the approved budget ratio of 95%.