KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: 2021/04/ **ITEM NO: 2021/F1**

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MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO MARCH 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MARCH 2021 (2020/21 FINANCIAL YEAR)

1. Purpose

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

2. Legislative Requirements

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

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

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

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

3. Executive Summary

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

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of March 2021, 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 720,977 million, whilst operating expenditure amounted to R 645,627 million, resulting in an operating surplus of R 75,350 million.
- Capital expenditure constituted 40.38% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 35,744 million (21.12%) since June 2020.
- An amount of R 39,458 million is owing to creditors, of which R 37,867 million (95.97%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 1,198,318 (0.85%) since June 2020, from R 141,031,684 to R 139,833,366.

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 28 February 2020	Actuals as at 31 March 2021	Adjustment Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	1.59:1	2.26	0.87:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	1.09:1	1.27	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	1.55 Months	1.61 Months	1.77 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	98.19%	93.85%	90%
Capital Expenditure	72.92%	73.82%	75.33%	63.69%	40.38%	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 March 2021:

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

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

Report Submitted by,

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Municipal Manager

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…**16 APRIL 2021**…………………………

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD OF JULY TO MARCH 2021.

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	207 801	172 880	83.19%
Service charges - electricity revenue	291 625	219 487	75.26%
Service charges - water revenue	83 642	60 975	72.90%
Service charges - sanitation revenue	55 057	42 062	76.40%
Service charges - refuse revenue	53 237	41 406	77.78%
Rental of facilities and equipment	1 122	1 191	106.08%
Interest earned - external investments	5 552	3 106	55.94%
Interest earned - outstanding debtors	10 253	7 254	70.75%
Fines, penalties and forfeits	2 150	625	29.10%
Licences and permits	24 732	18 332	74.12%
Transfers and subsidies	166 745	152 445	91.42%
Other revenue	20 941	1 214	5.80%
Total Revenue (excluding capital transfers and contributions)	**922 858**	**720 977**	**78.12%**
Expenditure By Type			
Employee related costs	348 729	240 034	68.83%
Remuneration of councillors	13 651	12 740	93.33%
Debt impairment	70 162	7	0.01%
Depreciation & asset impairment	89 066	49 018	55.04%
Finance charges	1 388	1 026	73.89%
Bulk purchases	246 173	191 836	77.93%
Other materials	63 088	20 027	31.75%
Contracted services	93 847	56 720	60.44%
Transfers and subsidies	761	100	13.14%
Other expenditure	111 050	74 119	66.74%
Total Expenditure	**1 037 915**	**645 627**	**62.20%**
Surplus/(Deficit)	**(115 057)**	**75 350**	

The statement of financial performance indicates a surplus of R 75,350 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

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.

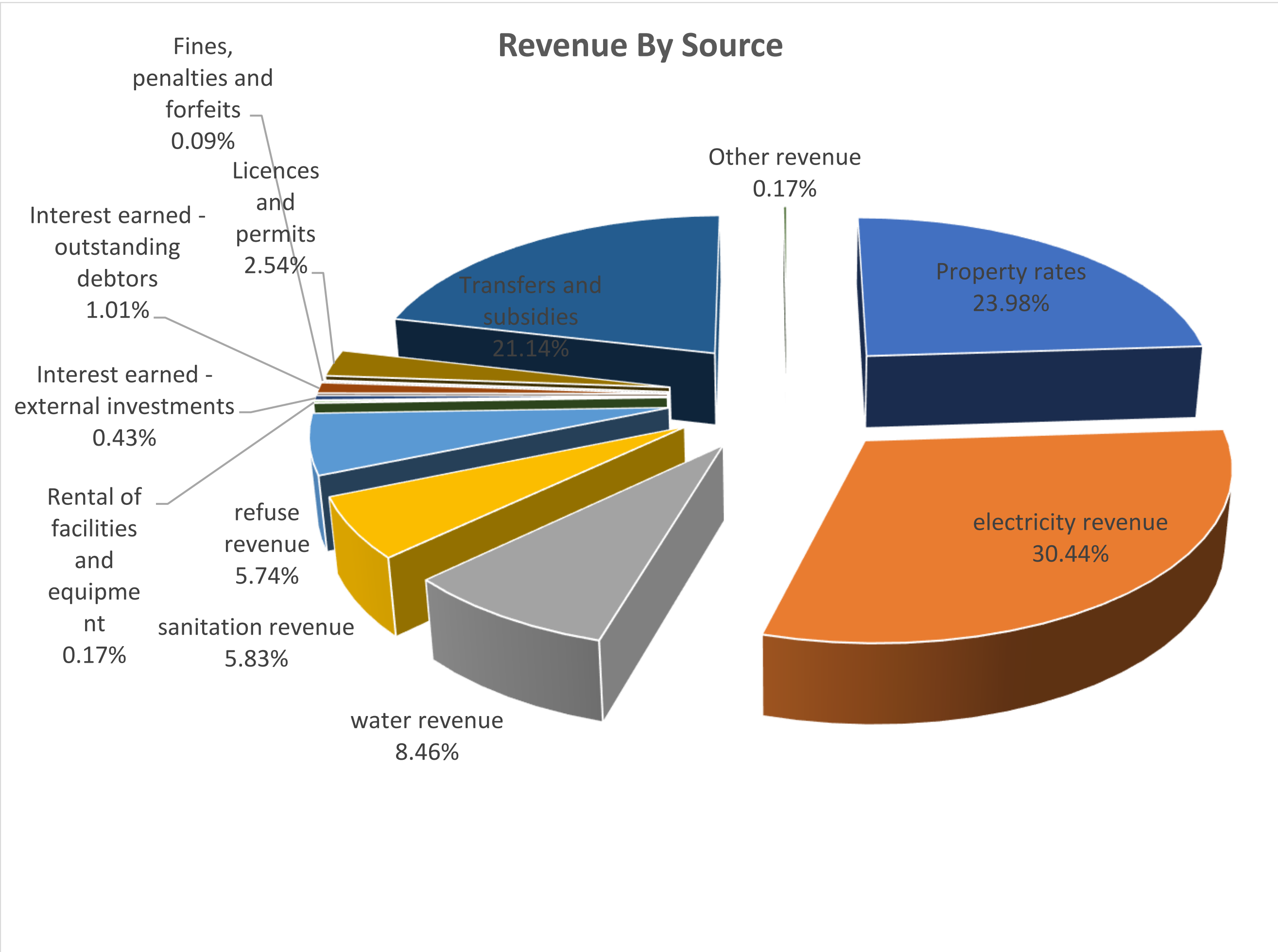
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 139,833 million.

Fines, penalties and forfeits

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

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

Remuneration of councillors

The remuneration of councillors has been misstated due to incorrect journals captured onto the system. The relevant journals will be corrected in April 2021.

Bad Debts

Bad debts are written off upon Council approval.

Depreciation & asset impairment

The depreciation & asset impairment is calculated in line with the municipal asset register.

Bulk purchases

Description	Budget Year 2020/21		
	Adjusted Budget	**YearTD actual**	**%**
R thousands			
Bulk purchases – Electricity	246 173 454	191 836 063	77.93%
	246 173 454	**191 836 063**	**77.93%**

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.

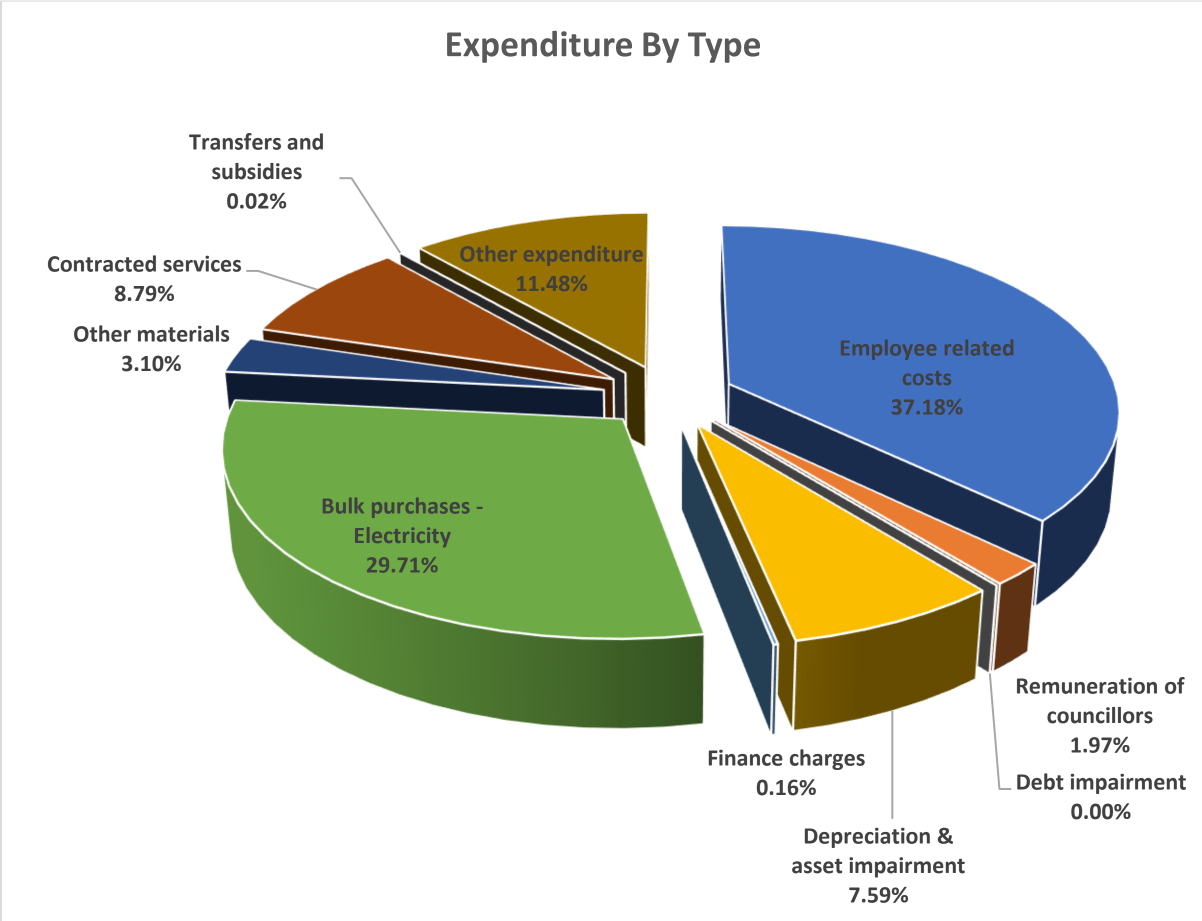
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 March 2021	%
Consultants and Professional Services	7 502 611	760 939	10.14%
Drivers Licence Cards	550 000	290 404	52.80%
Transport Services	315 119	1 800	0.57%
Dune Stabilisation	5 692 248	5 568 243	97.82%
Valuer	2 002 451	351 109	17.53%
Other Contracted Services	1 992 142	782 504	39.28%
Legal Advice and Litigation	2 749 703	1 304 327	47.44%
Maintenance of Buildings and Facilities	6 239 825	3 799 901	60.90%
Catering Services	229 739	77 543	33.75%
Maintenance of Vehicles	6 647 336	5 191 024	78.09%
Qualification Verification	800 000	376 005	47.00%
Maintenance of Water Infrastructure	1 653 900	334 515	20.23%
Maintenance of Equipment	598 375	286 391	47.86%
Burial Services	162 250	113 140	69.73%
Roads Maintenance	28 500 000	18 612 249	65.31%
Medical Health Services & Support	1 406 800	944 937	67.17%
Maintenance of Electrical Infrastructure	2 266 032	2 005 200	88.49%
Maintenance of Sanitation Infrastructure	1 339 000	925 804	69.14%
Laboratory Services:Water	585 517	106 869	18.25%
Special Rating Area	8 285 500	5 808 349	70.10%
Internal Auditors	100 000	25 300	25.30%
Legal Cost:Collection	1 250 000	492 045	39.36%
Security Services	3 689 147	2 645 838	71.72%
Occupational Health and Safety	20 900	-	0.00%
Animal Care	476 575	320 000	67.15%
Personnel and Labour	4 854 615	4 714 586	97.12%
Professional Staff	317 460	136 400	42.97%
Employee Wellness	250 000	125 150	50.06%
Clearing and Grass Cutting Services	2 790 000	619 068	22.19%
Litter Picking and Street Cleaning	600 000	-	0.00%
Total	**93 867 245**	**56 719 640**	**60.44%**

Other Expenditure

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 March 2021	%
Accommodation	421 250	36 575	8.68%
Achievements and Awards	1 212 000	604 996	49.92%
Advertising, Publicity and Marketing	810 349	83 578	10.31%
Air Transport	218 399	4 348	1.99%
Bank Charges	599 180	377 500	63.00%
Bargaining Council	3 040 340	-	0.00%
Cellular Contract (Subscription and Calls)	1 552 723	709 692	45.71%
Claims paid to Third Parties	274 835	15 174	5.52%
External Audit Fees	4 499 999	2 840 595	63.12%
External Computer Service:Internet Charge	4 288 705	3 162 631	73.74%
Gifts and Promotional Items	198 048	35 683	18.02%
Hire Charges	30 548 618	20 049 179	65.63%
Insurance Claims	3 164 901	2 872 902	90.77%
Insurance Underwriting:Premiums	5 655 503	1 813 493	32.07%
Leases:Furniture and Office Equipment	3 608 585	2 005 740	55.58%
Leases:Machinery and Equipment	167 022	2 057	1.23%
Leases:Other Assets	4 245 514	3 417 327	80.49%
Motor Vehicle Licence and Registrations	901 159	657 294	72.94%
Municipal Services	11 468 404	17 225 125	150.20%
Non-employees	217 000	102 588	47.28%
Other	6 858 703	3 805 613	55.49%
Own Transport	505 550	140 308	27.75%
Postage/Stamps/Franking Machines	1 483 156	952 970	64.25%
Printing, Publications and Books	1 265 008	463 946	36.68%
Registration Fees:Professional and Regulatory Bodies	229 553	126 552	55.13%
Registration Fees:Seminars, Conferences, Workshops	1 754 400	437 477	24.94%
Remuneration to Ward Committees	3 000 000	2 510 801	83.69%
Signage	404 306	65 787	16.27%
Skills Development Fund Levy	1 760 001	1 229 461	69.86%
Software Licences	3 599 885	962 446	26.74%
Storage of Files (Archiving)	750 000	195 000	26.00%
Supplier Development Programme	50 000	-	0.00%
Tenders	720 000	362 171	50.30%
Third Party Vendors	5 452 329	3 764 050	69.04%
Uniform and Protective Clothing	3 915 169	1 842 093	47.05%
Vehicle Tracking	619 329	420 182	67.84%
Workmen''s Compensation Fund	1 594 581	824 132	51.68%
Total	**111 054 504**	**74 119 468**	**66.74%**



Expenditure By Type
Transfers and subsidies 0.02%
Contracted services 8.79%
Other materials 3.10%
Other expenditure 11.48%
Employee related costs 37.18%
Bulk purchases - Electricity 29.71%
Remuneration of councillors 1.97%
Debt impairment 0.00%
Finance charges 0.16%
Depreciation & asset impairment 7.59%

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 March 2021	%
Maintenance of Equipment	643 150	187 092	29.09%
Maintenance of Vehicles	7 794 197	6 224 779	79.86%
Maintenance of Buildings and Facilities	7 404 517	3 600 670	48.63%
Maintenance of Water Infrastructure	4 642 575	2 282 313	49.16%
Roads Maintenance	30 049 000	18 612 249	61.94%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	276 128	84.07%
Maintenance of Electrical Infrastructure	5 203 220	4 639 824	89.17%
Maintenance of Sanitation Infrastructure	2 482 772	1 625 392	65.47%
Hire Charges	6 281 214	4 798 453	76.39%
Other Contracted Services	257 069	97 450	37.91%
Total	**65 146 164**	**42 344 350**	**65.00%**

It is to be noted that actual repairs and maintenance expenditure constituted 65.00% of the 2020/21 Adjusted Budget.

Annexure "A2"

CAPITAL BUDET PERFORMANCE

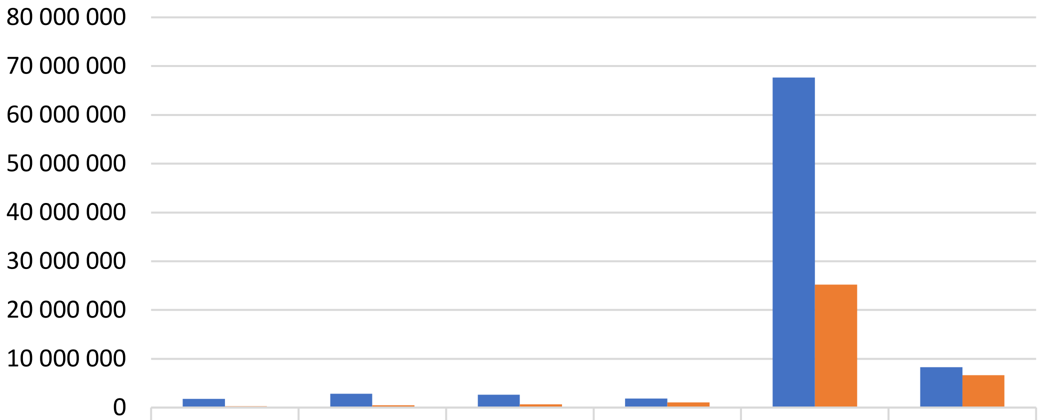
Below is an analysis of the capital expenditure compared to the 2020/21 Adjusted Capital Budget.

	Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 March 2021	%
EXECUTIVE & COUNCIL					
MAYOR	Vehicle	Internal	700 000	-	0.00%
MAYORAL COMMITTEE	Furniture and Equipment	Internal	102 962	-	0.00%
MAYOR	Furniture and equipment	Internal	13 885	12 605	90.78%
Council	Computer Equipment	Internal	-	26 000	
MAYORAL COMMITTEE	Computer Equipment	Internal	127 445	51 670	40.54%
Council	Ward councilors Capital project	Internal	-	50 300	
INTEGRATED DEVELOPMENT	Computer Equipment	Internal	20 000	-	0.00%
WARD COUNCILLORS	Ward councilors Capital project	Internal	850 000	147 365	17.34%
			1 814 292	**287 940**	**15.87%**
CORPORATE SERVICES					
Corporate Services	EDMS	Internal	835 852	573 000	68.55%
Corporate Services	Computer Software and Applications	Internal	64 691	-	0.00%
Skills Development	Computer Equipment	Internal	223 603	23 603	10.56%
Corporate Services	Fencing of municipal building	Internal	469 309	-	0.00%
ADMINISTRATION SERVICES	Bio-metric System	Internal	300 000	5 924	1.97%
Corporate Services	Furniture and Equipment	Internal	182 446	92 399	50.64%
Corporate Services	Computer Equipment	Internal	310 017	-	0.00%
LAND & PROPERTY ADMINISTRATION	Computer Equipment	Internal	251 528	-	0.00%
			2 637 446	**694 926**	**26.35%**
FINANCE					
SCM: DEMAND MANAGEMENT, RISK, F	SCM Furniture	Internal	316 426	316 426	100.00%
BUDGET & FINANCIAL REPORTING	Computer Equipment	Internal	197 629	-	0.00%
REVENUE	Computer Equipment	Internal	125 764	-	0.00%
Finance: Revenue	Furniture and Equipment	Internal	200 000	-	0.00%
Finance: IT	Cibex Software	Internal	681 497	-	0.00%
Finance: IT	Computer Equipment	Internal	949 831	17 966	1.89%
Finance: IT	WIFI Solution	Internal	75 904	23 180	30.54%
Finance: SCM	Machinery and Equipment	Internal	156 465	3 990	2.55%
Finance: SCM	Furniture and equipment	Internal	-	-	
Finance: IT	DISASTER RECOVERY SERVER	Internal	-	34 197	
Finance: Expenditure	Furniture and Equipment	Internal	71 865	-	0.00%
Finance: SCM	Computer Equipment	Internal	89 831	-	0.00%
Finance: IT	Network Upgrade	Internal	-	107 200	
			2 865 212	**502 959**	**17.55%**
COMMUNITY SERVICES					
Fire Services	Vehicle	Internal	435 061	-	0.00%
Fire Services	Vehicle	Distr	5 118 200	4 519 961	88.31%
PARKS AND OPEN SPACES	Jack Hammer and water pump	Internal	250 000	223 839	89.54%
Envornmental Management Fee	Kouga Skip Bins	Internal	200 000	159 478	79.74%
Protection Services	Machinery and Equipment (Security Cameras System)	Internal	750 000	363 571	48.48%
Fire Services	Fleet Management	Internal	100 000	77 200	77.20%
Parks & Open Space	Machinery and Equipment	Internal	575 200	475 200	82.61%
PARKS AND OPEN SPACES	Computer Equipment	Internal	30 000	20 794	69.31%
Sport & Recreation	Furniture and Equipment	Internal	116 260	113 880	97.95%
Fire Services	Fencing Humansdorp Fire Station	Internal	200 000	168 818	84.41%
Fire Services	Furniture and equipment	Internal	28 500	20 650	72.46%
Sport & Recreation	Upgrading of Sports Facilities	Internal	153 457	119 062	77.59%
Beach	Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000	149 580	99.72%
Caravan Parks	Fencing Community Hall	Internal	200 000	199 981	99.99%
			8 306 678	**6 612 014**	**79.60%**
PLANNING, DEVELOPMENT & TOURISM					
Housing Services	Land acquisition housing projects	Internal	360 000	360 000	100.00%
Planning & Development	Computer Software and Applications	Internal	315 000	116 195	36.89%
Housing Services	Vehicles	Internal	400 000	339 886	84.97%
Planning & Development	Furniture and equipment	Internal	278 050	278 050	100.00%
Economic Development: Tourism	Restoration of Fisherman Grave Site	Internal	100 000	-	0.00%
Economic Development: Business	Kouga Business Support Centre	Internal	300 000	-	0.00%
LOCAL ECONOMIC DEVELOPMENT	Computer Equipment	Internal	83 898	-	0.00%
STRATEGIC SERVICES	Computer Equipment	Internal	17 966	-	0.00%
			1 854 915	**1 094 131**	**58.99%**

	Project Description	Funding	Adjusted Budget 2020/21	Actuals as at 31 March 2021	%
INFRASTRUCTURE & ENGINEERING					
Electricity	Saffery Substation	Internal	2 031 855	136 777	6.73%
Electricity	High Mast Lights	Internal	903 430	-	0.00%
Electricity	SUBSTATION SECURITY	Internal	400 000	-	0.00%
Water	Replace 250mm Water Main Canal Road St Francis Ba	Internal	300 000	-	0.00%
Water	Repair Leaking Concrete Water Tower Paradise Beach	Internal	250 000	-	0.00%
Water	Replace Main Waterline Sout Rivier Bridge Crossing	Internal	300 000	8 165	2.72%
Water	Replace 250mm Water Main Mimosa Street Jbay	Internal	500 000	-	0.00%
Water	Upgrade Hankey Water Treatment Works	Internal	400 000	26 608	6.65%
Sewerage	New bypass Sewer Rising Main and Pump Stations Jba	Internal	500 000	-	0.00%
Sewerage	Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000	407 129	50.89%
Sewerage	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	690 000	-	0.00%
Sewerage	Piped Reticulation - St Francis Bay	Internal	275 000	-	0.00%
Electricity	New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086	1 780 985	58.53%
Electricity	Electrcial supply of tri switches St francis Bay	Internal	200 000	-	0.00%
Electricity	Machinery & Equipment	Internal	150 000	5 680	3.79%
Water	Machinery & Equipment	Internal	150 000	113 108	75.41%
Electricity	Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935	473 914	97.53%
Electricity	Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739	3 354 471	74.19%
Electricity	Electrical Oil circuit breakers replacement with v	Internal	740 000	191 300	25.85%
Electricity	Electrcial Supply auto recloser St Francis Bay	Internal	285 000	285 000	100.00%
Electricity	Electrcial 5 MV 22000/11000 transformer	Internal	1 222 570	1 222 570	100.00%
Sewerage	Patensie Sewage Package Plant	MIG	8 353 038	7 231 032	86.57%
Electricity	Kouga Backup Generators	Internal	730 000	362 634	49.68%
Sewerage	Upgrade Sanitation System Old Hankey	MIG	12 484 841	1 727 104	13.83%
Sewerage	Upgrade Loerie sewer pump station	Internal	250 000	-	0.00%
Public Works	Upgrading of Gravel Roads in Humansdorp	MIG	1 739 130	743 338	42.74%
Sewerage	Container toilets	Internal	1 100 000	15 505	1.41%
Electricity	Fencing Main Substation Jeffrey's Bay	Internal	500 000	172 110	34.42%
METERING & REVENUE	Substations Movements in Ocean View	Internal	3 000 000	2 581 255	86.04%
Public Works	Roads Capital	Internal	2 270 000	523 167	23.05%
PROJECT MANAGEMENT UNIT (PMU)	Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	-	0.00%
ROADS AND STORMWATER	Security Camera	Internal	150 000	8 000	5.33%
Electricity	LV Networks (Informal Areas, Electrification/illeg	Internal	467 560	167 560	35.84%
Sewerage	Upgrading KwaNomzamo Waste Water Treatment Works	WSIG	5 926 679	595 011	10.04%
PROJECT MANAGEMENT UNIT (PMU)	Mini Fresh Food and Craft Markets in Jbay & Hankey	Internal	400 000	-	0.00%
Mig Administration Unit	Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154	-	0.00%
Mig Administration Unit	Upgrading of Sports Facilities	MIG	5 682 636	3 064 407	53.93%
Electricity	Humansdorp, Kruisfontein and Osean View Electrific	Internal	303 137	-	0.00%
			67 685 203	**25 196 831**	**37.23%**
			85 163 746	**34 388 801**	**40.38%**
			-	-	
	Transfers recognised - capital		50 005 831	21 235 325	42.47%
	Internally generated funds		35 157 915	13 153 476	37.41%
	Total Capital Funding		**85 163 746**	**34 388 801**	**40.38%**

It is to be noted that capital expenditure as at 31 March 2021 amounted to 40.38%, compared to the adjusted capital budget of R 85,163,746.

Capital Expendituire



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Adjusted Budget 2020/21	1 814 292	2 865 212	2 637 446	1 854 915	67 685 203	8 306 678
Actuals as at 31 March 2021	287 940	502 959	694 926	1 094 131	25 196 831	6 612 014

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 March 2021

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 – M09 March 2021

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		79	174 803	187 021	14 034	170 087	140 266	29 821	21%	187 021
Service charges		–	424 039	435 205	45 937	382 909	326 404	56 505	17%	435 205
Other revenue		–	53 022	48 944	2 371	38 103	36 708	1 395	4%	48 944
Government - operating		–	145 612	166 705	34 162	155 138	125 029	30 109	24%	166 705
Government - capital		–	38 356	37 164	12 824	36 347	27 873	8 474	30%	37 164
Interest		510 656	18 957	14 780	1 336	10 159	11 085	(926)	-8%	14 780
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		55 986	(815 350)	(843 870)	(81 410)	(746 963)	(632 902)	114 061	-18%	(843 870)
Finance charges		–	(1 388)	(1 388)	(93)	(1 026)	(1 041)	(15)	1%	(1 388)
Transfers and Grants		–	(761)	(761)		(100)	(571)	(471)	82%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		566 721	37 290	43 801	29 161	44 654	32 851	(11 803)	-36%	43 801
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(3 598)	(56 912)	(85 164)	(4 724)	(39 228)	(63 873)	(24 645)	39%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(3 598)	(56 912)	(85 164)	(4 724)	(39 228)	(63 873)	(24 645)	39%	(85 164)
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)	(757)	(6 624)	(7 206)	(581)	8%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(9 608)	(9 608)	(757)	(6 624)	(7 206)	(581)	8%	(9 608)
NET INCREASE/ (DECREASE) IN CASH HELD		563 123	(29 230)	(50 970)	23 680	(1 198)	(38 227)			(50 970)
Cash/cash equivalents at beginning:		–	76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		563 123	47 099	90 062		139 833	102 804			90 062

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 March 2021 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M09 March 2021

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	197 544	205 650	207 801	12 505	172 880	155 851	17 029	11%	207 801
Service charges	420 509	481 716	483 561	25 194	363 930	362 671	1 259	0%	483 561
Investment revenue	11 657	13 013	5 552	334	3 106	4 164	(1 058)	-25%	5 552
Transfers and subsidies	134 341	145 612	166 745	34 280	152 445	125 205	27 239	22%	166 705
Other own revenue	55 576	60 015	59 198	3 254	28 616	44 398	(15 782)	-36%	59 198
Total Revenue (excluding capital transfers and contributions)	**819 627**	**906 005**	**922 858**	**75 567**	**720 977**	**692 289**	**28 688**	**4%**	**922 818**
Employee costs	293 708	336 974	348 729	26 067	240 034	265 300	(25 266)	-10%	348 729
Remuneration of Councillors	12 876	13 651	13 651	1 116	12 740	10 238	2 502	24%	13 651
Depreciation & asset impairment	76 979	89 271	89 066	18 382	49 018	66 799	(17 782)	-27%	89 066
Finance charges	5 714	1 388	1 388	93	1 026	1 041	(15)	-1%	1 388
Materials and bulk purchases	304 655	305 802	309 261	19 398	211 863	231 945	(20 082)	-9%	309 261
Transfers and subsidies	250	761	761	–	100	571	(471)	-82%	761
Other expenditure	228 464	248 495	275 058	24 110	130 846	206 292	(75 446)	-37%	275 058
Total Expenditure	**922 646**	**996 342**	**1 037 915**	**89 166**	**645 627**	**782 186**	**(136 559)**	**-17%**	**1 037 915**
Surplus/(Deficit)	**(103 019)**	**(90 337)**	**(115 057)**	**(13 599)**	**75 350**	**(89 896)**	**165 247**	**-184%**	**(115 097)**
Transfers and subsidies - capital (monetary alloc	126 360	38 356	53 586	11 893	20 824	27 873	(7 049)	-25%	37 164
Contributions & Contributed assets	334	0	0	–	–	–	–		0
Surplus/(Deficit) after capital transfers & contributions	**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**	**158 197**	**-255%**	**(77 933)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**	**158 197**	**-255%**	**(77 933)**
Capital expenditure & funds sources									
Capital expenditure	**97 984**	**56 912**	**85 146**	**4 108**	**34 389**	**63 859**	**(29 470)**	**-46%**	**85 146**
Capital transfers recognised	(8 826)	33 610	50 006	1 794	21 235	37 504	(16 269)	-43%	50 006
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**106 914**	**23 303**	**35 158**	**2 313**	**13 153**	**26 368**	**(13 215)**	**-50%**	**35 158**
Total sources of capital funds	**98 088**	**56 912**	**85 164**	**4 108**	**34 389**	**63 873**	**(29 484)**	**-46%**	**85 164**
Financial position									
Total current assets	(69 830)	182 094	207 551		249 264				207 551
Total non current assets	58 926	2 229 248	2 318 735		2 315 091				2 318 735
Total current liabilities	(19 629)	190 365	237 518		110 369				237 518
Total non current liabilities	(14 480)	170 192	163 445		165 319				163 445
Community wealth/Equity	**(471)**	**2 050 785**	**2 125 323**		**2 288 667**				**2 125 323**
Cash flows									
Net cash from (used) operating	566 721	37 290	43 801	29 161	44 654	32 851	(11 803)	-36%	43 801
Net cash from (used) investing	(3 598)	(56 912)	(85 164)	(4 724)	(39 228)	(63 873)	(24 645)	39%	(85 164)
Net cash from (used) financing	–	(9 608)	(9 608)	(757)	(6 624)	(7 206)	(581)	8%	(9 608)
Cash/cash equivalents at the month/year end	**563 123**	**47 099**	**90 062**	**–**	**139 833**	**102 804**	**(37 029)**	**-36%**	**90 062**

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	33 323	8 283	6 972	5 822	5 628	5 477	35 642	137 178	238 324
Creditors Age Analysis									
Total Creditors	37 867	82	–	3	65	20	1 420	1	39 458

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) – M09 March 2021

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		**356 499**	**332 007**	**343 256**	**47 303**	**322 731**	**257 618**	65 112	25%	**343 256**
Executive and council		4	28	734	40	40	727	(687)	-94%	734
Finance and administration		356 496	331 979	342 522	47 263	322 691	256 891	65 799	26%	342 522
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**11 477**	**15 620**	**13 588**	**352**	**10 293**	**10 191**	102	1%	**13 588**
Community and social services		2 421	2 498	2 498	20	2 084	1 874	210	11%	2 498
Sport and recreation		5 495	8 085	6 054	322	4 889	4 540	349	8%	6 054
Public safety		734	1 985	1 985	3	1 329	1 489	(160)	-11%	1 985
Housing		–	–	(0)	–	–	–	–		(0)
Health		2 827	3 051	3 051	7	1 991	2 288	(297)	-13%	3 051
Economic and environmental services		**15 267**	**23 813**	**26 303**	**1 951**	**19 487**	**19 727**	(240)	-1%	**26 303**
Planning and development		6 085	7 173	6 573	661	4 992	4 930	62	1%	6 573
Road transport		7 382	15 252	18 341	1 245	13 351	13 756	(404)	-3%	18 341
Environmental protection		1 800	1 389	1 389	45	1 144	1 042	102	10%	1 389
Trading services		**563 077**	**572 921**	**593 297**	**37 855**	**389 290**	**432 626**	(43 336)	-10%	**576 835**
Energy sources		264 114	304 317	304 317	14 731	224 088	228 238	(4 150)	-2%	304 317
Water management		170 094	100 261	112 133	3 921	63 873	78 988	(15 115)	-19%	105 318
Waste water management		74 776	93 692	104 840	14 516	58 095	71 395	(13 300)	-19%	95 194
Waste management		54 094	74 651	72 006	4 687	43 233	54 005	(10 771)	-20%	72 006
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**946 321**	**944 362**	**976 444**	**87 461**	**741 801**	**720 162**	**21 639**	**3%**	**959 982**
Expenditure - Functional										
Governance and administration		**209 032**	**242 971**	**238 130**	**20 191**	**138 226**	**179 834**	(41 608)	-23%	**238 130**
Executive and council		45 347	41 969	44 232	6 314	33 206	33 269	(63)	0%	44 232
Finance and administration		163 678	200 981	193 878	13 875	105 017	146 548	(41 531)	-28%	193 878
Internal audit		7	21	21	2	2	16	(13)	-85%	21
Community and public safety		**89 381**	**93 241**	**99 017**	**7 538**	**71 031**	**75 110**	(4 080)	-5%	**99 017**
Community and social services		11 104	10 773	10 540	693	7 197	8 013	(816)	-10%	10 540
Sport and recreation		46 142	45 537	50 848	3 962	36 306	38 536	(2 230)	-6%	50 848
Public safety		22 709	25 505	25 397	2 115	18 306	19 284	(978)	-5%	25 397
Housing		4 445	5 399	6 643	365	5 046	5 032	14	0%	6 643
Health		4 982	6 026	5 590	404	4 176	4 246	(69)	-2%	5 590
Economic and environmental services		**122 008**	**122 804**	**152 034**	**22 924**	**95 373**	**114 633**	(19 261)	-17%	**152 034**
Planning and development		23 084	39 343	40 583	3 188	21 145	30 712	(9 567)	-31%	40 583
Road transport		92 362	81 450	109 440	19 449	71 299	82 413	(11 114)	-13%	109 440
Environmental protection		6 562	2 011	2 011	287	2 928	1 508	1 420	94%	2 011
Trading services		**500 347**	**534 193**	**546 626**	**38 510**	**340 856**	**411 028**	(70 171)	-17%	**546 626**
Energy sources		272 205	316 672	317 278	20 869	226 799	238 096	(11 297)	-5%	317 278
Water management		89 188	91 486	93 914	6 318	32 129	70 696	(38 567)	-55%	93 914
Waste water management		71 079	62 587	67 477	8 157	45 558	50 816	(5 258)	-10%	67 477
Waste management		67 875	63 448	67 957	3 167	36 372	51 420	(15 049)	-29%	67 957
Other		**1 878**	**3 133**	**2 107**	**3**	**141**	**1 580**	**(1 439)**	**-91%**	**2 107**
Total Expenditure - Functional	3	**922 646**	**996 342**	**1 037 915**	**89 166**	**645 627**	**782 186**	**(136 559)**	**-17%**	**1 037 915**
Surplus/ (Deficit) for the year		**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**	**158 197**	**-255%**	**(77 933)**

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 – M09 March 2021

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
<u>Revenue by Vote</u>	1									
Vote 1 - EXECUTIVE COUNCIL		–	–	706	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		346 563	325 858	340 936	47 197	322 004	255 702	66 301	25.9%	340 936
Vote 3 - CORPORATE SERVICES		586	307	307	40	284	230	54	23.3%	307
Vote 4 - COMMUNITY SERVICES		93 868	111 700	105 577	6 395	68 465	79 183	(10 718)	-13.5%	105 577
Vote 5 - INFRASTRUCTURE AND ENGINEERING		501 814	501 976	524 996	33 346	347 753	381 401	(33 647)	-8.8%	508 534
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 490	4 521	3 922	483	3 296	2 941	355	12.1%	3 922
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
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	**946 321**	**944 362**	**976 444**	**87 461**	**741 801**	**719 457**	**22 344**	**3.1%**	**959 276**
<u>Expenditure by Vote</u>	1									
Vote 1 - EXECUTIVE COUNCIL		44 424	44 558	45 891	4 858	32 918	34 507	(1 589)	-4.6%	45 891
Vote 2 - FINANCIAL SERVICES		97 889	117 483	108 499	7 219	50 967	81 971	(31 004)	-37.8%	108 499
Vote 3 - CORPORATE SERVICES		34 862	46 629	47 075	3 066	27 392	35 635	(8 243)	-23.1%	47 075
Vote 4 - COMMUNITY SERVICES		193 994	195 251	206 795	15 025	138 019	156 662	(18 642)	-11.9%	206 795
Vote 5 - INFRASTRUCTURE AND ENGINEERING		531 934	566 216	601 558	57 555	380 747	452 141	(71 394)	-15.8%	601 558
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19 542	26 204	28 096	1 443	15 584	21 269	(5 686)	-26.7%	28 096
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
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	**922 646**	**996 342**	**1 037 915**	**89 166**	**645 627**	**782 186**	**(136 559)**	**-17.5%**	**1 037 915**
Surplus/ (Deficit) for the year	2	**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 729)**	**158 903**	**-253.3%**	**(78 638)**

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) – M09 March 2021

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		197 544	205 650	207 801	12 505	172 880	155 851	17 029	11%	207 801
Service charges - electricity revenue		245 438	291 625	291 625	13 266	219 487	218 718	768	0%	291 625
Service charges - water revenue		73 769	81 846	83 642	2 935	60 975	62 732	(1 756)	-3%	83 642
Service charges - sanitation revenue		49 951	53 555	55 057	4 550	42 062	41 293	769	2%	55 057
Service charges - refuse revenue		51 351	54 690	53 237	4 444	41 406	39 928	1 478	4%	53 237
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		697	4 083	1 122	169	1 191	842	349	41%	1 122
Interest earned - external investments		11 657	13 013	5 552	334	3 106	4 164	(1 058)	-25%	5 552
Interest earned - outstanding debtors		8 576	6 993	10 253	900	7 254	7 690	(436)	-6%	10 253
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		20 388	6 685	2 150	84	625	1 612	(987)	-61%	2 150
Licences and permits		11 066	20 714	24 732	1 508	18 332	18 549	(217)	-1%	24 732
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		134 341	145 612	166 745	34 280	152 445	125 205	27 239	22%	166 705
Other revenue		14 777	21 540	20 941	593	1 214	15 705	(14 492)	-92%	20 941
Gains on disposal of PPE		70	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**819 627**	**906 005**	**922 858**	**75 567**	**720 977**	**692 289**	**28 688**	**4%**	**922 818**
Expenditure By Type										
Employee related costs		293 708	336 974	348 729	26 067	240 034	265 300	(25 266)	-10%	348 729
Remuneration of councillors		12 876	13 651	13 651	1 116	12 740	10 238	2 502	24%	13 651
Debt impairment		75 352	89 573	70 162	–	7	52 621	(52 614)	-100%	70 162
Depreciation & asset impairment		76 979	89 271	89 066	18 382	49 018	66 799	(17 782)	-27%	89 066
Finance charges		5 714	1 388	1 388	93	1 026	1 041	(15)	-1%	1 388
Bulk purchases		264 529	279 744	246 173	17 021	191 836	184 630	7 206	4%	246 173
Other materials		40 125	26 059	63 088	2 377	20 027	47 315	(27 288)	-58%	63 088
Contracted services		70 860	60 352	93 847	13 050	56 720	70 385	(13 665)	-19%	93 847
Transfers and subsidies		250	761	761	–	100	571	(471)	-82%	761
Other expenditure		80 520	98 571	111 050	11 060	74 119	83 286	(9 166)	-11%	111 050
Loss on disposal of PPE		1 731	–	–	–	–	–	–		–
Total Expenditure		**922 646**	**996 342**	**1 037 915**	**89 166**	**645 627**	**782 186**	**(136 559)**	**-17%**	**1 037 915**
Surplus/(Deficit)		**(103 019)**	**(90 337)**	**(115 057)**	**(13 599)**	**75 350**	**(89 896)**	**165 247**	**(0)**	**(115 097)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		126 360	38 356	53 586	11 893	20 824	27 873	(7 049)	(0)	37 164
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	0	0	–	–	–	–		0
Transfers and subsidies - capital (in-kind - all)		334	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**			**(77 933)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**			**(77 933)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**			**(77 933)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**23 675**	**(51 980)**	**(61 471)**	**(1 705)**	**96 174**	**(62 023)**			**(77 933)**

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) – M09 March 2021

Vote Description	Ref	2019/20	Budget Year 2020/21							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		152	85	950	–	78	713	(635)	-89%	950
Vote 2 - FINANCIAL SERVICES		75 967	800	2 709	–	499	2 032	(1 533)	-75%	2 709
Vote 3 - CORPORATE SERVICES		342	1 349	2 386	15	695	1 789	(1 094)	-61%	2 386
Vote 4 - COMMUNITY SERVICES		4 983	4 220	6 653	109	5 475	4 990	486	10%	6 653
Vote 5 - INFRASTRUCTURE AND ENGINEERING		5 283	38 458	55 325	2 848	22 725	41 494	(18 769)	-45%	55 325
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 018	1 505	1 810	364	816	1 358	(542)	-40%	1 810
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
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	**89 745**	**46 418**	**69 833**	**3 335**	**30 288**	**52 375**	**(22 087)**	**-42%**	**69 833**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		343	750	864	29	210	648	(438)	-68%	864
Vote 2 - FINANCIAL SERVICES		(81)	–	156	4	4	117	(113)	-97%	156
Vote 3 - CORPORATE SERVICES		(1 219)	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		6 059	7 352	1 654	364	1 137	1 240	(104)	-8%	1 654
Vote 5 - INFRASTRUCTURE AND ENGINEERING		3 137	1 300	12 360	376	2 472	9 270	(6 798)	-73%	12 360
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	1 092	278	–	278	209	70	33%	278
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
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	8 239	10 495	15 312	772	4 101	11 484	**(7 384)**	**-64%**	15 312
Total Capital Expenditure	3	**97 984**	**56 912**	**85 146**	**4 108**	**34 389**	**63 859**	**(29 470)**	**-46%**	**85 146**
Capital Expenditure - Functional Classification										
Governance and administration		**77 519**	**3 734**	**7 133**	**411**	**1 849**	**5 350**	(3 501)	-65%	**7 133**
Executive and council		561	835	1 132	29	288	849	(561)	-66%	1 132
Finance and administration		76 955	2 899	6 001	382	1 561	4 501	(2 939)	-65%	6 001
Internal audit		4	–	–	–	–	–	–		–
Community and public safety		**8 576**	**16 028**	**18 886**	**1 082**	**9 853**	**14 165**	(4 312)	-30%	**18 886**
Community and social services		888	–	–	–	–	–	–		–
Sport and recreation		4 377	11 600	12 245	742	4 367	9 184	(4 817)	-52%	12 245
Public safety		361	3 669	5 882	–	4 787	4 411	375	9%	5 882
Housing		2 950	760	760	340	700	570	130	23%	760
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**754**	**9 628**	**6 880**	**770**	**1 669**	**5 160**	(3 491)	-68%	**6 880**
Planning and development		408	1 737	2 871	24	402	2 153	(1 751)	-81%	2 871
Road transport		346	7 891	4 009	746	1 267	3 007	(1 740)	-58%	4 009
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**11 134**	**27 422**	**52 164**	**1 845**	**21 017**	**39 123**	(18 105)	-46%	**52 164**
Energy sources		5 003	8 172	18 984	1 051	10 734	14 238	(3 504)	-25%	18 984
Water management		(25 106)	3 380	7 827	595	743	5 870	(5 127)	-87%	7 827
Waste water management		27 011	14 633	24 453	200	9 381	18 340	(8 959)	-49%	24 453
Waste management		4 226	1 237	900	–	159	675	(516)	-76%	900
Other		–	100	100	–	–	75	(75)	-100%	100
Total Capital Expenditure - Functional Classification	3	**97 984**	**56 912**	**85 164**	**4 108**	**34 389**	**63 873**	**(29 484)**	**-46%**	**85 164**
Funded by:										
National Government		(8 397)	31 644	44 888	1 794	16 715	33 666	(16 950)	-50%	44 888
Provincial Government		–	–	0	–	–	–	–		0
District Municipality		(429)	1 965	5 118	–	4 520	3 839	681	18%	5 118
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**(8 826)**	**33 610**	**50 006**	**1 794**	**21 235**	**37 504**	**(16 269)**	**-43%**	**50 006**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		106 914	23 303	35 158	2 313	13 153	26 368	(13 215)	-50%	35 158
Total Capital Funding		**98 088**	**56 912**	**85 164**	**4 108**	**34 389**	**63 873**	**(29 484)**	**-46%**	**85 164**

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 – M09 March 2021

Description	Ref	2019/20	Budget Year 2020/21			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		5 136	4 710	24 281	32 806	24 281
Call investment deposits		(78 332)	42 389	65 781	107 027	65 781
Consumer debtors		(5 705)	81 061	67 394	53 791	67 394
Other debtors		8 638	44 682	41 014	22 182	41 014
Current portion of long-term receivables		–	3	3	–	3
Inventory		432	9 249	9 078	33 458	9 078
Total current assets		**(69 830)**	**182 094**	**207 551**	**249 264**	**207 551**
Non current assets						
Long-term receivables		(3)	13	13	10	13
Investments		–	–	–	–	–
Investment property		–	242 552	242 552	242 552	242 552
Investments in Associate		–	–	–	–	–
Property, plant and equipment		58 873	1 985 075	2 074 493	2 071 850	2 074 493
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		56	1 608	1 677	680	1 677
Other non-current assets		–	–	–	–	–
Total non current assets		**58 926**	**2 229 248**	**2 318 735**	**2 315 091**	**2 318 735**
TOTAL ASSETS		**(10 905)**	**2 411 341**	**2 526 286**	**2 564 355**	**2 526 286**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		541	9 608	6 747	2 983	6 747
Consumer deposits		698	17 378	17 378	1 873	17 378
Trade and other payables		(24 313)	133 730	183 744	72 418	183 744
Provisions		3 446	29 649	29 649	33 095	29 649
Total current liabilities		**(19 629)**	**190 365**	**237 518**	**110 369**	**237 518**
Non current liabilities						
Borrowing		(9 608)	6 747	–	6 747	–
Provisions		(4 872)	163 445	163 445	158 572	163 445
Total non current liabilities		**(14 480)**	**170 192**	**163 445**	**165 319**	**163 445**
TOTAL LIABILITIES		**(34 109)**	**360 557**	**400 963**	**275 689**	**400 963**
NET ASSETS	2	**23 204**	**2 050 785**	**2 125 323**	**2 288 667**	**2 125 323**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(471)	2 050 785	2 125 323	2 288 667	2 125 323
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(471)**	**2 050 785**	**2 125 323**	**2 288 667**	**2 125 323**

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 – M09 March 2021

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		79	174 803	187 021	14 034	170 087	140 266	29 821	21%	187 021
Service charges		–	424 039	435 205	45 937	382 909	326 404	56 505	17%	435 205
Other revenue		–	53 022	48 944	2 371	38 103	36 708	1 395	4%	48 944
Government - operating		–	145 612	166 705	34 162	155 138	125 029	30 109	24%	166 705
Government - capital		–	38 356	37 164	12 824	36 347	27 873	8 474	30%	37 164
Interest		510 656	18 957	14 780	1 336	10 159	11 085	(926)	-8%	14 780
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		55 986	(815 350)	(843 870)	(81 410)	(746 963)	(632 902)	114 061	-18%	(843 870)
Finance charges		–	(1 388)	(1 388)	(93)	(1 026)	(1 041)	(15)	1%	(1 388)
Transfers and Grants		–	(761)	(761)		(100)	(571)	(471)	82%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**566 721**	**37 290**	**43 801**	**29 161**	**44 654**	**32 851**	**(11 803)**	**-36%**	**43 801**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(3 598)	(56 912)	(85 164)	(4 724)	(39 228)	(63 873)	(24 645)	39%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(3 598)**	**(56 912)**	**(85 164)**	**(4 724)**	**(39 228)**	**(63 873)**	**(24 645)**	**39%**	**(85 164)**
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)	(757)	(6 624)	(7 206)	(581)	8%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(757)**	**(6 624)**	**(7 206)**	**(581)**	**8%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**563 123**	**(29 230)**	**(50 970)**	**23 680**	**(1 198)**	**(38 227)**			**(50 970)**
Cash/cash equivalents at beginning:		–	76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		563 123	47 099	90 062		139 833	102 804			90 062

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 June 2020, compared to the position as at 31 March 2021.

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 March 2021

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	10 601	2 389	2 133	1 726	1 729	1 891	10 146	36 250	66 864
Trade and Other Receivables from Exchange Transactions - Electricity	18 213	1 928	1 436	1 008	887	722	3 322	8 244	35 761
Receivables from Non-exchange Transactions - Property Rates	10 208	1 170	872	711	704	614	9 043	22 889	46 212
Receivables from Exchange Transactions - Waste Water Management	5 833	1 135	1 001	882	871	843	4 492	15 823	30 878
Receivables from Exchange Transactions - Waste Management	4 587	1 198	1 089	1 058	996	968	5 071	21 486	36 452
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	60	87	110	120	143	170	1 346	21 227	23 263
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(16 178)	377	332	316	297	269	2 222	11 259	(1 105)
Total By Income Source	**33 323**	**8 283**	**6 972**	**5 822**	**5 628**	**5 477**	**35 642**	**137 178**	**238 324**
									–
Debtors Age Analysis By Customer Group									
Organs of State	931	469	459	351	408	314	1 413	3 482	7 827
Commercial	6 871	563	412	319	256	219	1 065	3 916	13 622
Households	25 522	7 251	6 101	5 151	4 963	4 944	33 163	129 780	216 875
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**33 323**	**8 283**	**6 972**	**5 822**	**5 628**	**5 477**	**35 642**	**137 178**	**238 324**

The aforementioned analysis indicates that from 30 June 2020 to 31 March 2021, the overdue debts have increased by R 35,744 million from R 169,257 million to R 205,001 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**31-Mar-21**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	56 263	11 351
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	17 548	1 611
Receivables from Non-exchange Transactions - Property Rates	31 419	36 004	4 585
Receivables from Exchange Transactions - Waste Water Management	19 681	25 046	5 364
Receivables from Exchange Transactions - Waste Management	25 254	31 865	6 610
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	23 203	4 705
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 073	1 517
Total By Income Source	**169 257**	**205 001**	**35 744**
Debtors Age Analysis By Customer Group		–	–
Organs of State	5 386	6 896	1 510
Commercial	6 049	6 751	703
Households	157 822	191 353	33 531
Other	–	–	–
Total By Customer Group	**169 257**	**205 001**	**35 744**

2. Overview of Creditors position

Below is an analysis of the status of the major creditors.

Description R thousands	Budget Year 2020/21 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	19 221	–	–	–	–	–	–	–	**19 221**
Bulk Water	–	–	–	–	–	10	(0)	–	**9**
PAYE deductions	4 223	–	–	–	–	–	–	–	**4 223**
VAT (output less input)	–	–	–	–	–	–	–	–	**–**
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**
Loan repayments	–	–	–	–	–	–	–	–	**–**
Trade Creditors	14 423	82	–	3	65	11	1 420	1	**16 005**
Auditor General	–	–	–	–	–	–	–	–	**–**
Other	–	–	–	–	–	–	–	–	**–**
Total By Customer Type	**37 867**	**82**	**–**	**3**	**65**	**20**	**1 420**	**1**	**39 458**

The above amounts represent invoices still to be paid. The major creditors as at 31 March 2021 are as follows:

Eskom	R 19,221 million
PAYE(SARS)	R 4,223 million
NMBM	R 0,9 million
Other Creditors	R 16,005 million
Total	**R 39,458 million**

It is to be noted that the Eskom amount of R 19,221 million, represents the current account for March 2021, which will be fully paid on 23 April 2021.

The PAYE deductions represent employee related costs for the month of March 2021, with the amounts in question being paid on 5 April 2021 to SARS.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 31 March 2021.

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 March 2021
Standard Bank	11 052 012	-	278 677	-		11 330 689
ABSA	29 118 474	-	482 788	10 000 000	2 123	19 599 139
Nedbank	14 049 368	-	359 550	-		14 408 919
RMB	50 227 524	54 273 501	1 192 677	62 322 875		43 370 827
INVESTEC	17 846 936	-	470 443	-		18 317 379
Total	**122 294 314**	**54 273 501**	**2 784 136**	**- 72 322 875**	**- 2 123**	**107 026 952**
INVESTMENT	**Balance as at 30 June 2020**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 March 2021**
General Account	74 231 786	2 834 763	1 620 850	12 264 268	2 123	66 421 008
Conditional Grants	48 054 952	51 438 738	1 163 104	60 058 607	-	40 598 187
Housing Funds	7 576	-	182	-	-	7 758
Total	**122 294 314**	**54 273 501**	**2 784 136**	**- 72 322 875**	**- 2 123**	**107 026 952**
Bank	18 737 370	14 069 043				32 806 413
Total	**141 031 684**	**68 342 544**	**2 784 136**	**- 72 322 875**	**- 2 123**	**139 833 366**

The decrease in the investment portfolio since 30 June 2020 amounts to R 1,198,318. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 32,806,413
Short-term Investment Deposits	R107,026,952
	R139,833,366

Application of Cash

Unspent Conditional Grants	32,960,081
Internally Generated Funds	22,004,439
Outstanding Creditors Liability	39,458,217
	94,422,737
Reserves in excess of commitments	**45,410,629.**

The cash backed reserves exceed the commitments at this stage by an amount of R 45,410,629. It should be noted that the excess of reserves over commitments as at 31 March 2021, is mainly due to an amount of R 34,162 million in respect of the Equitable share allocation received on 15 March 2021, 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 2020/2021 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M09 March 2021

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:	140 782	161 170	34 162	150 760	150 760	–		161 170
Operational Revenue:General Revenue:Equitable Share	136 649	157 037	34 162	146 646	146 646	–		157 037
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule	1 054	1 054	–	1 054	1 054	–		1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	–	1 500	1 500	–		1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579		1 560	1 560	–		1 579
Provincial Government:	–	2 050	–	2 050	2 050	–		–
Sports and Recreation	–	2 050	–	2 050	2 050	–		–
District Municipality:	2 780	2 780	–	2 085	2 085	–		4 830
Environmental Health Subsidy	2 780	2 780	–	2 085	2 085	–		4 830
Other grant providers:	–	706	–	706	706	–		706
Foreign Government and International Organisations	–	706	–	706	706	–		706
Total Operating Transfers and Grants	143 562	166 705	34 162	155 600	155 600	–		166 705
Capital Transfers and Grants								
National Government:	36 391	35 199	12 824	34 831	34 831	–		35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	2 200	5 200	5 200	–		5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	10 624	29 631	29 631	–		29 999
Provincial Government:	1 965	(0)	–	–	–	–		1 965
District Municipality:	–	1 965	–	1 517	1 517	–		–
Fire Services Subsidy	–	1 965	–	1 517	1 517	–		–
Total Capital Transfers and Grants	38 356	37 164	12 824	36 347	36 347	–		37 164
TOTAL RECEIPTS OF TRANSFERS & GRANTS	181 918	203 870	46 986	191 947	191 947	–		203 870

Below is an analysis of the spending associated with the grants as at 31 March 2021:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M09 March 2021.

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:	140 782	161 170	34 268	149 829	149 821	8	0.0%	150 654
Operational Revenue:General Revenue:Equitable Share	136 649	157 037	34 162	146 646	146 646	–		146 646
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule	1 054	1 054		1 054	1 054	–		1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	106	890	1 006	(116)	-11.6%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	–	1 239	1 115	124	11.1%	1 454
Provincial Government:	–	2 050	–	2 050	2 050	–		–
Sports and Recreation		2 050		2 050	2 050	–		–
District Municipality:	2 780	2 780	–	2 085	2 085	–		3 980
Environmental Health Subsidy	2 780	2 780		2 085	2 085	–		3 980
Other grant providers:	–	706	–	–	460	(460)	-100.0%	1 075
Foreign Government and International Organisations	–	706	–	–	460	(460)	-100.0%	614
Total operating expenditure of Transfers and Grants:	143 562	166 705	34 268	153 964	154 416	(453)	-0.3%	155 709
Capital expenditure of Transfers and Grants								
National Government:	35 199	35 199	1 379	18 538	29 390	(10 851)	-36.9%	45 113
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	0	3 858	3 391	466	13.8%	4 522
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	1 379	14 681	25 999	(11 318)	-43.5%	34 665
District Municipality:	1 965	1 965	–	1 965	1 965	–		5 118
All Grants	1 965	1 965	–	1 965	1 965	–		5 118
Total capital expenditure of Transfers and Grants	37 164	37 164	1 379	20 504	31 355	(10 851)	-34.6%	85 389
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	180 726	203 870	35 648	174 467	185 771	(11 304)	-6.1%	241 098

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 889,931
Unspent as at 31 March 2020:	R 610,069

The spending of the grant amounted to 59.33% as at 31 March 2021, 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 1,054,000
Expenditure to date:	R 1,054,000
Unspent as at 31 March 2021:	R 0

DORA Capital Grants

Municipal Infrastructure Grant (MIG)
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 31,190,000
NT Approved rollover	R 9,605,994
Amount of Grant Received:	R 40,795,994
Expenditure to date:	R 15,919,758
Unspent as at 31 March 2021:	R 24,876,236

The spending of the grant amounted to 39.02% as at 31 March 2021, 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 5,200,000
Expenditure to date:	R 3,857,642
Unspent as at 31 March 2021:	R 1,342,358

The spending of the grant amounted to 74.19% as at 31 March 2021, 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 684,263
Unspent as at 31 March 2021:	R 6,131,418

The spending of the grant amounted to 10.04%% as at 31 March 2021, 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 – M09 March 2021.

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	728	9 504	6 828	2 676	39%	9 104
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	38	143	–	143	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	243	2 151	2 311	(160)	-7%	3 081
Cellphone Allowance	1 465	1 465	107	943	1 099	(156)	-14%	1 465
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Councillors	**13 651**	**13 651**	**1 116**	**12 740**	**10 238**	**2 502**	**24%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	5 919	6 106	2 007	6 092	4 579	1 513	33%	6 106
Pension and UIF Contributions	36	36	9	85	27	58	218%	36
Medical Aid Contributions	13	13	4	39	9	29	307%	13
Overtime	–	–	–	–	–	–		–
Performance Bonus	453	453	–	303	422	(119)	-28%	453
Motor Vehicle Allowance	811	811	48	496	608	(112)	-18%	811
Cellphone Allowance	6	6	1	7	5	3	57%	6
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	50	50	13	38	37	0	1%	50
Payments in lieu of leave	1 150	1 150	–	408	862	(454)	-53%	1 150
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**8 437**	**8 624**	**2 082**	**7 468**	**6 550**	**919**	**14%**	**8 624**
Other Municipal Staff								
Basic Salaries and Wages	213 264	224 540	15 358	139 164	168 405	(29 240)	-17%	224 540
Pension and UIF Contributions	33 121	33 121	2 661	24 248	24 841	(593)	-2%	33 121
Medical Aid Contributions	17 256	17 256	1 404	12 291	12 942	(651)	-5%	17 256
Overtime	28 139	28 149	2 127	23 043	21 111	1 932	9%	28 149
Performance Bonus	–	–	–	–	–	–		–
Motor Vehicle Allowance	9 393	9 393	815	7 237	7 045	192	3%	9 393
Cellphone Allowance	288	288	–	–	216	(216)	-100%	288
Housing Allowances	905	905	73	660	679	(19)	-3%	905
Other benefits and allowances	24 869	24 869	929	23 010	22 324	687	3%	24 869
Payments in lieu of leave	–	27	567	2 087	20	2 067	10241%	27
Long service awards	1 274	1 557	51	825	1 168	(343)	-29%	1 557
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**328 509**	**340 105**	**23 985**	**232 566**	**258 750**	**(26 184)**	**-10%**	**340 105**
% increase	**14.5%**	**18.6%**						**18.6%**
Total Parent Municipality	**350 598**	**362 380**	**27 183**	**252 774**	**275 538**	**(22 763)**	**-8%**	**362 380**
TOTAL SALARY, ALLOWANCES & BENEFITS	**350 625**	**362 380**	**27 183**	**252 774**	**275 538**	**(22 763)**	**-8%**	**362 380**
TOTAL MANAGERS AND STAFF	**336 947**	**348 729**	**26 067**	**240 034**	**265 300**	**(25 266)**	**-10%**	**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 March 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.06%	1.18%
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	0.87	2.26
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	1.27
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	90%	93.85%

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 March 2021
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	1.23	1.61
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.60%	37.18%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	40.38%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	6.28%	6.56%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	3.14%	2.04%
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%	81.93%	78.86%

The above table is discussed in detail below.

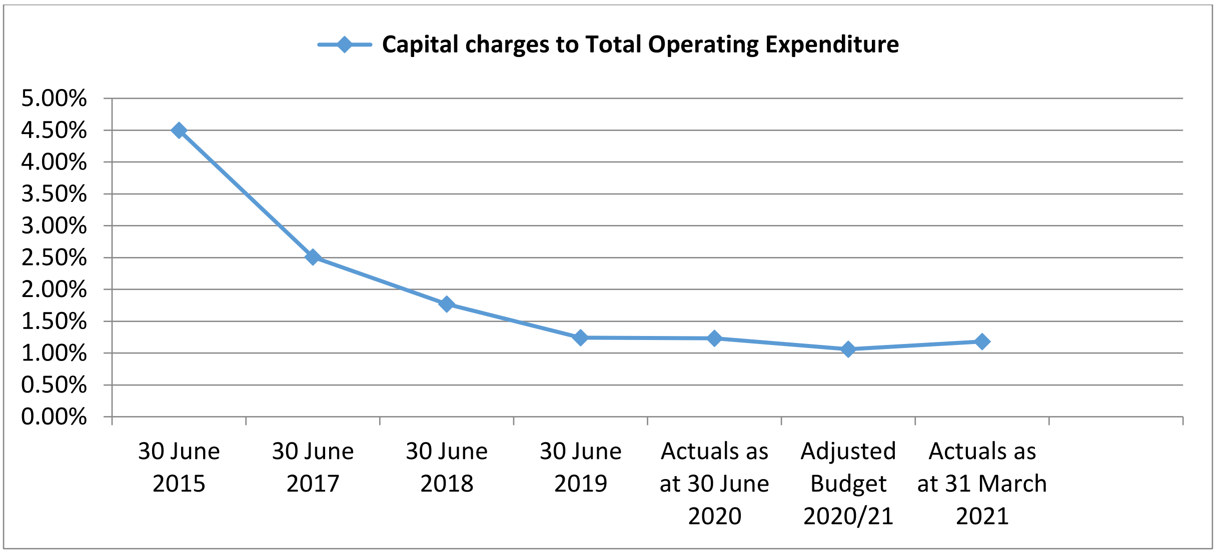
5.1. Borrowing Management

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 1.18% of the Total Operating Expenditure was utilised for capital charges as at 31 March 2021, compared to the approved adjusted budget ratio of 1,06%.



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.

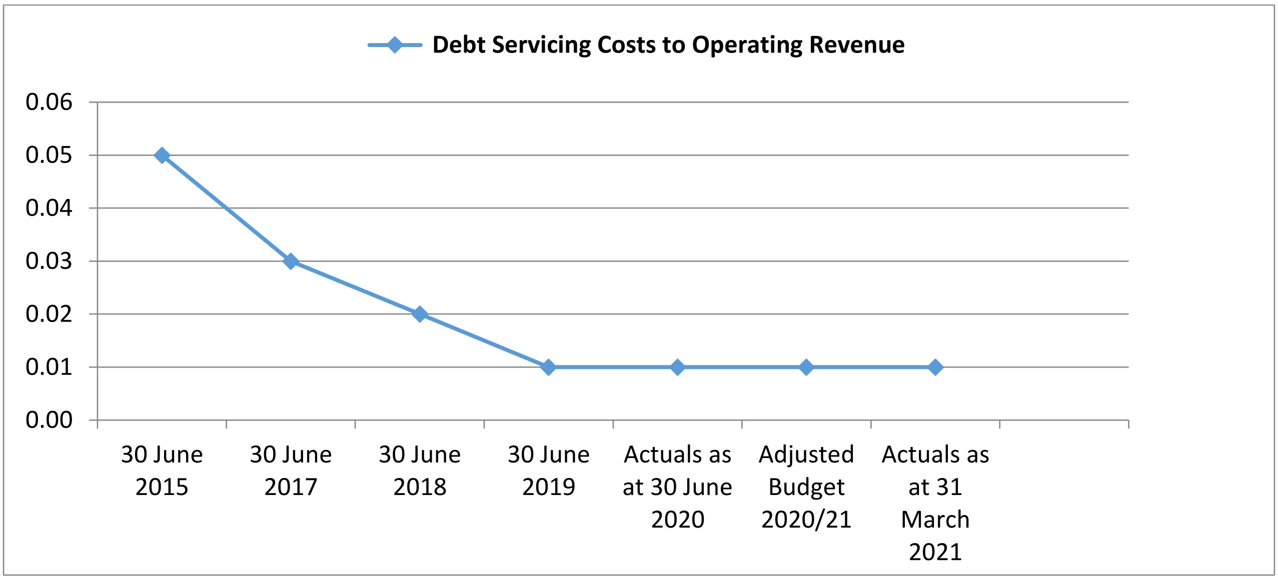
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 March 2021, the ratio was 0.01:1, compared to the approved adjusted budget ratio of 0.01:1.



5.2. Liquidity

5.2.1. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

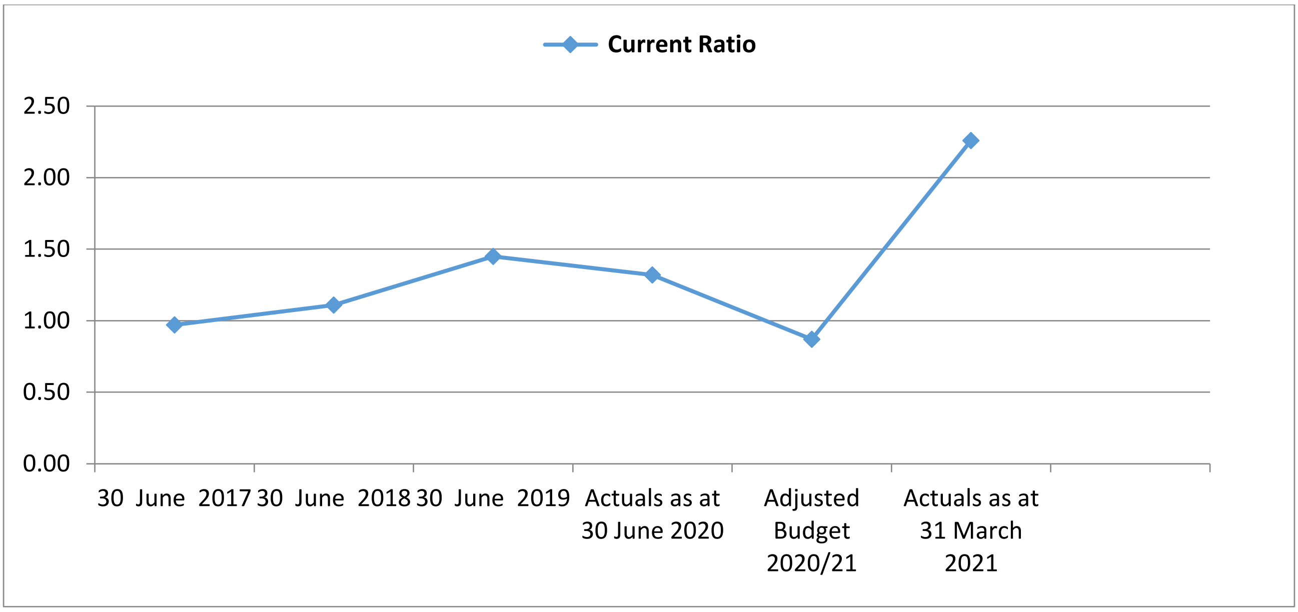
Current assets/Current liabilities

The ratio as at 31 March 2021 was 2.26:1, compared to the adjusted budget ratio of 0.87:1.

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

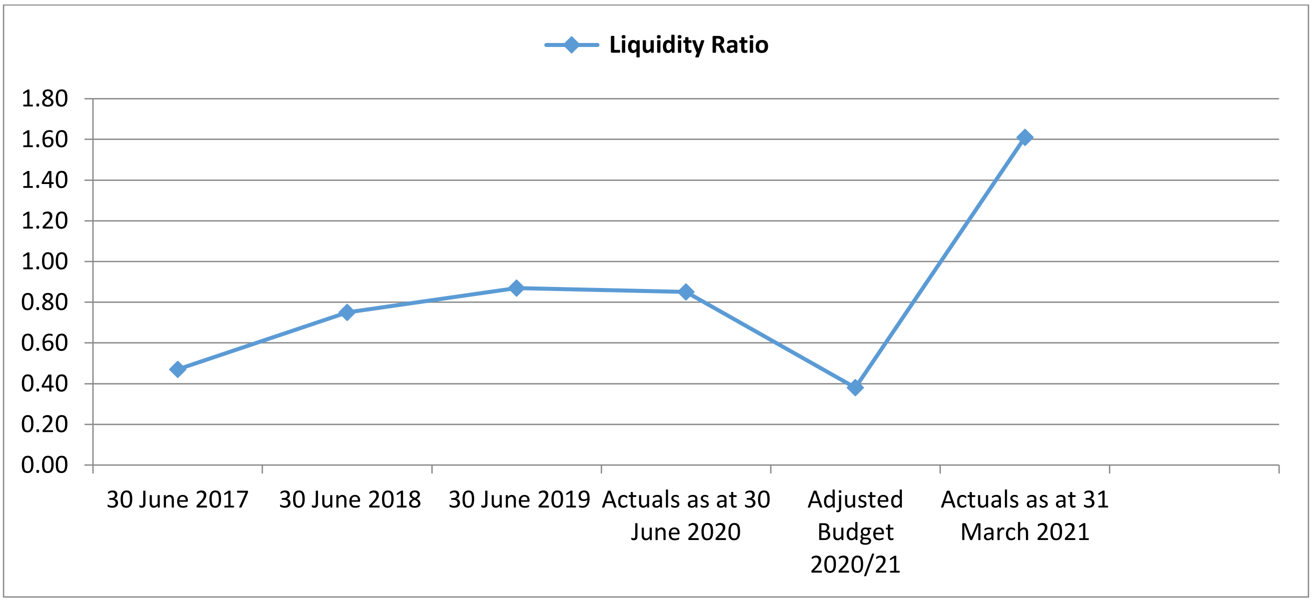
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 March 2021 was 1.27:1, compared to the adjusted budget ratio of 0.38:1.

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

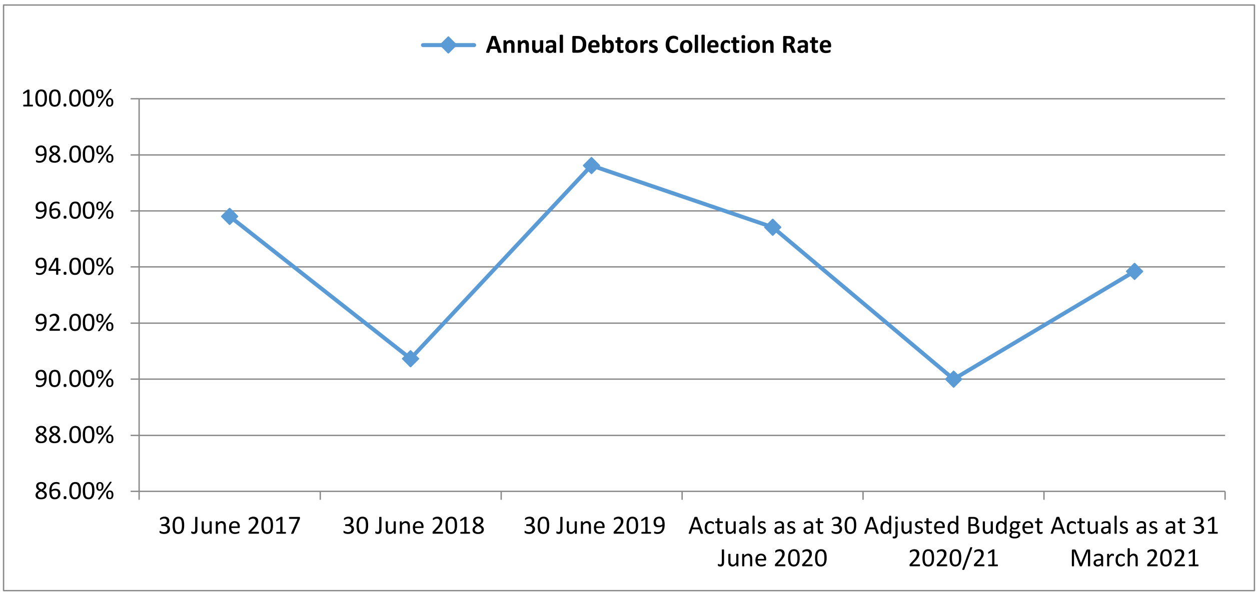
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 March 2021 was 93.85%, compared to the approved adjusted budget collection rate of 90%. The actual collection rate for March is 91.76%. 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.

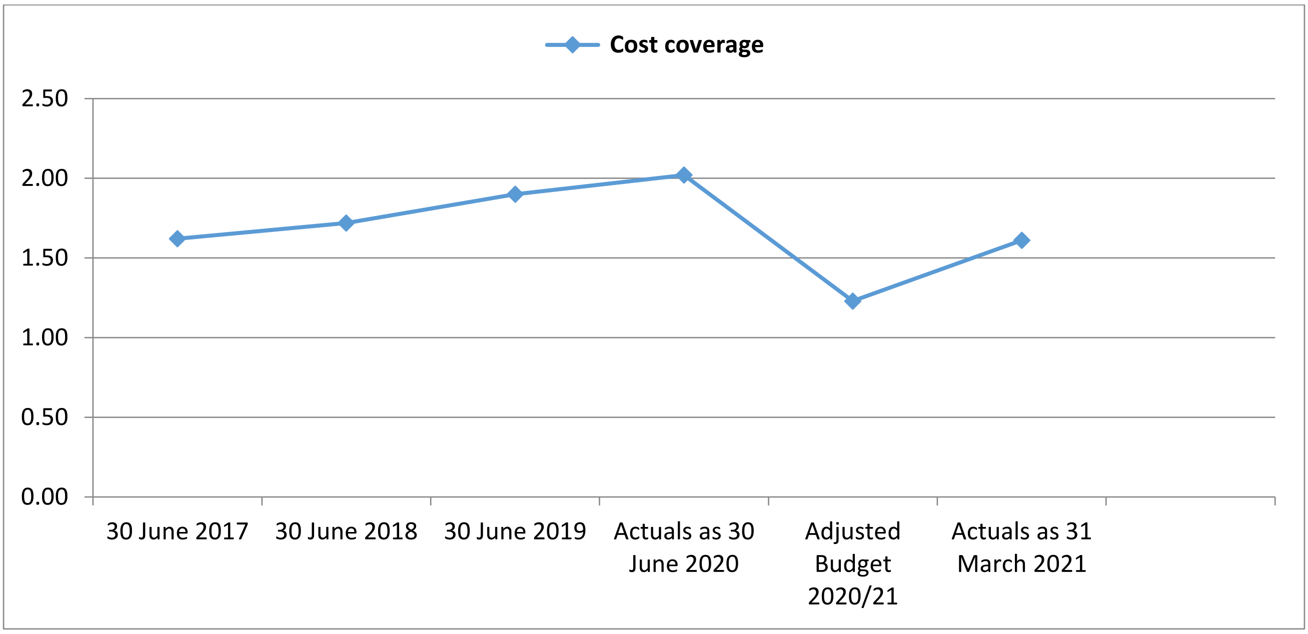
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 March 2021, the Ratio was 1.61 months, compared to the approved adjusted budget ratio of 1.23 months.

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



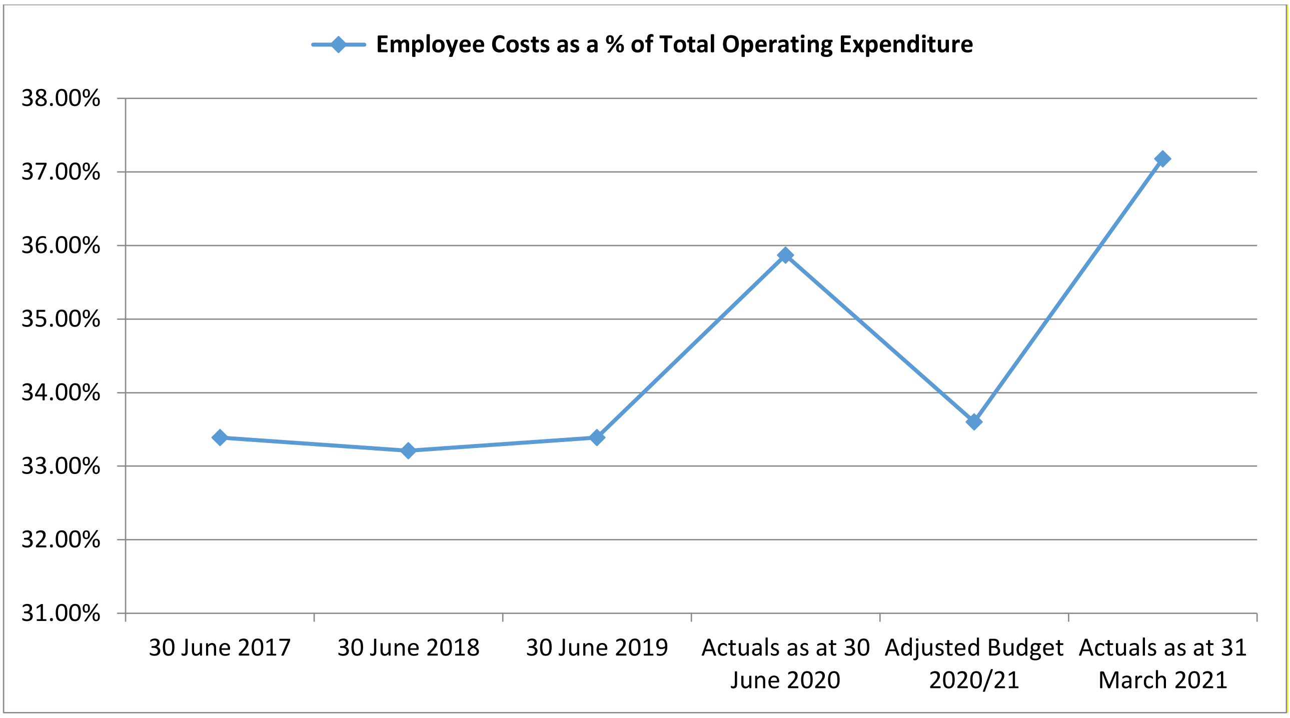
5.4.2. Employee costs as a % of Total Operating Expenditure

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 March 2021, Employee Related Costs constituted 37.18% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33,60%.



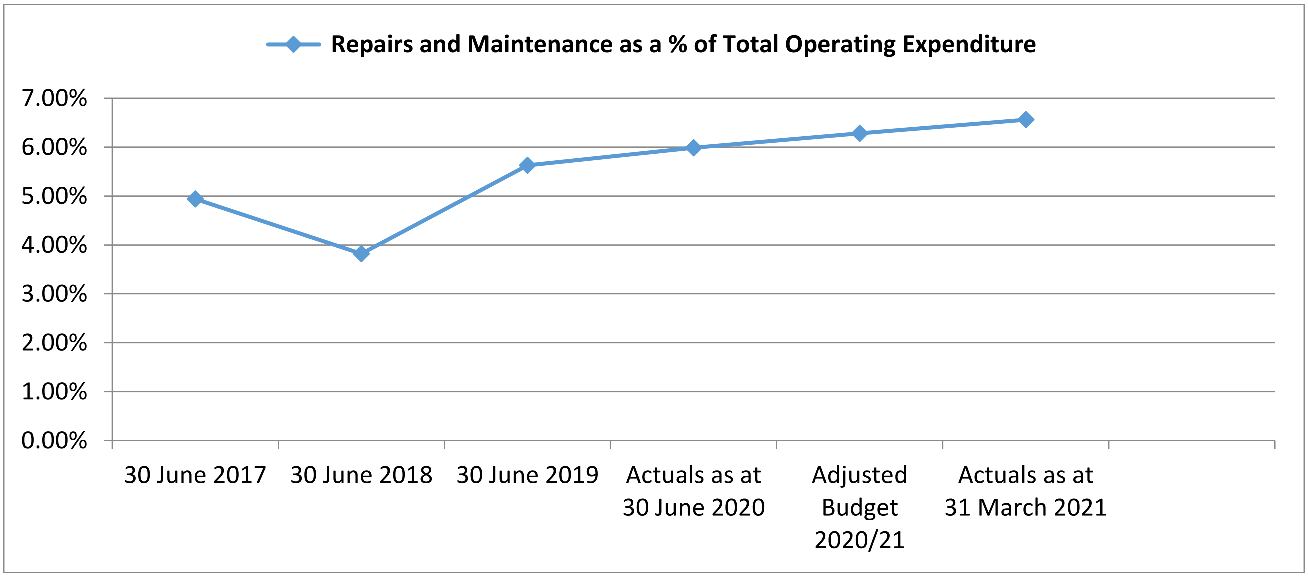
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 March 2021, the ratio was 6.56%, compared to the approved adjusted budget ratio of 6.28%.



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

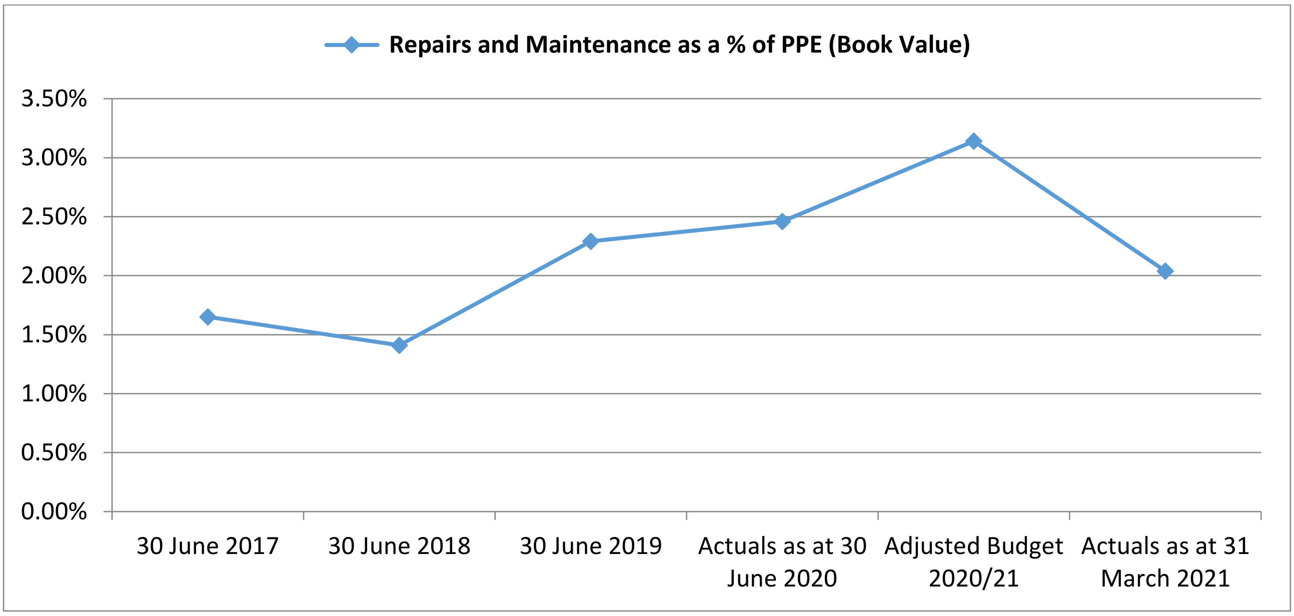
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 March 2021, repairs and maintenance expenditure constituted 2.04% of the book value of PPE, compared to the adjusted budget ratio of 3.14%.

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



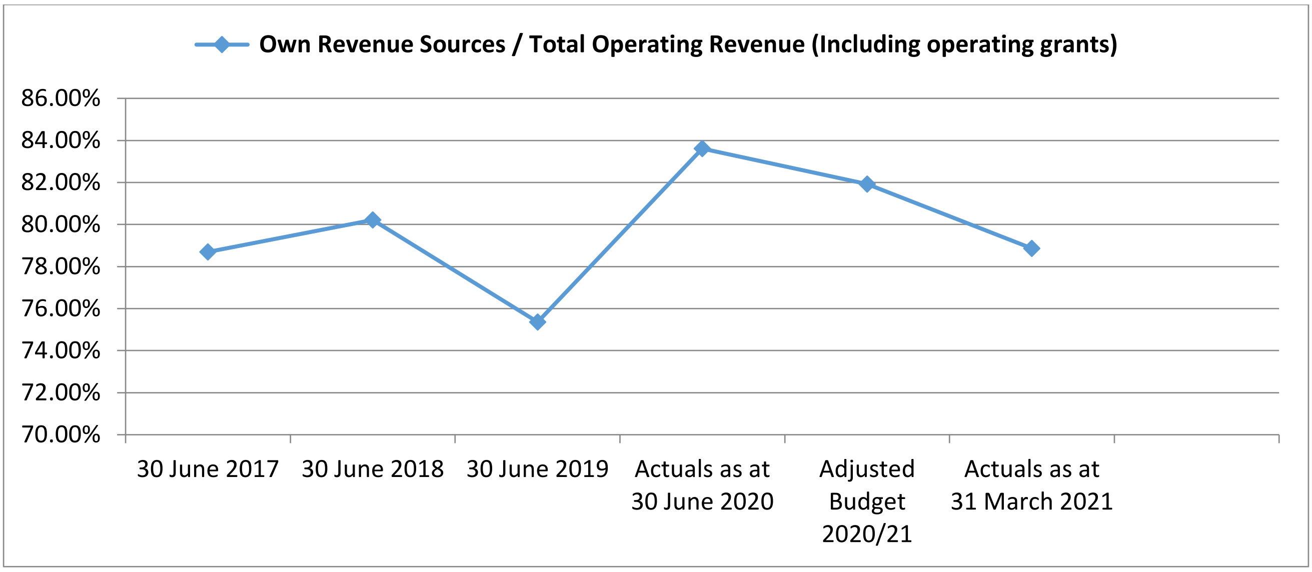
5.4.5. Own Revenue Generation

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 March 2021, the Municipality's own revenue sources constituted 78.86% of its total Operating Income, compared to the approved adjusted budget ratio of 81.93%.



5.4.6. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of March 2021 amounted to 40.38% compared to the approved adjusted budget ratio of 95%.