KOUGA
local municipality
Good Governance through Service Excellence

SPECIAL COUNCIL MEETING

AGENDA

Date : 28 January 2021
Time : 10:00
Venue : Virtual Meeting

KOUGA MUNICIPALITY (EC108)	UMASIPALA I-KOUGA (EC108)	MUNISIPALITEIT KOUGA (OK108)
NOTICE CONVENING A MEETING	**ISAZISO NGENTLANGANISO**	**KENNISGEWING VAN VERGADERING**
NOTICE IS HEREBY GIVEN in terms of the amended Directions on Municipal Operations and Governance, in terms of Section 27(2) of the Disaster Management Act, 2002, that a virtual Council Meeting will be held on	**OKU KUKWAZISA** malunga neZikhokelo eziLungisiweyo ekuSebenzeni koMasipala kunye noLawulo ngokweMigaqo yeCandelo lama 27(2) loMthetho woLawulo lweNtlekele ka 2002, ukuba kubanjwe intlanganiso ebonakalayo yesigqeba Ye khansile	**KENNIS GESKIED HIERMEE** ingevolge die gewysigde Aanwysings Vir Munisipale Bedrywighede En Bestuur, Ingevolge Artikel 27 (2) van die Wet op Rampbestuur, 2002, dat 'n virtuele raadsvergadering gehou sal word op
DATE: 28 January 2021	**UMHLA: 28 EyoMqungu 2021**	**DATUM: 28 Januarie 2021**
TIME: 10:00	**IXESHA: 10:00**	**TYD: 10:00**
H. BORNMAN **SPEAKER**	**H. BORNMAN** **USOMLOMO**	**H. BORNMAN** **SPEAKER**

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

A G E N D A

1. **NOTICE OF MEETING**
2. **OPENING AND WELCOME**
3. **ABSENT WITH LEAVE**
4. **ABSENT WITHOUT LEAVE**
5. **PRESENTATIONS**
6. **ACKNOWLEDGEMENTS, CONDOLENCES & CONGRATULATIONS**
7. **STATEMENTS OR COMMUNICATIONS BY THE SPEAKER**
8. **STATEMENTS OR COMMUNICATIONS BY THE EXECUTIVE MAYOR**

9. **DECLARATION OF INTEREST**

10. **STATUTORY MATTERS**

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

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

12. **REPORTS BY THE EXECUTIVE MAYOR**

13. **REPORTS BY THE PORTFOLIO CHAIRPERSONS**

13.1 **REPORT BY THE PORTFOLIO CHAIRPERSON: FINANCE**

21/01/F1 Mid-Year Financial Report for the Period July to December 2020 and Assessment of the Municipality's Financial position as at 31 December 2020 (2020/21 Financial Year)

Pages 6-44

21/01/F2 Budget and Treasury: Withdrawals from Municipal Bank Account for the Quarter ended 31 December 2020

Pages 45-47

14. **CLOSURE**

Distribution list:

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

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

REPORTS BY THE PORTFOLIO CHAIRPERSON: FINANCE

KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 28 JANUARY 2021 **ITEM NO: 21/01/F1**

MID-YEAR FINANCIAL REPORT FOR THE PERIOD JULY TO DECEMBER 2020 AND ASSESSMENT OF THE MUNICIPALITY'S FINANCIAL POSITION AS AT 31 DECEMBER 2020 (2020/21 FINANCIAL YEAR)

1. Purpose

The purpose of this report is to assess the financial performance and financial position of the Municipality, as at 31 December 2020, and its consequential impact on the implementation of the approved 2020/21 Budget.

This report is submitted in compliance with Sections 72, 52(d) and 54(1)(f) of the Municipal Finance Management Act (MFMA) and the Municipal Budget and Reporting Regulations.

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 72 of the MFMA, the Accounting Officer is required to submit to the Mayor of the Municipality, National Treasury and Provincial Treasury a report on the performance of the municipality during the first half of the financial year on the state of the municipality's budget.

In accordance with Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality. Furthermore, section 54(1)(f) of the MFMA states that, in the case of a section 72 report, the Executive Mayor must submit the report to the Council by 31 January of each year.

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 December 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 530,364 million, whilst operating expenditure amounted to R 423,351 million, resulting in an operating surplus of R 107,012 million.
- Capital expenditure constituted 19,40% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 33,321 million (19,69%) since June 2020.
- An amount of R 34,346 million is owing to creditors, of which R 29,907 million (87,07%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 9,249,211 (6,56%) since June 2020, from R 141,031,684 to R 150,280,896.

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 December 2019	Actuals as at 31 December 2020	Adjustment Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	1.63:1	1.99:1	0.96:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	0.96:1	1.24:1	0.33:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	1.81 Months	2.08 Months	1.04 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	92.64%	91.33%	85%
Capital Expenditure	72.92%	73.82%	75.33%	47.51%	19.40%	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 December 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

5.1 That the Municipal Manager's report on the Mid-year Budget and Performance Assessment of the municipality, in accordance with Section 72(1)(a) of the MFMA, be noted.

5.2 That the Executive Mayor's report on the implementation of the budget and the financial state of affairs of the municipality, in accordance with Sections 52(d), 54(1)(f) and 72 of the MFMA, be noted.

5.3 That an Adjustments Budget, based on the realistically anticipated revenues, in line with section 18 of the MFMA, be tabled by the Executive Mayor to the Council.

5.4 That the 2020/21 Adjustments Budget be tabled by the Executive Mayor to the Council, not later than 28 February 2021.

5.5 That the Mid-year report accordingly be submitted to National Treasury and Provincial Treasury, in line with Section 72(1) (b) of the MFMA.

Item prepared by : **Acting Manager Budget & Treasury**

Item approved by : **The Chief Financial Officer**

Item endorsed by : **The Municipal Manager**

Item noted by the Portfolio Councillor

Annexure "A1"

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

Below is an analysis of the operating revenue and expenditure performance.

Description	Budget Year 2020/21		
	Adjusted Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	205 650	135 444	65,86%
Service charges - electricity revenue	291 625	150 203	51,51%
Service charges - water revenue	81 846	42 627	52,08%
Service charges - sanitation revenue	53 555	28 217	52,69%
Service charges - refuse revenue	54 690	28 132	51,44%
Rental of facilities and equipment	4 083	461	11,29%
Interest earned - external investments	13 013	2 407	18,50%
Interest earned - outstanding debtors	6 993	4 561	65,22%
Fines, penalties and forfeits	6 685	295	4,41%
Licences and permits	20 714	12 476	60,23%
Transfers and subsidies	166 000	117 311	70,67%
Other revenue	21 540	8 230	38,21%
Total Revenue (excluding capital transfers and contributions)	**926 393**	**530 364**	57,25%
Expenditure By Type			
Employee related costs	348 729	165 391	47,43%
Remuneration of councillors	13 651	6 397	46,86%
Debt impairment	58 222	7	0,01%
Depreciation & asset impairment	89 271	30 636	34,32%
Finance charges	1 388	751	54,13%
Bulk purchases	246 173	136 251	55,35%
Other materials	59 926	13 257	22,12%
Contracted services	71 478	28 105	39,32%
Transfers and subsidies	761	100	13,14%
Other expenditure	103 005	42 456	41,22%
Total Expenditure	**992 604**	**423 351**	**42,65%**
Surplus/(Deficit)	**(66 211)**	**107 012**	

The statement of financial performance indicates a surplus of R 107,012 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 31 December 2020, the Municipality has recognised 65,86%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 150,281 million.

Interest earned – outstanding debtors.

this is influenced by overdue debtors, amounting to R 202,578 million.

Fines, penalties and forfeits

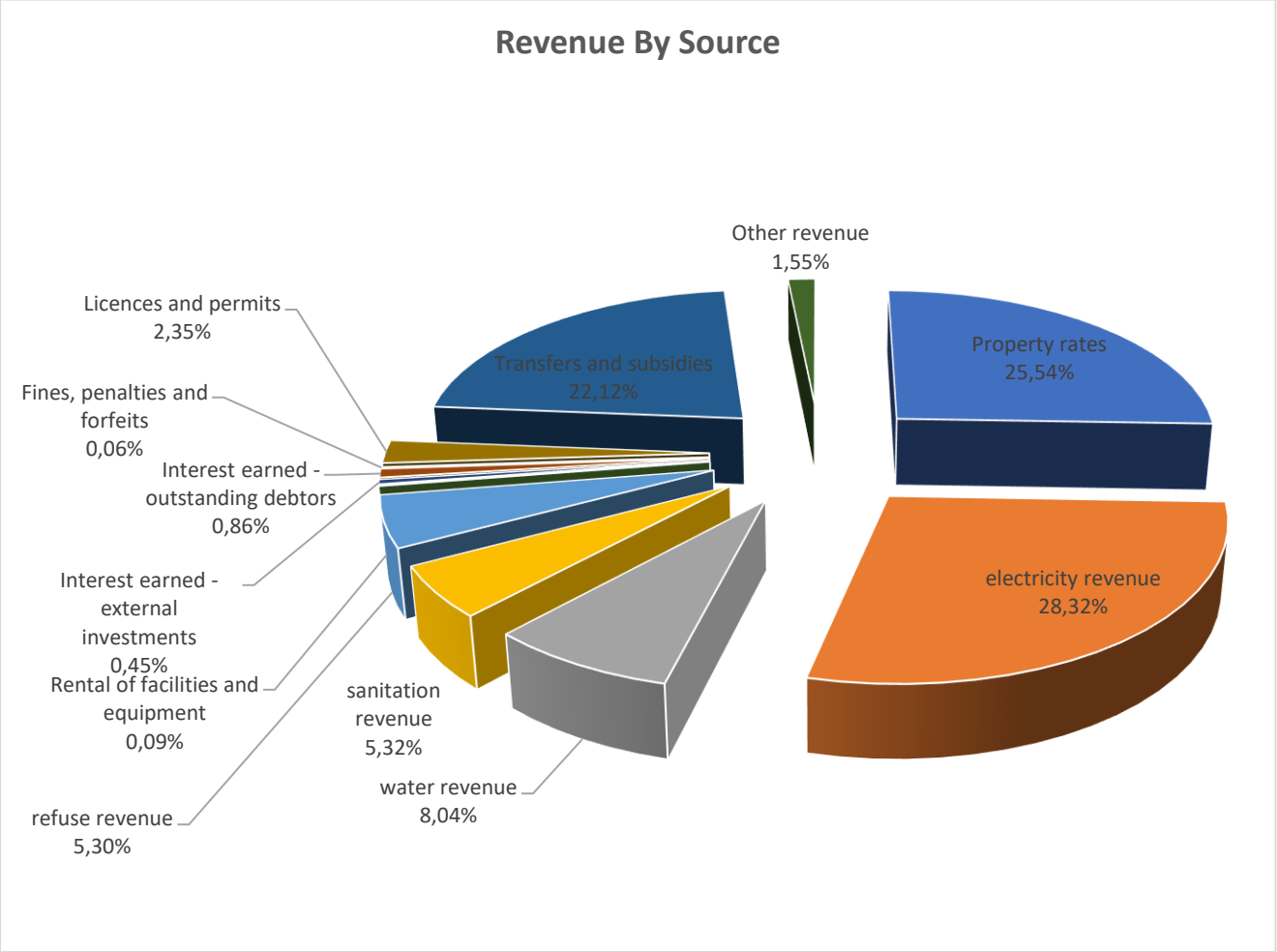
Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

Transfers and Subsidies

Transfers and subsidies received mainly represents the Equitable Share Allocation in the amount of R 112,484 million.

Other revenue

This relates to the various operating revenue, such legal fees recovered, insurance refunds, sale of municipal land and building related fees. The revenue is negatively influenced by the anticipated land sale for an amount of R 11,000 million and budgeted insurance refunds amounting to R 3,000 million.



Expenditure Variations

Bad Debts

Bad debts are written off upon Council approval.

Bulk purchases

Item Description	Amended Budget 2020/21	Actuals as at 31 December 2020	%
Bulk purchases - Electricity	246 173 454,00	136 251 108,72	55,35%
	246 173 454,00	**136 251 108,72**	**55,35%**

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

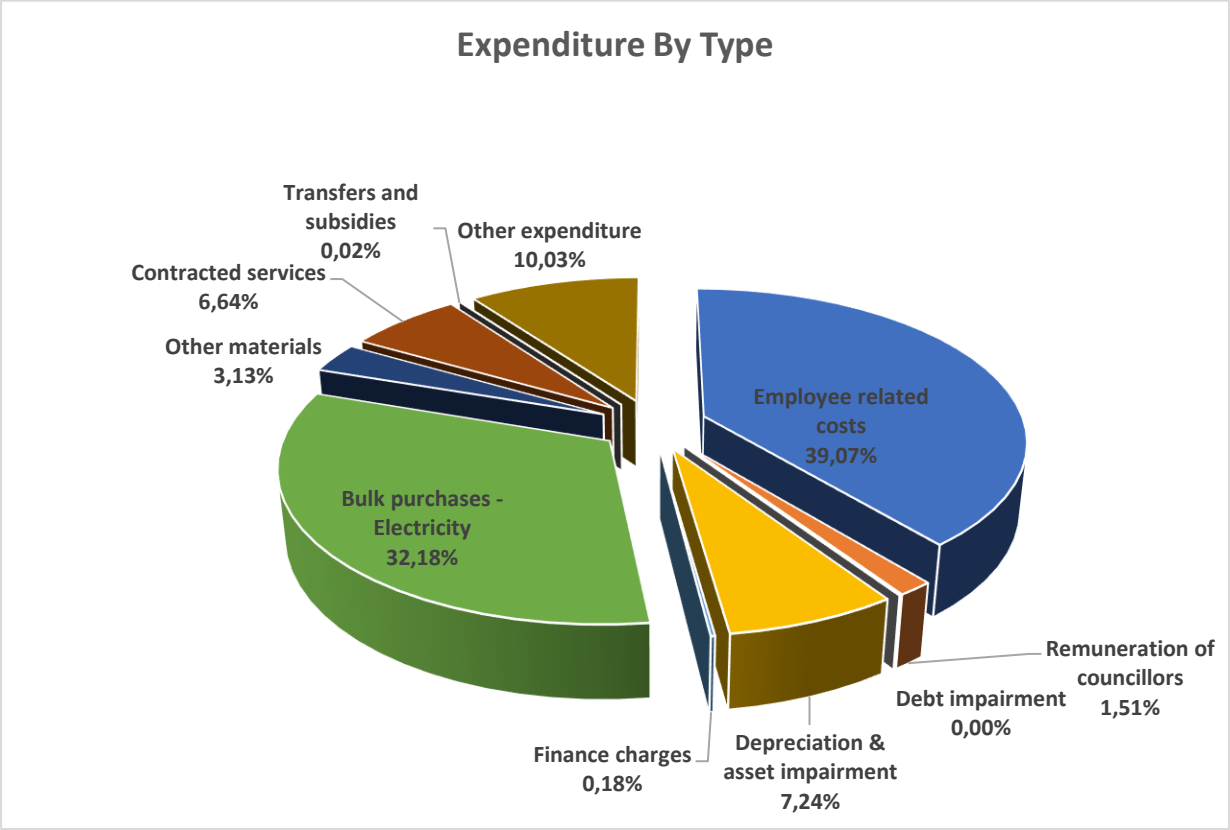
Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy.

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 December 2020	%
Consultants and Professional Services	10 740 448	375 654	3,50%
Drivers Licence Cards	850 000	132 720	15,61%
Transport Services	387 556	1 800	0,46%
Dune Stabilisation	6 759 604	5 339 034	78,98%
Valuer	2 082 451	239 260	11,49%
Other Contracted Services	1 670 013	295 099	17,67%
Legal Advice and Litigation	2 449 703	661 981	27,02%
Maintenance of Buildings and Facilities	4 663 303	2 722 534	58,38%
Catering Services	467 385	39 397	8,43%
Maintenance of Vehicles	6 558 120	2 934 812	44,75%
Qualification Verification	800 000	366 955	45,87%
Maintenance of Water Infrastructure	1 653 900	195 453	11,82%
Maintenance of Equipment	619 275	227 858	36,79%
Burial Services	202 250	30 550	15,11%
Roads Maintenance	10 000 000	4 046 021	40,46%
Medical Health Services & Support	1 100 000	553 429	50,31%
Maintenance of Electrical Infrastructure	2 266 032	1 297 163	57,24%
Maintenance of Sanitation Infrastructure	1 339 000	568 531	42,46%
Laboratory Services:Water	702 408	53 676	7,64%
Special Rating Area	7 350 000	3 667 044	49,89%
Internal Auditors	450 000	25 300	5,62%
Legal Cost:Collection	1 250 000	376 778	30,14%
Security Services	2 239 147	1 526 027	68,15%
Occupational Health and Safety	73 150	-	0,00%
Animal Care	400 000	320 000	80,00%
Personnel and Labour	1 432 000	1 650 286	115,24%
Professional Staff	482 230	136 400	28,29%
Employee Wellness	250 000	83 175	33,27%
Call Centre	250 000	-	0,00%
Clearing and Grass Cutting Services	790 000	237 717	30,09%
Litter Picking and Street Cleaning	1 200 000	-	0,00%
Total	**71 477 975**	**28 104 654**	**39,32%**



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 December 2020	%
Maintenance of Equipment	476 850	88 002	18,45%
Maintenance of Vehicles	7 565 931	3 626 663	47,93%
Maintenance of Buildings and Facilities	4 919 198	2 435 685	49,51%
Maintenance of Water Infrastructure	4 932 575	1 458 139	29,56%
Roads Maintenance	10 049 000	4 046 021	40,26%
Consultants and Professional Services	60 000	-	0,00%
Sport and Recreation Facilities	328 450	245 829	74,85%
Maintenance of Electrical Infrastructure	5 003 220	3 157 383	63,11%
Maintenance of Sanitation Infrastructure	2 696 403	1 137 830	42,20%
Hire Charges	4 286 076	2 735 042	63,81%
Other Contracted Services	267 519	53 700	20,07%
Total	**40 585 222**	**18 984 295**	**46,78%**

It is to be noted that actual repairs and maintenance expenditure constituted 46.78% of the 2020/21 Adjusted Budget.

Annexure "A2"

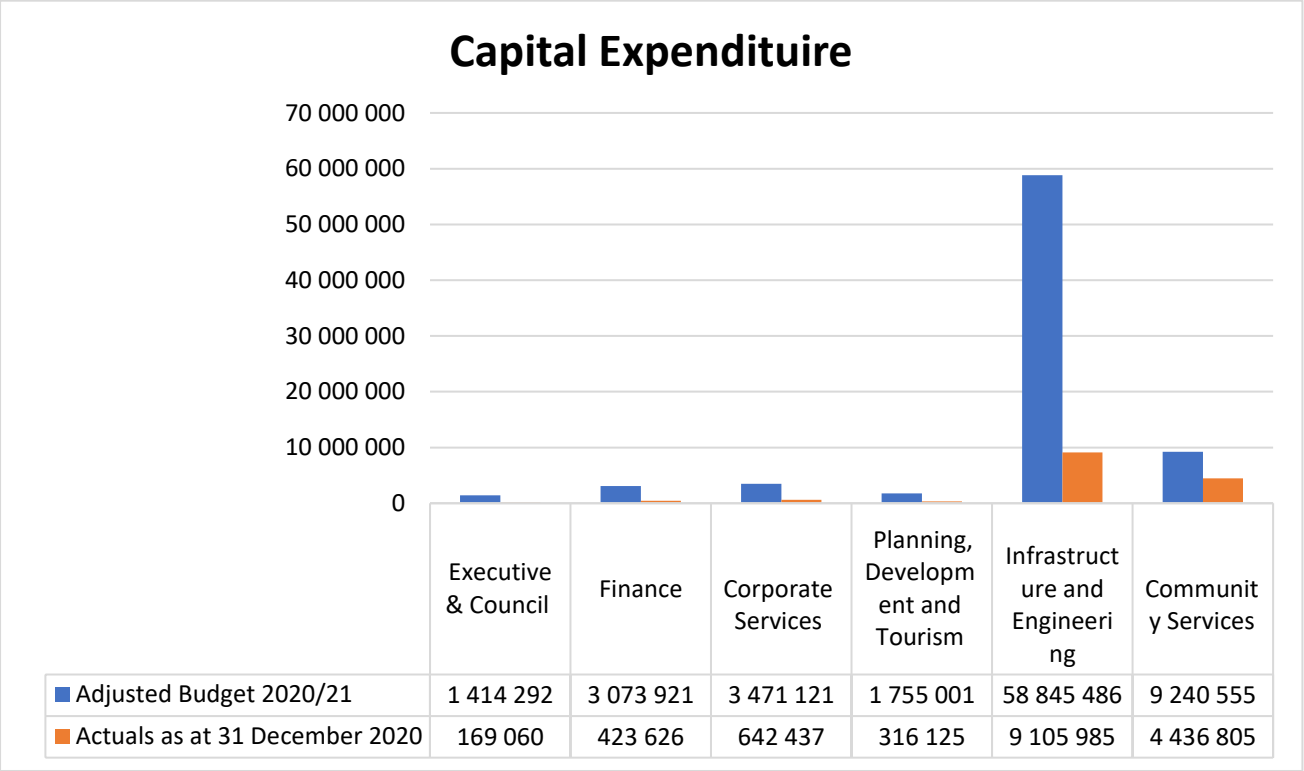
CAPITAL BUDET PERFORMANCE

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 December 2020	%
Executive & Council				
Computer Equipment	Internal	147 445,00	53 824,00	36,50%
Vehicle	Internal	400 000,00	-	0,00%
Furniture and Equipment	Internal	16 847,00	12 306,00	73,05%
Ward councilors Capital project	Internal	850 000,00	102 930,00	12,11%
		1 414 292,00	**169 060,00**	**11,95%**
Corporate Services				
EDMS	Internal	1 560 455,00	573 000,00	36,72%
Library Upgade	Internal	22 000,00	-	0,00%
Computer Software and Applications	Internal	434 000,00	-	0,00%
Computer Equipment	Internal	402 220,00	23 603,00	5,87%
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	45 834,45	13,00%
		3 471 121,00	**642 437,45**	**18,51%**
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	92 375,00	29,33%
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%
Sanitation Infrastructure: Waste Water Treatment Works	Distr	1,00	-	0,00%
		1 755 001,00	**316 125,00**	**18,01%**
Community Services				
Vehicles	Internal	1 296 500,00	-	0,00%
Vehicles	Distr	5 118 200,00	3 027 724,84	59,16%
Jack Hammer and water pump	Internal	250 000,00	29 500,00	11,80%
Kouga Skip Bins	Internal	200 000,00	159 478,26	79,74%
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	475 200,00	73,37%
Computer Equipment	Internal	30 000,00	20 794,00	69,31%
Furniture and Equipment	Internal	144 760,00	120 350,00	83,14%
Fencing Humansdorp Fire Station	Internal	200 000,00	168 817,60	84,41%
Upgrading of Sports Facilities	Internal	153 457,00	47 828,87	31,17%
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000,00	131 530,00	87,69%
Fencing Community Hall	Internal	200 000,00	178 381,08	89,19%
		9 240 555,00	**4 436 804,65**	**48,01%**

Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 December 2020	%
Infrastructure 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	1 126 121,50	37,01%
Electrcial supply of tri switches St francis Bay	Internal	200 000,00	-	0,00%
Machinery & Equipment	Internal	300 000,00	81 954,93	27,32%
Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935,00	422 552,00	86,96%
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739,00	1 748 645,36	38,67%
Humansdorp, Kruisfontein and Osean View Electrific	Internal	800 000,00	-	0,00%
Electrical Oil circuit breakers replacement with v	Internal	800 000,00	162 260,58	20,28%
Electrcial Supply auto recloser St Francis Bay	Internal	400 000,00	285 000,00	71,25%
Electrcial 5 MV 22000/11000 transformer	Internal	1 406 000,00	1 222 570,40	86,95%
Patensie Sewage Package Plant	MIG	-	-	
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	172 110,00	34,42%
Substations Movements in Ocean View	Internal	3 000 000,00	103 256,40	3,44%
Roads Capital	Internal	2 500 000,00	41 136,48	1,65%
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413,00	-	0,00%
Security Camera	Internal	150 000,00	8 000,00	5,33%
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	2 169 109,04	38,17%
		58 845 486,00	**9 105 984,84**	**15,47%**
		77 800 376,00	**15 094 037,94**	**19,40%**
Internal Generated Funds		42 074 262,00	7 159 979,35	17,02%
Transfers recognised - Capital		35 726 114,00	7 934 058,59	22,21%
		77 800 376,00	**15 094 037,94**	**19,40%**

It is to be noted that capital expenditure as at 31 December 2020 amounted to 19.40%, compared to the adjusted capital budget of R 77,800,376.



	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 December 2020	169 060	423 626	642 437	316 125	9 105 985	4 436 805

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 December 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 – M06 December 2020

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	174 803	13 773	128 164	87 401	40 763	47%	174 803
Service charges			424 039	493 499	42 822	243 913	246 749	(2 836)	-1%	493 499
Other revenue			53 022	53 022	977	38 576	26 511	12 065	46%	53 022
Transfers and Subsidies - Operational			145 612	166 000	54 917	126 980	83 000	43 980	53%	166 000
Transfers and Subsidies - Capital			38 356	37 164	–	11 181	18 582	(7 401)	-40%	37 164
Interest			18 957	18 957	1 349	6 270	9 479	(3 208)	-34%	18 957
Dividends				–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(921 829)	(81 305)	(522 879)	(460 914)	61 964	-13%	(921 829)
Finance charges			(1 388)	(1 388)	(109)	(751)	(694)	57	-8%	(1 388)
Transfers and Grants			(761)	(761)	(100)	(100)	(381)	(281)	74%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**37 290**	**19 466**	**32 323**	**31 354**	**9 733**	**(21 621)**	**-222%**	**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			(56 912)	(77 800)	(2 724)	(17 756)	(38 900)	(21 144)	54%	(77 800)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(56 912)**	**(77 800)**	**(2 724)**	**(17 756)**	**(38 900)**	**(21 144)**	**54%**	**(77 800)**
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)	(741)	(4 349)	(4 804)	(455)	9%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(9 608)**	**(9 608)**	**(741)**	**(4 349)**	**(4 804)**	**(455)**	**9%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(29 230)**	**(67 942)**	**28 858**	**9 249**	**(33 971)**			**(67 942)**
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		–	47 099	73 090		150 281	107 061			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 December 2020 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M06 December 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	12 430	135 444	102 825	32 619	32%	205 650
Service charges	–	481 716	481 716	41 606	249 179	240 858	8 321	3%	481 716
Investment revenue	–	13 013	13 013	570	2 407	6 507	(4 100)	-63%	13 013
Transfers and subsidies	–	145 612	166 000	53 938	117 311	83 000	34 311	41%	166 000
Other own revenue	–	60 015	60 015	1 913	26 023	30 007	(3 984)	-13%	60 015
Total Revenue (excluding capital transfers and contributions)	**–**	**906 005**	**926 393**	**110 456**	**530 364**	**463 197**	**67 167**	**15%**	**926 393**
Employee costs	–	336 974	348 729	25 423	165 391	174 365	(8 974)	-5%	348 729
Remuneration of Councillors	–	13 651	13 651	1 082	6 397	6 825	(429)	-6%	13 651
Depreciation & asset impairment	–	89 271	89 271	–	30 636	44 635	(13 999)	-31%	89 271
Finance charges	–	1 388	1 388	109	751	694	57	8%	1 388
Materials and bulk purchases	–	305 802	306 100	22 412	149 508	153 050	(3 541)	-2%	306 100
Transfers and subsidies	–	761	761	100	100	381	(281)	-74%	761
Other expenditure	–	248 495	232 705	15 182	70 567	116 352	(45 785)	-39%	232 705
Total Expenditure	**–**	**996 342**	**992 604**	**64 308**	**423 351**	**496 302**	**(72 951)**	**-15%**	**992 604**
Surplus/(Deficit)	**–**	**(90 337)**	**(66 211)**	**46 148**	**107 012**	**(33 105)**	**140 118**	**-423%**	**(66 211)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	38 356	37 164	–	4 894	18 582	### ###	-74%	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)**	**46 148**	**111 906**	**(14 523)**	**126 429**	**-871%**	**(29 047)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**	**126 429**	**-871%**	**(29 047)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**77 800**	**2 724**	**15 094**	**38 900**	**(23 806)**	**-61%**	**77 800**
Capital transfers recognised	–	33 610	35 726	1 472	7 934	17 863	(9 929)	-56%	35 726
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**–**	**23 303**	**42 074**	**1 252**	**7 160**	**21 037**	**(13 877)**	**-66%**	**42 074**
Total sources of capital funds	**–**	**56 912**	**77 800**	**2 724**	**15 094**	**38 900**	**(23 806)**	**-61%**	**77 800**
Financial position									
Total current assets	–	182 094	213 364		241 835				213 364
Total non current assets	–	2 229 248	2 311 167		2 229 248				2 311 167
Total current liabilities	–	190 365	221 493		121 344				221 493
Total non current liabilities	–	170 192	163 445		170 192				163 445
Community wealth/Equity	**–**	**2 050 785**	**2 139 593**		**2 179 546**				**2 139 593**
Cash flows									
Net cash from (used) operating	–	37 290	19 466	32 323	31 354	9 733	(21 621)	-222%	19 466
Net cash from (used) investing	–	(56 912)	(77 800)	(2 724)	(17 756)	(38 900)	(21 144)	54%	(77 800)
Net cash from (used) financing	–	(9 608)	(9 608)	(741)	(4 349)	(4 804)	(455)	9%	(9 608)
Cash/cash equivalents at the month/year end	**–**	**47 099**	**73 090**	**–**	**150 281**	**107 061**	**(43 220)**	**-40%**	**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	32 575	10 084	7 618	6 140	19 255	5 666	24 715	129 100	235 153
Creditors Age Analysis									
Total Creditors	29 907	1 864	866	567	52	(0)	1 244	(153)	34 346

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) – M06 December 2020

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Revenue - Functional										
Governance and administration		**–**	**332 007**	**352 395**	**63 655**	**257 993**	**176 198**	81 796	46%	**352 395**
Executive and council		–	28	28	–	–	14	(14)	-100%	28
Finance and administration		–	331 979	352 367	63 655	257 993	176 184	81 810	46%	352 367
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**15 620**	**15 620**	**2 744**	**6 949**	**7 810**	(861)	-11%	**15 620**
Community and social services		–	2 498	2 498	1 857	1 998	1 249	749	60%	2 498
Sport and recreation		–	8 085	8 085	274	3 141	4 043	(902)	-22%	8 085
Public safety		–	1 985	1 985	1	625	993	(367)	-37%	1 985
Housing		–	–	(0)	–	–	(0)	0	-100%	(0)
Health		–	3 051	3 051	612	1 185	1 525	(341)	-22%	3 051
Economic and environmental services		**–**	**23 813**	**23 813**	**1 686**	**13 265**	**11 907**	1 358	11%	**23 813**
Planning and development		–	7 173	7 173	303	3 149	3 587	(438)	-12%	7 173
Road transport		–	15 252	15 252	1 326	9 387	7 626	1 762	23%	15 252
Environmental protection		–	1 389	1 389	58	729	694	35	5%	1 389
Trading services		**–**	**572 921**	**571 729**	**42 371**	**257 050**	**285 864**	(28 814)	-10%	**571 729**
Energy sources		–	304 317	304 317	24 400	151 751	152 159	(408)	0%	304 317
Water management		–	100 261	100 261	8 407	43 990	50 130	(6 140)	-12%	100 261
Waste water management		–	93 692	93 692	4 907	32 070	46 846	(14 777)	-32%	93 692
Waste management		–	74 651	73 459	4 657	29 239	36 730	(7 490)	-20%	73 459
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**–**	**944 362**	**963 558**	**110 456**	**535 257**	**481 779**	**53 478**	**11%**	**963 558**
Expenditure - Functional										
Governance and administration		**–**	**242 971**	**237 945**	**13 410**	**85 905**	**118 972**	(33 068)	-28%	**237 945**
Executive and council		–	41 969	43 769	3 620	19 196	21 885	(2 688)	-12%	43 769
Finance and administration		–	200 981	194 154	9 789	66 708	97 077	(30 369)	-31%	194 154
Internal audit		–	21	21	–	–	10	(10)	-100%	21
Community and public safety		**–**	**93 241**	**94 878**	**10 489**	**48 191**	**47 439**	752	2%	**94 878**
Community and social services		–	10 773	10 773	693	4 695	5 387	(692)	-13%	10 773
Sport and recreation		–	45 537	46 175	5 991	24 992	23 087	1 905	8%	46 175
Public safety		–	25 505	25 505	1 807	12 179	12 752	(574)	-4%	25 505
Housing		–	5 399	6 399	1 280	3 373	3 200	173	5%	6 399
Health		–	6 026	6 026	718	2 953	3 013	(61)	-2%	6 026
Economic and environmental services		**–**	**122 804**	**131 291**	**7 562**	**56 302**	**65 646**	(9 344)	-14%	**131 291**
Planning and development		–	39 343	41 831	1 656	13 514	20 915	(7 402)	-35%	41 831
Road transport		–	81 450	87 450	5 351	40 915	43 725	(2 810)	-6%	87 450
Environmental protection		–	2 011	2 011	555	1 873	1 006	868	86%	2 011
Trading services		**–**	**534 193**	**525 357**	**32 728**	**232 822**	**262 678**	(29 856)	-11%	**525 357**
Energy sources		–	316 672	306 581	21 774	156 964	153 291	3 673	2%	306 581
Water management		–	91 486	92 377	2 869	20 767	46 188	(25 421)	-55%	92 377
Waste water management		–	62 587	59 775	2 964	28 428	29 888	(1 459)	-5%	59 775
Waste management		–	63 448	66 624	5 121	26 663	33 312	(6 649)	-20%	66 624
Other		**–**	**3 133**	**3 133**	**119**	**131**	**1 567**	**(1 435)**	**-92%**	**3 133**
Total Expenditure - Functional	3	**–**	**996 342**	**992 604**	**64 308**	**423 351**	**496 302**	**(72 951)**	**-15%**	**992 604**
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**	**126 429**	**-871%**	**(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 – M06 December 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	63 633	257 722	173 123	84 599	48,9%	346 246
Vote 3 - CORPORATE SERVICES		–	307	307	–	96	153	(57)	-37,2%	307
Vote 4 - COMMUNITY SERVICES		–	111 700	110 508	8 332	46 005	55 254	(9 249)	-16,7%	110 508
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	501 976	501 976	38 248	229 324	250 988	(21 664)	-8,6%	501 976
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	4 521	4 521	242	2 110	2 261	(151)	-6,7%	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**	**110 456**	**535 257**	**481 779**	**53 478**	**11,1%**	**963 558**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	45 541	46 208	3 788	19 128	23 104	(3 976)	-17,2%	46 208
Vote 2 - FINANCIAL SERVICES		–	115 737	109 469	4 024	32 234	54 734	(22 500)	-41,1%	109 469
Vote 3 - CORPORATE SERVICES		–	43 677	46 967	2 726	18 259	23 484	(5 225)	-22,3%	46 967
Vote 4 - COMMUNITY SERVICES		–	191 251	200 064	18 473	94 495	100 032	(5 536)	-5,5%	200 064
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	575 140	560 204	32 827	248 501	280 102	(31 601)	-11,3%	560 204
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	24 996	29 692	2 470	10 734	14 846	(4 112)	-27,7%	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**	**64 308**	**423 351**	**496 302**	**(72 951)**	**-14,7%**	**992 604**
Surplus/ (Deficit) for the year	2	**–**	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**	**126 429**	**-870,5%**	**(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) – M06 December 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	12 430	135 444	102 825	32 619	32%	205 650
Service charges - electricity revenue			291 625	291 625	24 293	150 203	145 812	4 391	3%	291 625
Service charges - water revenue			81 846	81 846	8 119	42 627	40 923	1 704	4%	81 846
Service charges - sanitation revenue			53 555	53 555	4 770	28 217	26 777	1 439	5%	53 555
Service charges - refuse revenue			54 690	54 690	4 424	28 132	27 345	787	3%	54 690
Rental of facilities and equipment			4 083	4 083	70	461	2 041	(1 581)	-77%	4 083
Interest earned - external investments			13 013	13 013	570	2 407	6 507	(4 100)	-63%	13 013
Interest earned - outstanding debtors			6 993	6 993	936	4 561	3 496	1 064	30%	6 993
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			6 685	6 685	46	295	3 343	(3 047)	-91%	6 685
Licences and permits			20 714	20 714	1 152	12 476	10 357	2 119	20%	20 714
Agency services			–	–	–	–	–	–		–
Transfers and subsidies			145 612	166 000	53 938	117 311	83 000	34 311	41%	166 000
Other revenue			21 540	21 540	(290)	8 230	10 770	(2 540)	-24%	21 540
Gains			–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		–	**906 005**	**926 393**	**110 456**	**530 364**	**463 197**	**67 167**	**15%**	**926 393**
Expenditure By Type										
Employee related costs			336 974	348 729	25 423	165 391	174 365	(8 974)	-5%	348 729
Remuneration of councillors			13 651	13 651	1 082	6 397	6 825	(429)	-6%	13 651
Debt impairment			89 573	58 222	–	7	29 111	(29 104)	-100%	58 222
Depreciation & asset impairment			89 271	89 271	–	30 636	44 635	(13 999)	-31%	89 271
Finance charges			1 388	1 388	109	751	694	57	8%	1 388
Bulk purchases			279 744	246 173	18 970	136 251	123 087	13 164	11%	246 173
Other materials			26 059	59 926	3 442	13 257	29 963	(16 706)	-56%	59 926
Contracted services			60 352	71 478	7 093	28 105	35 739	(7 634)	-21%	71 478
Transfers and subsidies			761	761	100	100	381	(281)	-74%	761
Other expenditure			98 571	103 005	8 088	42 456	51 502	(9 046)	-18%	103 005
Losses			–	–	–	–	–	–		–
Total Expenditure		–	**996 342**	**992 604**	**64 308**	**423 351**	**496 302**	**(72 951)**	**-15%**	**992 604**
Surplus/(Deficit)		–	**(90 337)**	**(66 211)**	**46 148**	**107 012**	**(33 105)**	**140 118**	**(0)**	**(66 211)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			38 356	37 164	–	4 894	18 582	(13 689)	(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)**	**46 148**	**111 906**	**(14 523)**			**(29 047)**
Taxation								–		
Surplus/(Deficit) after taxation		–	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**			**(29 047)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		–	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**			**(29 047)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		–	**(51 980)**	**(29 047)**	**46 148**	**111 906**	**(14 523)**			**(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) – M06 December 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	3	169	707	(538)	-76%	1 414
Vote 2 - FINANCIAL SERVICES		–	800	3 074	–	424	1 537	(1 113)	-72%	3 074
Vote 3 - CORPORATE SERVICES		–	1 349	3 471	10	642	1 736	(1 093)	-63%	3 471
Vote 4 - COMMUNITY SERVICES		–	11 572	9 241	587	4 437	4 620	(183)	-4%	9 241
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	39 758	58 845	2 124	9 106	29 423	(20 317)	-69%	58 845
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	2 597	1 755	–	316	878	(561)	-64%	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	2 724	15 094	38 900	**(23 806)**	**-61%**	77 800
Total Capital Expenditure		–	**56 912**	**77 800**	**2 724**	**15 094**	**38 900**	**(23 806)**	**-61%**	**77 800**
Capital Expenditure - Functional Classification										
Governance and administration		–	**3 734**	**8 309**	**13**	**1 235**	**4 155**	(2 920)	-70%	**8 309**
Executive and council			835	1 014	3	169	507	(338)	-67%	1 014
Finance and administration			2 899	7 295	10	1 066	3 648	(2 581)	-71%	7 295
Internal audit			–	–	–	–	–	–		–
Community and public safety		–	**16 028**	**19 820**	**1 077**	**6 446**	**9 910**	(3 464)	-35%	**19 820**
Community and social services			–	–	–	–	–	–		–
Sport and recreation			11 600	12 317	1 077	3 152	6 159	(3 007)	-49%	12 317
Public safety			3 669	6 743	–	3 294	3 372	(77)	-2%	6 743
Housing			760	760	–	–	380	(380)	-100%	760
Health			–	–	–	–	–	–		–
Economic and environmental services		–	**9 628**	**12 528**	**41**	**365**	**6 264**	(5 899)	-94%	**12 528**
Planning and development			1 737	2 137	–	324	1 069	(745)	-70%	2 137
Road transport			7 891	10 391	41	41	5 195	(5 154)	-99%	10 391
Environmental protection			–	–	–	–	–	–		–
Trading services		–	**27 422**	**37 043**	**1 593**	**7 047**	**18 521**	(11 474)	-62%	**37 043**
Energy sources			8 172	18 429	1 379	5 416	9 215	(3 799)	-41%	18 429
Water management			3 380	3 380	54	76	1 690	(1 614)	-95%	3 380
Waste water management			14 633	14 633	–	1 396	7 317	(5 921)	-81%	14 633
Waste management			1 237	600	159	159	300	(141)	-47%	600
Other			100	100	–	–	50	(50)	-100%	100
Total Capital Expenditure - Functional Classification	3	–	**56 912**	**77 800**	**2 724**	**15 094**	**38 900**	**(23 806)**	**-61%**	**77 800**
Funded by:										
National Government			31 644	30 608	1 472	4 906	15 304	(10 398)	-68%	30 608
Provincial Government			–	0	–	–	0	(0)	-100%	0
District Municipality			1 965	5 118	–	3 028	2 559	469	18%	5 118
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private			–	–	–	–	–	–		–
Transfers recognised - capital		–	**33 610**	**35 726**	**1 472**	**7 934**	**17 863**	**(9 929)**	**-56%**	**35 726**
Borrowing	6		–	–	–	–	–	–		–
Internally generated funds			23 303	42 074	1 252	7 160	21 037	(13 877)	-66%	42 074
Total Capital Funding		–	**56 912**	**77 800**	**2 724**	**15 094**	**38 900**	**(23 806)**	**-61%**	**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 – M06 December 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	46 662	7 309
Call investment deposits			42 389	65 781	103 619	65 781
Consumer debtors			81 061	76 556	64 724	76 556
Other debtors			44 682	54 465	17 578	54 465
Current portion of long-term receivables			3	3	3	3
Inventory			9 249	9 249	9 249	9 249
Total current assets		–	**182 094**	**213 364**	**241 835**	**213 364**
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	2 065 509	1 985 075	2 065 509
Biological			–	–	–	–
Intangible			1 608	3 092	1 608	3 092
Other non-current assets			–	–	–	–
Total non current assets		–	**2 229 248**	**2 311 167**	**2 229 248**	**2 311 167**
TOTAL ASSETS		–	**2 411 341**	**2 524 530**	**2 471 082**	**2 524 530**
LIABILITIES						
Current liabilities						
Bank overdraft			–	–	–	–
Borrowing			9 608	6 747	9 608	6 747
Consumer deposits			17 378	17 378	17 378	17 378
Trade and other payables			133 730	167 719	64 710	167 719
Provisions			29 649	29 649	29 649	29 649
Total current liabilities		–	**190 365**	**221 493**	**121 344**	**221 493**
Non current liabilities						
Borrowing			6 747	–	6 747	–
Provisions			163 445	163 445	163 445	163 445
Total non current liabilities		–	**170 192**	**163 445**	**170 192**	**163 445**
TOTAL LIABILITIES		–	**360 557**	**384 937**	**291 536**	**384 937**
NET ASSETS	2	–	**2 050 785**	**2 139 593**	**2 179 546**	**2 139 593**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 050 785	2 139 593	2 179 546	2 139 593
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 050 785**	**2 139 593**	**2 179 546**	**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 – M06 December 2020

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	174 803	13 773	128 164	87 401	40 763	47%	174 803
Service charges			424 039	493 499	42 822	243 913	246 749	(2 836)	-1%	493 499
Other revenue			53 022	53 022	977	38 576	26 511	12 065	46%	53 022
Transfers and Subsidies - Operational			145 612	166 000	54 917	126 980	83 000	43 980	53%	166 000
Transfers and Subsidies - Capital			38 356	37 164	–	11 181	18 582	(7 401)	-40%	37 164
Interest			18 957	18 957	1 349	6 270	9 479	(3 208)	-34%	18 957
Dividends				–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(921 829)	(81 305)	(522 879)	(460 914)	61 964	-13%	(921 829)
Finance charges			(1 388)	(1 388)	(109)	(751)	(694)	57	-8%	(1 388)
Transfers and Grants			(761)	(761)	(100)	(100)	(381)	(281)	74%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**37 290**	**19 466**	**32 323**	**31 354**	**9 733**	**(21 621)**	**-222%**	**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			(56 912)	(77 800)	(2 724)	(17 756)	(38 900)	(21 144)	54%	(77 800)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(56 912)**	**(77 800)**	**(2 724)**	**(17 756)**	**(38 900)**	**(21 144)**	**54%**	**(77 800)**
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)	(741)	(4 349)	(4 804)	(455)	9%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(9 608)**	**(9 608)**	**(741)**	**(4 349)**	**(4 804)**	**(455)**	**9%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(29 230)**	**(67 942)**	**28 858**	**9 249**	**(33 971)**			**(67 942)**
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		–	47 099	73 090		150 281	107 061			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.

Annexure "A5"

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

Below is an analysis of the outstanding consumer debtors as at 30 June 2020, compared to the position as at 31 December 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 December 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	11 542	2 287	2 337	1 916	2 835	2 385	8 930	33 199	65 430
Trade and Other Receivables from Exchange Transactions - Electricity	18 577	3 418	1 505	1 006	2 539	547	2 149	8 089	37 831
Receivables from Non-exchange Transactions - Property Rates	11 050	1 439	1 120	794	9 811	544	2 335	23 129	50 222
Receivables from Exchange Transactions - Waste Water Management	6 207	1 180	1 057	914	1 391	860	3 987	14 392	29 989
Receivables from Exchange Transactions - Waste Management	4 696	1 248	1 140	1 063	1 031	899	4 926	19 584	34 588
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	66	107	117	128	386	151	805	19 781	21 541
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(19 562)	404	342	319	1 261	280	1 583	10 926	(4 447)
Total By Income Source	**32 575**	**10 084**	**7 618**	**6 140**	**19 255**	**5 666**	**24 715**	**129 100**	**235 153**
									–
Debtors Age Analysis By Customer Group									
Organs of State	1 443	616	425	287	1 042	134	572	3 310	7 829
Commercial	3 081	1 832	470	356	498	225	1 217	3 775	11 455
Households	28 051	7 636	6 724	5 496	17 715	5 307	22 927	122 015	215 870
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**32 575**	**10 084**	**7 618**	**6 140**	**19 255**	**5 666**	**24 715**	**129 100**	**235 153**

The aforementioned analysis indicates that from 30 June 2020 to 31 December 2020, the overdue debts have increased by R 33,321 million from R 169,257 million to R 202,578 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**31-Dec-20**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	53 888	8 976
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	19 255	3 318
Receivables from Non-exchange Transactions - Property Rates	31 419	39 172	7 753
Receivables from Exchange Transactions - Waste Water Management	19 681	23 782	4 101
Receivables from Exchange Transactions - Waste Management	25 254	29 892	4 638
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	21 475	2 977
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 115	1 559
Total By Income Source	**169 257**	**202 578**	**33 321**
Debtors Age Analysis By Customer Group			–
Organs of State	5 386	6 385	999
Commercial	6 049	8 373	2 325
Households	157 822	187 819	29 997
Other	–	–	–
Total By Customer Group	**169 257**	**202 578**	**33 321**

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	21 600	–	–	–	–	–	–	–	**21 600**
Bulk Water	–	0	10	0	0	(0)	2	(153)	**(141)**
PAYE deductions	4 050								**4 050**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	4 256	1 864	857	567	51	–	1 242	–	**8 837**
Auditor General									**–**
Other									**–**
Total By Customer Type	**29 907**	**1 864**	**866**	**567**	**52**	**(0)**	**1 244**	**(153)**	**34 346**

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

Eskom	R 21,600 million
NMBM	R -0,141 million
PAYE	R 4,050 million
Other Creditors	R 8,837 million
Total	**R 34,346 million**

It is to be noted that the Eskom amount of R 21,600 million, represents the current account for December 2020, which will be fully paid on 22 January 2021.

The PAYE deductions represent employee related costs for the month of December 2020, with the amounts in question being paid on 6 January 2021 to SARS.

3. Investment Portfolio

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

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 December 2020
Standard Bank	11 052 012	-	186 978	-		11 238 990
ABSA	29 118 474	-	322 076	10 000 000	1 123	19 439 427
Nedbank	14 049 368	-	241 181	-		14 290 550
RMB	50 227 524	39 015 388	865 753	49 620 705		40 487 959
INVESTEC	17 846 936	-	315 500	-		18 162 436
Total	**122 294 314**	**39 015 388**	**1 931 489**	**59 620 705**	**1 123**	**103 619 362**
	Balance as at 30 June 2020	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 December 2020**
General Account	74 231 786	2 453 043	1 075 524	12 264 268	1 123	65 494 962
Conditional Grants	48 054 952	36 562 345	855 843	47 356 437	-	38 116 702
Housing Funds	7 576	-	122	-	-	7 698
Total	**122 294 314**	**39 015 388**	**1 931 489**	**59 620 705**	**1 123**	**103 619 362**
Cheque Accounts FNB	18 737 370	27 924 164				46 661 534
TOTAL Investments & Bank	**141 031 684**	**66 939 551**	**1 931 489**	**59 620 705**	**1 123**	**150 280 896**

The increase in the investment portfolio since 30 June 2020 amounts to R 9,249,211. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 46,661,534
Short-term Investment Deposits	R 103,619,362
	R 150,280,896

Application of Cash

Unspent Conditional Grants	30,363,545
Internally Generated Funds	34,914,283
Outstanding Creditors Liability	34,346,089
	99,623,917
Reserves in excess of commitments	**50,656,979.**

The cash backed reserves exceed the commitments at this stage by an amount of R 50,656,979. It should be noted that the excess of reserves over commitments as at 31 December 2020, is mainly due to an amount of R 112,484 million in respect of the Equitable share allocation received, 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 – M06 December 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**	**51 466**	**115 546**	**62 834**	**51 717**	**82,3%**	**125 667**
Operational Revenue:General Revenue:Equitable Share	119 105	121 534	50 992	112 484	60 767	51 717	85,1%	121 534
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	474	738	527			1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	–	1 500	750			1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	–	824	789			1 579
Provincial Government:	–	–	–	–	–	–		–
Other transfers and grants [insert description]						–		–
District Municipality:	**3 815**	**3 815**	**2 745**	**3 440**	**1 907**	1 533	80,3%	**3 815**
Environmental Health			**695**	**1 390**	–	1 390	#DIV/0!	–
Libraries	3 815	3 815	2 050	2 050	1 907	143	7,5%	3 815
Other grant providers:	–	–	**706**	**802**	–	802	#DIV/0!	–
Skills Development				**96**	–	96	#DIV/0!	–
Covid			**706**	**706**	–			–
Total Operating Transfers and Grants	**127 053**	**129 482**	**54 917**	**119 788**	**64 741**	**54 051**	**83,5%**	**129 482**
Capital Transfers and Grants								
National Government:	35 199	35 199	–	18 660	17 600	1 060	**6,0%**	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200		3 000	2 600	400	15,4%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999		15 660	15 000	660	4,4%	29 999
Municipal Disaster Relief Grant			–	–	–	–		–
Provincial Government:	–	–	–	–	–	–		–
[insert description]						–		–
District Municipality:	**1 965**	**1 965**	**–**	**714**	**983**	(269)	-27,4%	**1 965**
Fire	1 965	1 965		714	983	(269)	-27,4%	1 965
Other grant providers:	–	–	–	–	–	–		–
[insert description]						–		–
Total Capital Transfers and Grants	**37 164**	**37 164**	**–**	**19 373**	**18 582**	**791**	**4,3%**	**37 164**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	164 217	166 646	54 917	139 161	83 323	54 842	65,8%	166 646

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 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	51 201	115 023	61 619	53 404	86,7%	123 238
Operational Revenue:General Revenue:Equitable Share	119 105	119 105	50 992	112 484	59 553	52 932	88,9%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	–	1 054	527	527	100,0%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	81	616	750	(134)	-17,9%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	128	869	789	80	10,1%	1 579
Provincial Government:	–	–	–	–	–	–		–
Other transfers and grants [insert description]						–		
District Municipality:	3 815	3 815	2 745	3 440	1 907	1 533	80,3%	3 815
			2 050	2 050	–	2 050	#DIV/0!	–
Environmental Health	3 815	3 815	695	1 390	1 907	(517)	-27,1%	3 815
Other grant providers:	–	–	706	802	–	802	#DIV/0!	–
			706	706		706	#DIV/0!	
Skills Development				96		96	#DIV/0!	
Total operating expenditure of Transfers and Grants:	127 053	127 053	54 652	119 265	63 526	55 738	87,7%	127 053
Capital expenditure of Transfers and Grants								
National Government:	36 391	35 199	1 693	5 642	17 600	(11 957)	-67,9%	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	945	2 011	2 600	(589)	-22,7%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	747	3 631	15 000	(11 368)	-75,8%	29 999
Municipal Disaster Relief Grant					–	–		–
Provincial Government:	–	–	–	–	–	–		–
0						–		
District Municipality:	1 965	1 965	–	3 482	983	2 499	254,4%	1 965
Fire	1 965	1 965	–	3 482	983	2 499	254,4%	1 965
Other grant providers:	–	–	–	–	–	–		–
0					–	–		
Total capital expenditure of Transfers and Grants	38 356	37 164	1 693	9 124	18 582	(9 458)	-50,9%	37 164
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	165 409	164 217	56 344	128 389	82 109	46 280	56,4%	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 615,649
Unspent as at 31 December 2020:	R 884,351

The spending of the grant amounted to 41,04% as at 31 December 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 738,000
Expenditure to date:	R 1,054,000
Overspent as at 31 December 2020:	R -316,000

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
NT Approved rollover	R 9,605,994.
Amount of Grant Received:	R 26,089,994
Expenditure to date:	R 4,500,512
Unspent as at 31 December 2020:	R 21,589,482

The spending of the grant amounted to 17.25% as at 31 December 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 3,000,000
Expenditure to date:	R 2,010,942
Unspent as at 31 December 2020:	R 989 058

The spending of the grant amounted to 67,03% as at 31 December 2020, compared to the amount of the grant received.

Water Services Infrastructure Grant (Kwanomzamo Wastewater Treatment Works)
The purpose of this grant is to upgrade and refurbish the existing Kwanomzamo Wastewater Treatment Works located in Humansdorp. Decommissioning and dismantling of disused equipment; emptying and cleaning of out structures; site measurements; design.

NT Approved rollover	R 6,815,681
Expenditure to date:	R 0.00
Unspent as at 31 December 2020:	R 6,815,681

The spending of the grant amounted to 0% as at 31 December 2020, compared to the amount of the grant received.

5. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M06 December 2020

Summary of Employee and Councillor remuneration	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 104	9 104	718	4 271	3 793	477	13%	9 104
Medical Aid Contributions	–	–	21	81	–	81	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	239	1 424	1 284	140	11%	3 081
Cellphone Allowance	1 465	1 465	104	622	611	11	2%	1 465
Sub Total - Councillors	**13 651**	**13 651**	**1 082**	**6 397**	**5 688**	**709**	**12%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	8 253	6 106	488	3 109	2 544	565	22%	6 106
Pension and UIF Contributions	24	36	9	56	15	41	278%	36
Medical Aid Contributions	–	13	4	25	5	20	381%	13
Performance Bonus	180	453	–	303	189	114	61%	453
Motor Vehicle Allowance	857	811	56	336	338	(2)	-1%	811
Cellphone Allowance	8	6	1	5	3	2	89%	6
Other benefits and allowances	55	50	3	19	21	(2)	-9%	50
Payments in lieu of leave	1 849	1 150	–	280	479	(199)	-42%	1 150
Sub Total - Senior Managers of Municipality	**11 226**	**8 624**	**562**	**4 133**	**3 593**	**540**	**15%**	**8 624**
Other Municipal Staff								
Basic Salaries and Wages	198 870	224 540	16 228	94 953	93 558	1 395	1%	224 540
Pension and UIF Contributions	31 286	33 121	2 672	16 066	13 801	2 265	16%	33 121
Medical Aid Contributions	16 124	17 256	1 349	8 204	7 190	1 014	14%	17 256
Overtime	30 944	28 149	2 440	14 945	11 729	3 217	27%	28 149
Motor Vehicle Allowance	8 053	9 393	799	4 815	3 914	902	23%	9 393
Cellphone Allowance	1	288	–	–	120	(120)	-100%	288
Housing Allowances	1 058	905	73	442	377	65	17%	905
Other benefits and allowances	31 481	24 869	993	20 033	10 362	9 671	93%	24 869
Payments in lieu of leave	19	27	255	1 096	11	1 085	9673%	27
Long service awards	1 496	1 557	53	702	649	53	8%	1 557
Sub Total - Other Municipal Staff	**319 332**	**340 105**	**24 861**	**161 258**	**141 711**	**19 547**	**14%**	**340 105**
Total Parent Municipality	**344 210**	**362 380**	**26 505**	**171 788**	**150 992**	**20 796**	**14%**	**362 380**
TOTAL SALARY, ALLOWANCES & BENEFITS	**344 210**	**362 380**	**26 505**	**171 788**	**150 992**	**20 796**	**14%**	**362 380**
TOTAL MANAGERS AND STAFF	**330 559**	**348 729**	**25 423**	**165 391**	**145 304**	**20 087**	**14%**	**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 December 2020**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.11%	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	1.99
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.33	1.24
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	85%	91.33%

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 December 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	2.08
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	35.13%	39.07%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	19.40%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	4.08%	4.48%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	1.96%	0.96%
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%	77.88%

The above table is discussed in detail below.

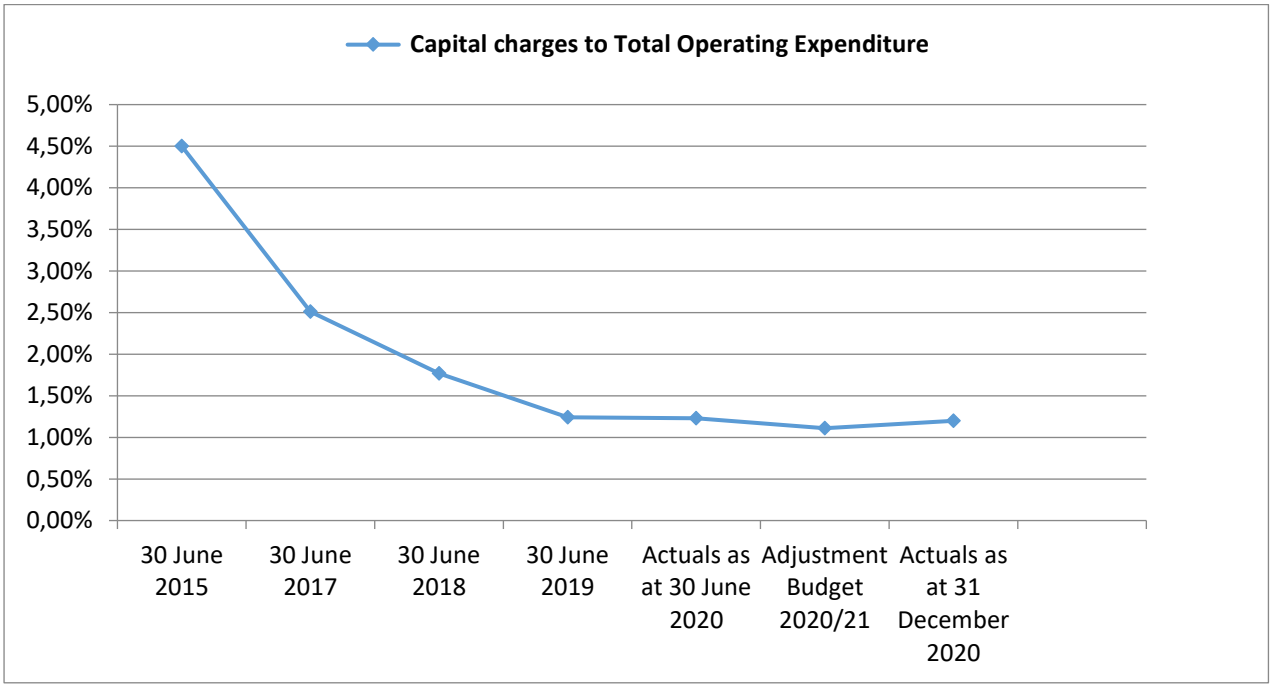
5.1. Borrowing Management

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 December 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.

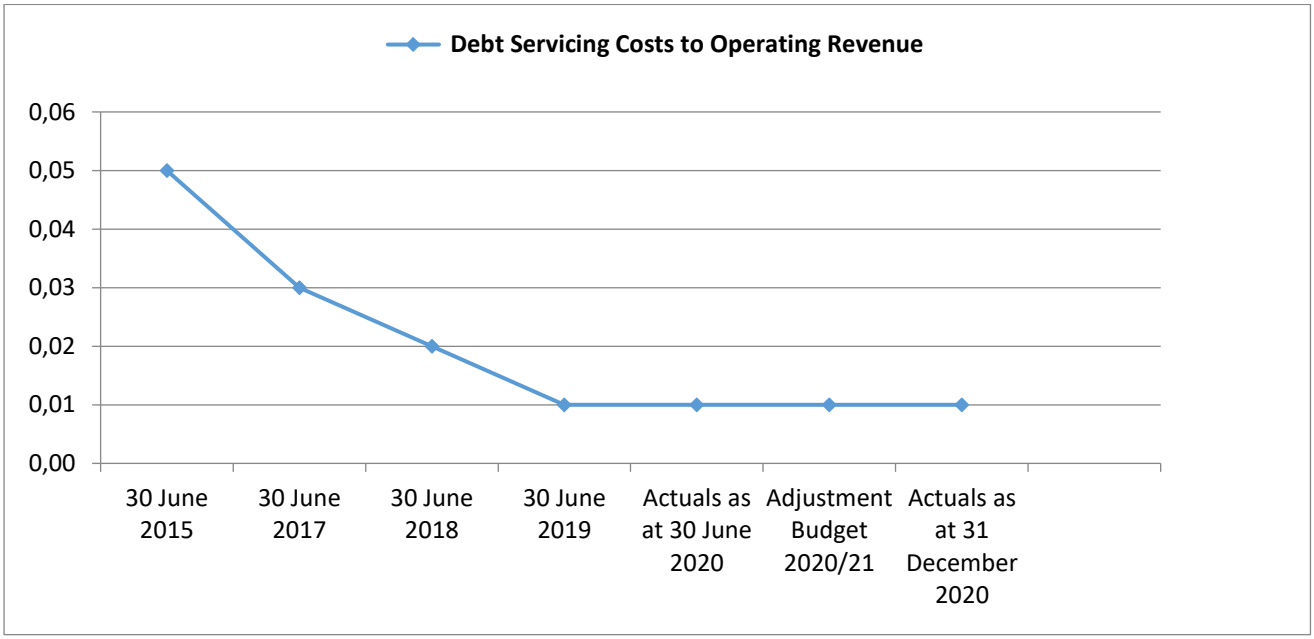
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 December 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:

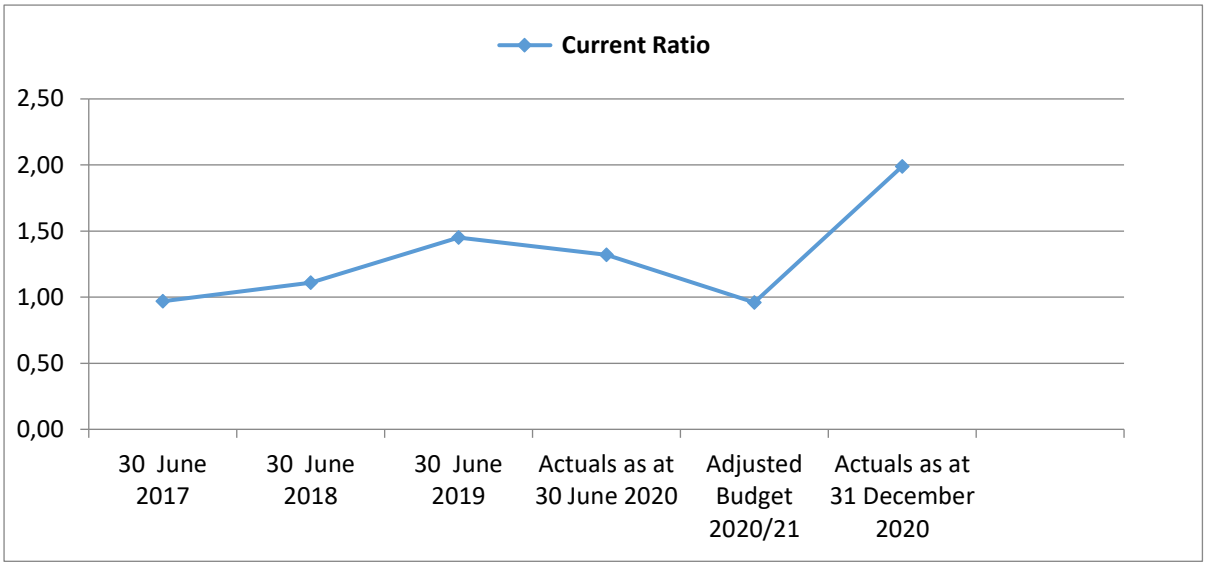
Current assets/Current liabilities

The ratio as at 31 December 2020 was 1.99:1, 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

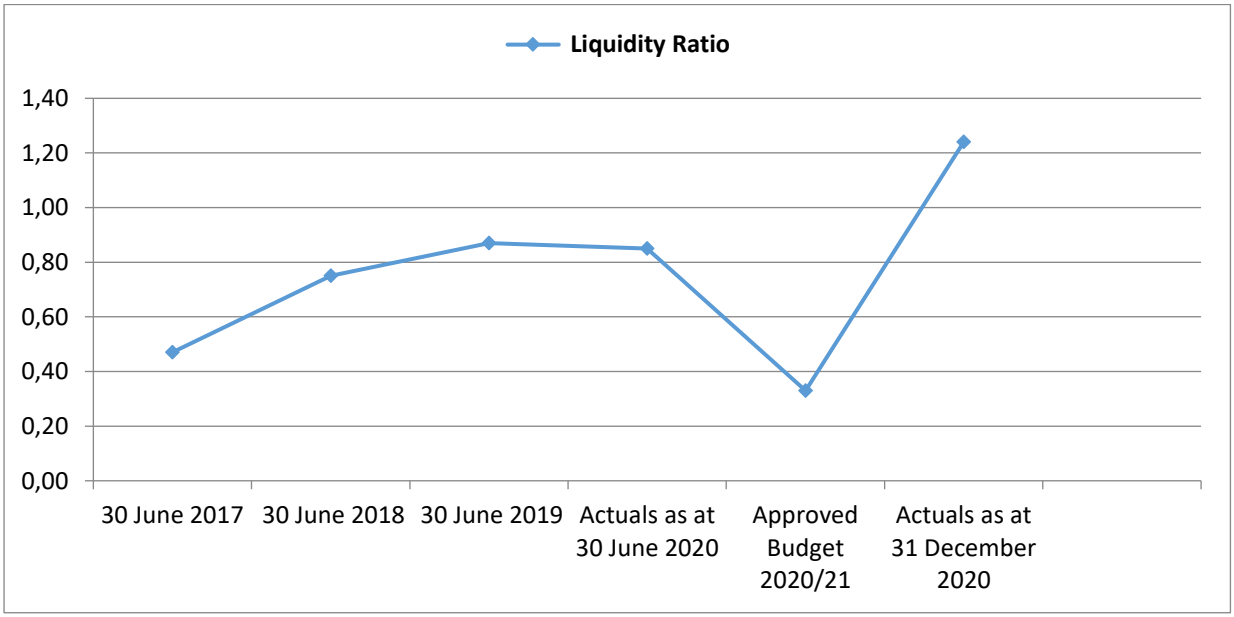
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 December 2020 was 1.24:1, 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

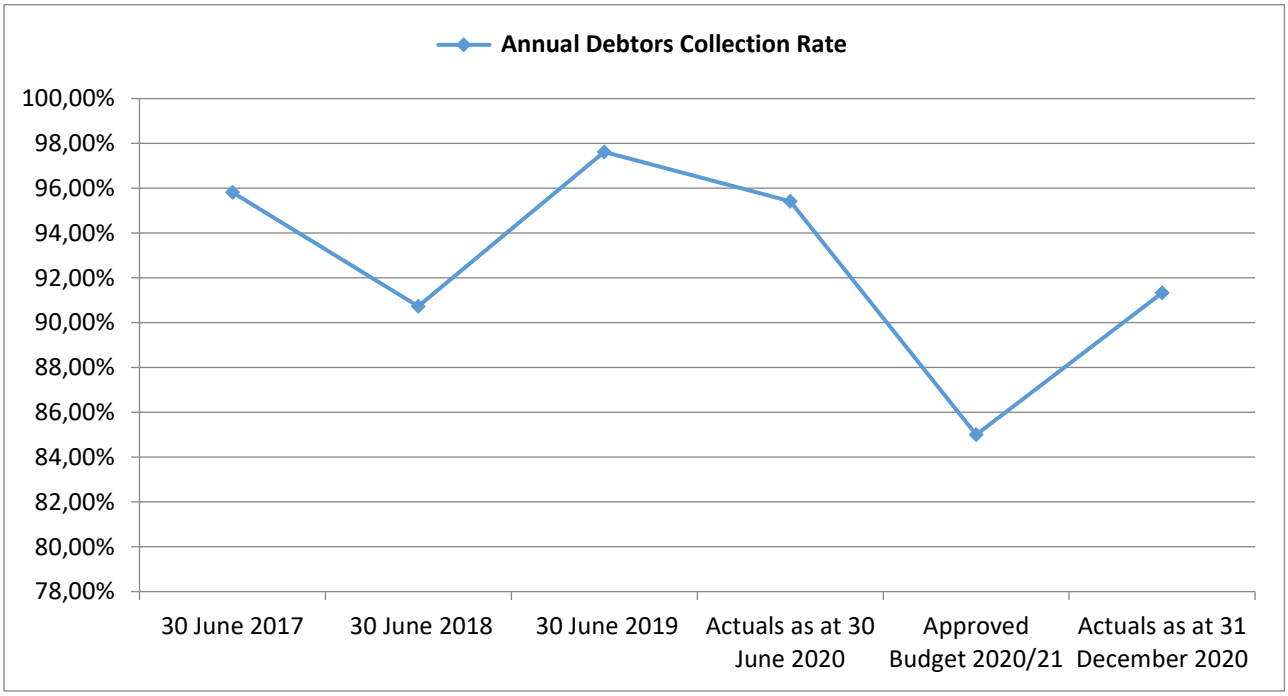
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 December 2020 was 91.33%, compared to the approved budget collection rate of 85%. The actual collection rate for December is 94.23%. 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.

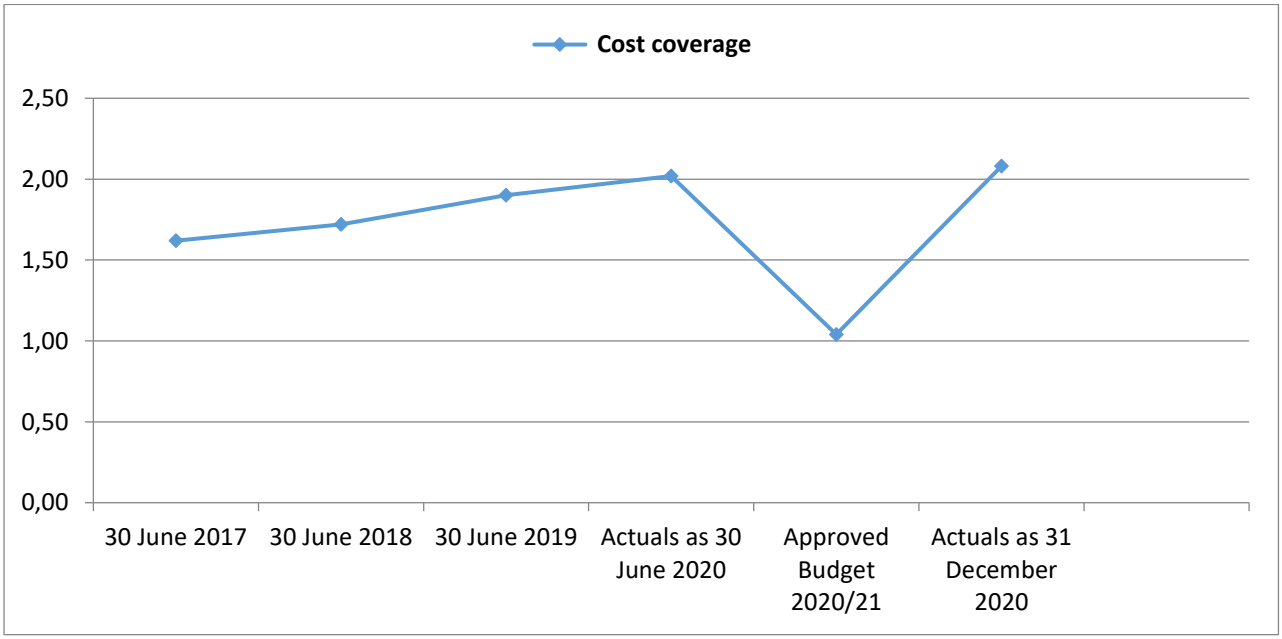
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 December 2020, the Ratio was 2.08 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.



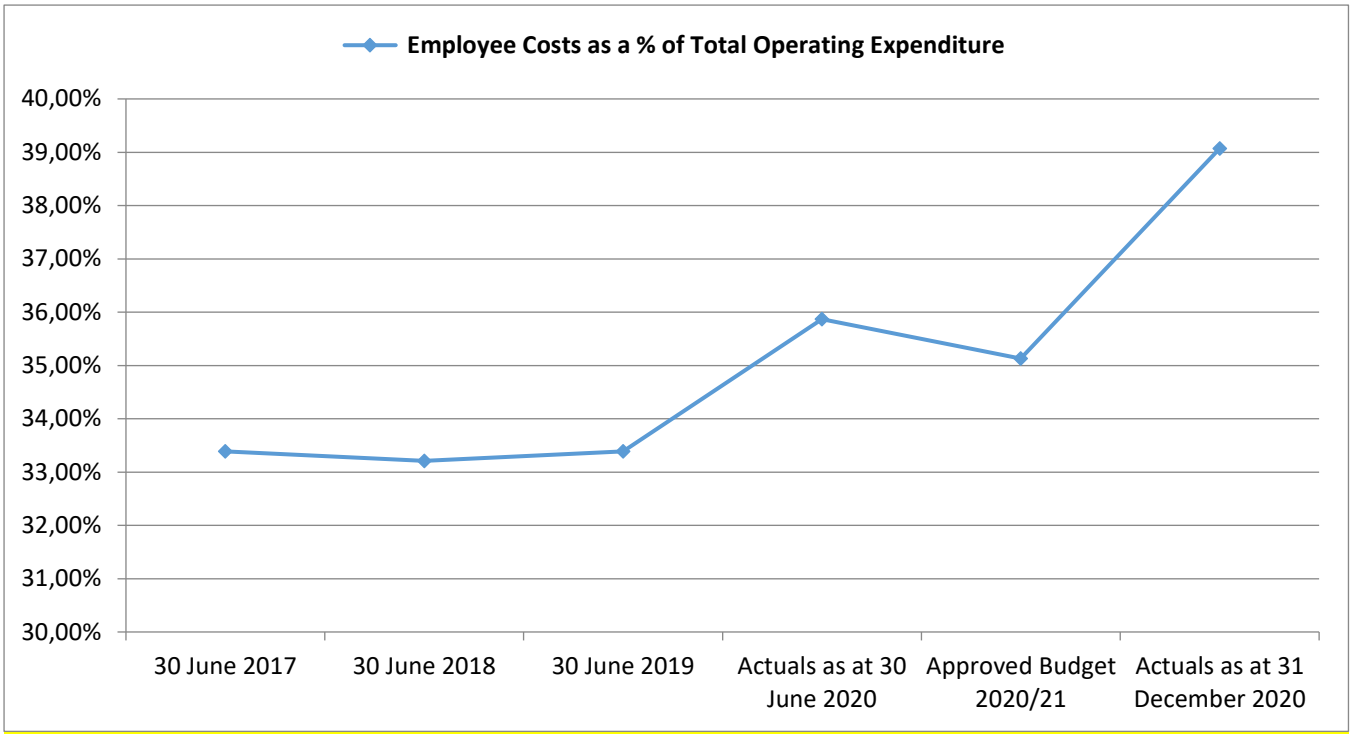
5.4.2. Employee costs as a % of Total Operating Expenditure

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 December 2020, Employee Related Costs constituted 39.07% of the Total Operating Expenditure compared to the approved budget ratio 35,13%.



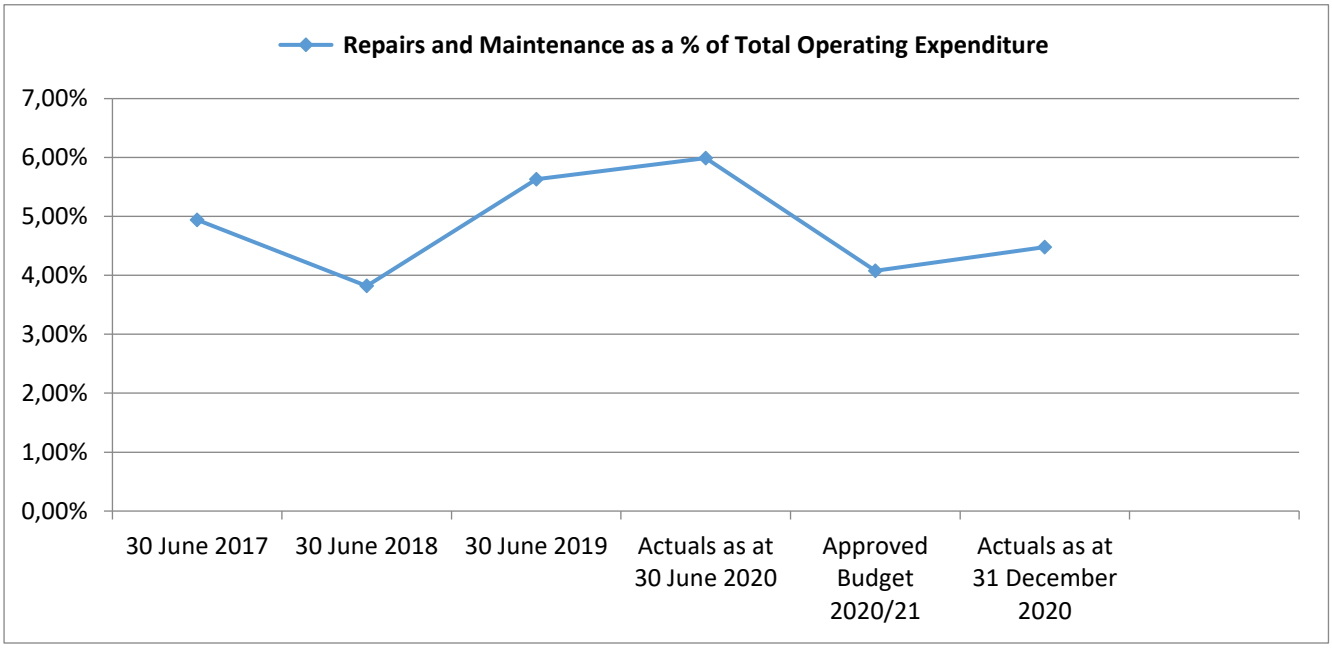
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 December 2020, the ratio was 4.48%, 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)

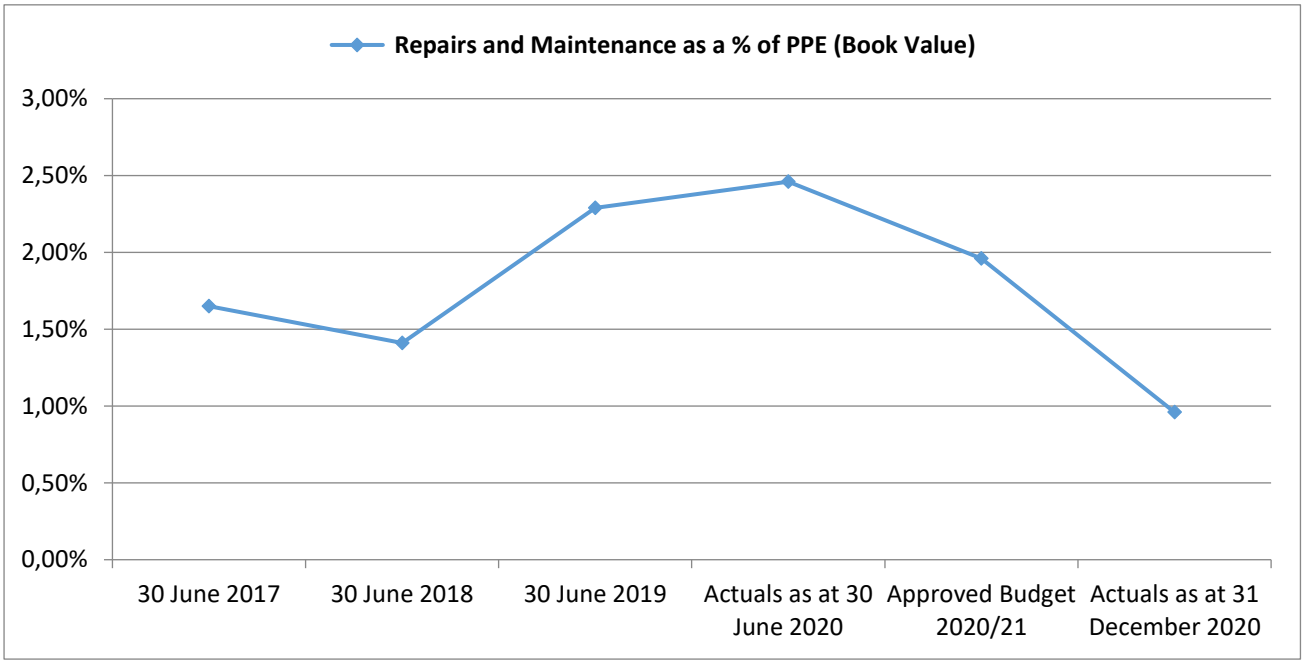
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2020, repairs and maintenance expenditure constituted 0.96% 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%.



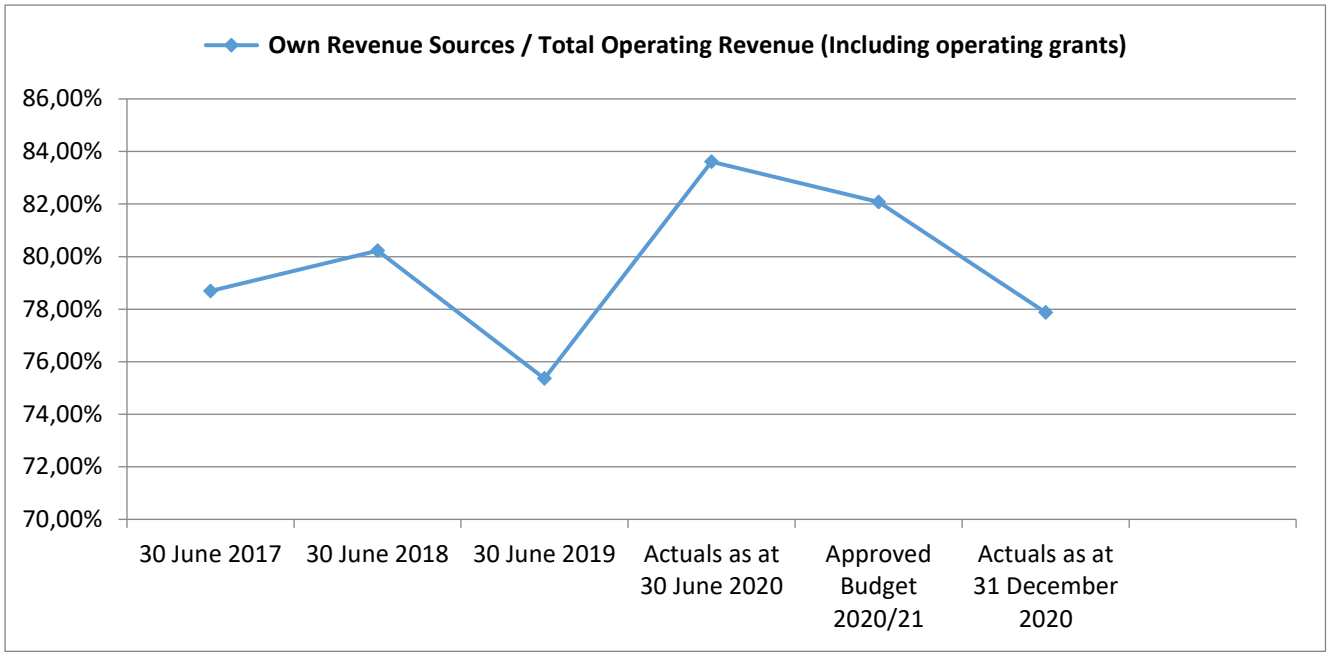
5.4.5. Own Revenue Generation

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 December 2020, the Municipality's own revenue sources constituted 77.88% of its total Operating Income, compared to the approved budget ratio of 82.08%.



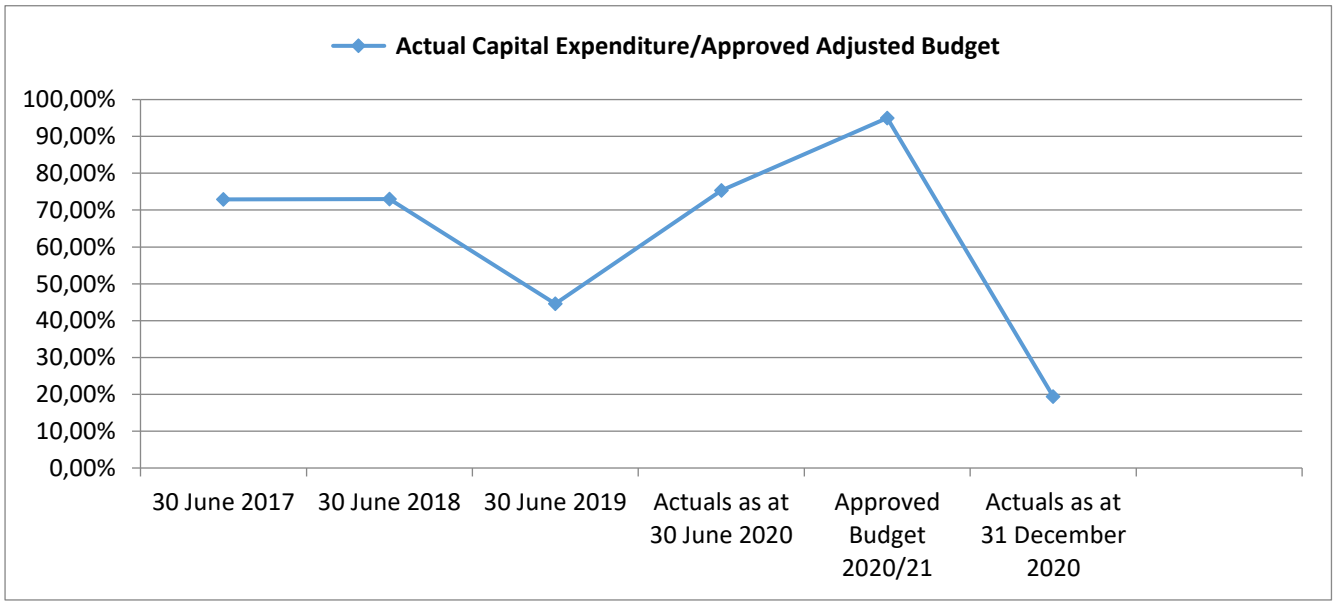
5.4.6. Capital Budget Spending

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 December 2020 amounted to 19.40% compared to the approved budget ratio of 95%.



KOUGA MUNICIPALITY (EC108)

SPECIAL COUNCIL MEETING

FINANCE

DATE: 28 JANUARY 2021 **ITEM NO: 21/01/F2**

BUDGET AND TREASURY: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNT FOR THE QUARTER ENDED 31 DECEMBER 2020

1. Purpose

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

2. Legislative Requirements

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

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

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

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

Attached as annexure "A" the withdrawals from municipal bank account report for the quarter ended 31 December 2020.

The following information should be noted for the quarter ended 31 December 2020:

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

No withdrawals

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

No withdrawals

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

No withdrawals

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

As per attached Annexure "A"

Section 11(1) (f): Monies erroneously deposited into the municipal bank account.

No withdrawals

Section 11(1) (g): Guarantees, sureties and security deposits refunded.

No withdrawals

Section 11(1) (h): Cash management and investment

As per attached Annexure "A"

Section 11(1) (i): Increased expenditure in terms of section 31 of MFMA

No withdrawals

Section 11(1) (j): Other purposes as prescribed

No withdrawals

3. Recommendation

3.1 That the Council notes the withdrawals that were made in terms of section 11(1) (b) to (j) of the MFMA for the quarter ended 31 December 2020; and

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

Item prepared by : Acting Manager Budget & Treasury

Item approved by : The Chief Financial Officer

Item endorsed by : The Municipal Manager

Item noted by the Portfolio Councillor

[ANNEXURE "A"]

PROVINCIAL TREASURY Withdrawals from Municipal Bank Accounts in accordance with section 11(1)(b) to (j)		
NAME OF MUNICIPALITY:	**KOUGA LOCAL MUNICIPALITY (EC108)**	
QUARTER ENDED:	**31 DECEMBER 2020**	
MFMA section 11(1) Only the accounting officer or the chief financial officer of the municipality acting on the written authority of the accounting officer may withdraw money or authorize the withdrawal of money from any of the municipality's bank accounts, and may do so only-	**Amount**	**Reason for withdrawal**
(b) to defray expenditure authorized in terms of section 26(4)	R 0.00	
(c) to defray unforeseeable and unavoidable expenditure authorized in terms of section 29(1)	R 0.00	
(d) in the case of a bank account opened in terms of section 12, to make payments from the account in accordance with subsection (4) of that section	R 0.00	
(e) to pay over to a person or organ of state money received by the municipality on behalf of that person or organ of state, including – i. money collected by the municipality on behalf of that person or organ of state by agreement; or ii) any insurance or other payments received by the municipality for that person or organ of state	R 3,235,909	Motor registration transaction fees.
(f) to refund money incorrectly paid into a bank account	R 0.00	
(g) to refund guarantees, sureties and security deposits	R 0.00	
(h) for cash management and investment purposes in accordance with section 13	R 150,280,896	Transferred to investment accounts (Call Accounts).
(i) to defray increased expenditure in terms of section 31; or	R 0.00	
(j) for such other purposes as may be prescribed	R 0.00	
(4) the accounting officer must within 30 days after the end of each quarter – a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1) (b) to (j) during that quarter; and b) submit a copy of the report to the relevant provincial treasury and the Auditor-General	**Name and Surname:**	Charl Du Plessis
	Municipal Manager	
	Date:	2020/07/11
Telephone Nr.	**Fax Nr.**	**E-mail**
042 – 200 2055	0865224251	zgongqoba@kouga.gov.za
The completed form must be submitted within 30 days after the end of each quarter to Provincial Treasury and Auditor General.		