KOUGA MUNICIPALITY (EC108)

ORDINARY COUNCIL MEETING

FINANCE

DATE: JULY 2021 **ITEM NO: 21/07/F1**

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MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO JUNE 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 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 June 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 900,038 million, whilst operating expenditure amounted to R 885,543 million, resulting in an operating surplus of R 14,495 million.
- Capital expenditure constituted 76.92% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 40,318 million (23.82%) since June 2020.
- An amount of R 43,924 million is owing to creditors, of which R 39,081 million (88.97%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 87,664,488 (62.16%) since June 2020, from R 141,031,684 to R 53,367,196.

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 30 June 2021	Adjustment Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	1.59:1	2.61:1	0.87:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	1.09:1	0.45:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	1.55 Months	0.62 Months	1.77 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	98.19%	94.41%	90%
Capital Expenditure	72.92%	73.82%	75.33%	63.69%	76.92%	95%

4. <u>Detailed Reports</u>

In order to comply with Schedule C of the Municipal Budget and Reporting Regulations, the following detailed schedules are attached for the period, ending 30 June 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. <u>Recommendation</u>

5.1 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.

5.2 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.

5.3 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. <u>Municipal Manager's Quality Certificate</u>

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………14 July 2021………………………..

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD OF JULY TO JUNE 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	210 205	101.16%
Service charges - electricity revenue	291 625	289 519	99.28%
Service charges - water revenue	83 642	80 157	95.83%
Service charges - sanitation revenue	55 057	55 546	100.89%
Service charges - refuse revenue	53 237	54 748	102.84%
Rental of facilities and equipment	1 122	2 412	214.87%
Interest earned - external investments	5 552	4 002	72.08%
Interest earned - outstanding debtors	10 253	9 982	97.35%
Fines, penalties and forfeits	2 150	1 262	58.73%
Licences and permits	24 732	21 254	85.94%
Transfers and subsidies	166 705	166 518	99.89%
Other revenue	20 941	4 433	21.17%
Total Revenue (excluding capital transfers and contributions)	**922 818**	**900 038**	**97.53%**
Expenditure By Type			
Employee related costs	348 729	316 393	90.73%
Remuneration of councillors	13 651	13 806	101.14%
Debt impairment	70 162	7	0.01%
Depreciation & asset impairment	89 066	67 399	75.67%
Finance charges	1 388	1 240	89.34%
Bulk purchases	246 173	254 057	103.20%
Other materials	61 657	26 727	43.35%
Contracted services	93 225	88 110	94.51%
Transfers and subsidies	761	761	99.97%
Other expenditure	113 546	117 043	103.08%
Total Expenditure	**1 038 357**	**885 543**	**85.28%**
Surplus/(Deficit)	**(115 540)**	**14 495**	

The statement of financial performance indicates a surplus of R 14,495 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 53,367 million.

Fines, penalties and forfeits

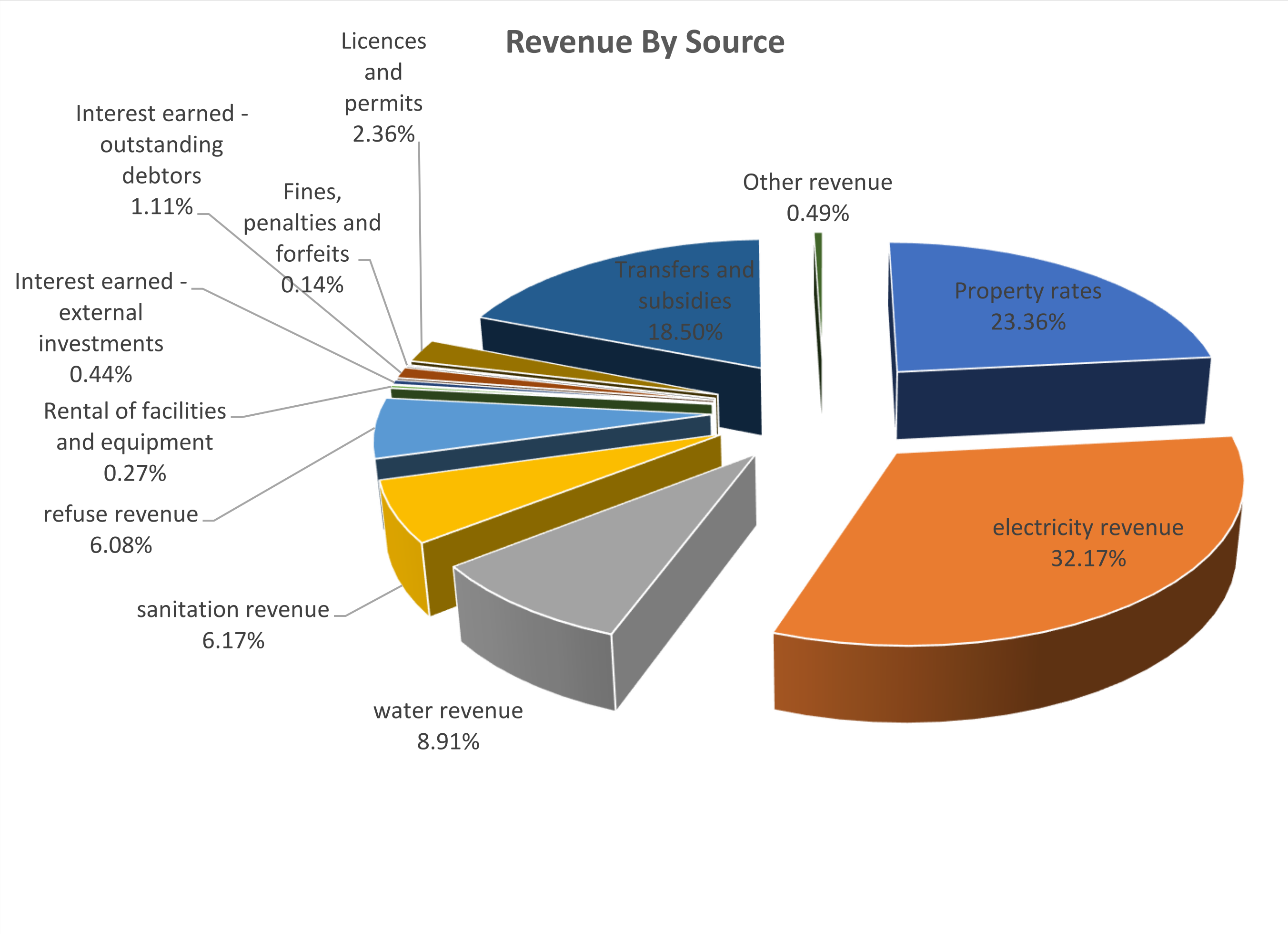
Fines, penalties and forfeits are largely influenced by the lower than anticipated revenue from traffic fines.

Licences and permits.

Licences and permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations.

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

<u>Bad Debts</u>

Bad debts are written off upon Council approval.

<u>Depreciation & asset impairment</u>

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

<u>Bulk purchases</u>

Description	Budget Year 2020/21		
	Adjusted Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	246 173 454	254 057 494	103.20%
	246 173 454	**254 057 494**	**103.20%**

<u>Other materials</u>

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.

Contracted Services

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

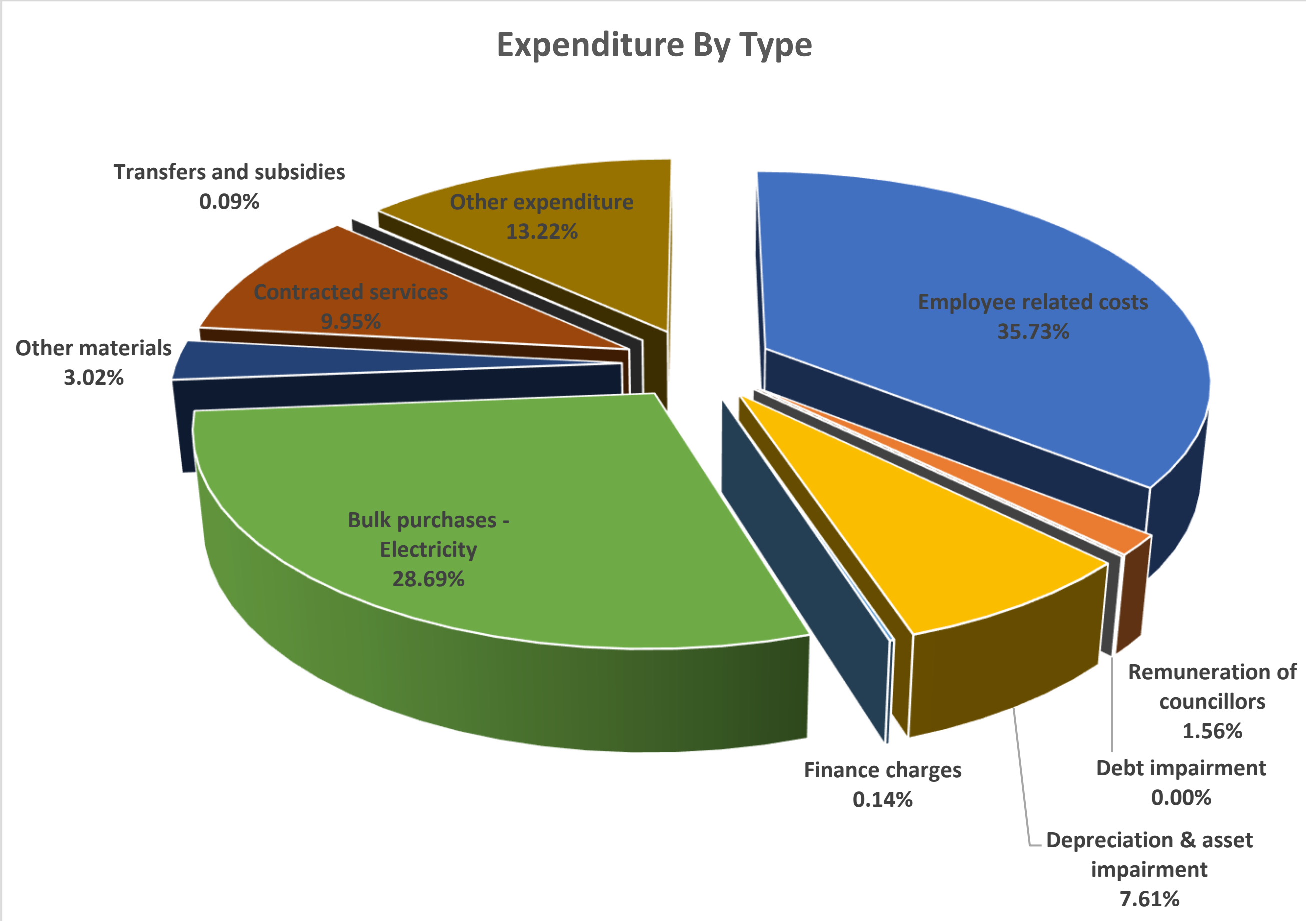
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
Consultants and Professional Services	7 396 988	4 674 982	63.20%
Drivers Licence Cards	495 000	432 604	87.39%
Transport Services	315 119	1 800	0.57%
Dune Stabilisation	5 692 248	5 672 373	99.65%
Valuer	2 002 451	502 667	25.10%
Other Contracted Services	2 042 142	3 275 517	160.40%
Legal Advice and Litigation	2 749 703	3 079 442	111.99%
Maintenance of Buildings and Facilities	6 153 825	5 132 089	83.40%
Catering Services	229 738	105 966	46.12%
Maintenance of Vehicles	6 722 336	6 610 321	98.33%
Qualification Verification	950 000	921 305	96.98%
Maintenance of Water Infrastructure	1 653 900	882 320	53.35%
Maintenance of Equipment	583 375	451 176	77.34%
Burial Services	211 250	179 285	84.87%
Roads Maintenance	28 500 000	28 344 705	99.46%
Medical Health Services & Support	1 406 800	1 086 498	77.23%
Maintenance of Electrical Infrastructure	2 266 032	2 139 779	94.43%
Maintenance of Sanitation Infrastructure	1 339 000	1 133 057	84.62%
Laboratory Services:Water	555 517	330 498	59.49%
Special Rating Area	8 285 500	7 197 037	86.86%
Internal Auditors	100 000	25 300	25.30%
Legal Cost:Collection	1 250 000	882 553	70.60%
Security Services	3 689 147	4 807 310	130.31%
Occupational Health and Safety	20 900	-	0.00%
Animal Care	401 575	400 000	99.61%
Personnel and Labour	4 854 615	6 826 758	140.62%
Professional Staff	317 460	157 600	49.64%
Employee Wellness	250 000	189 490	75.80%
Clearing and Grass Cutting Services	2 790 000	2 667 492	95.61%
Total	**93 224 621**	**88 109 921**	**94.51%**

Other Expenditure

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
Accommodation	426 350	107 890	25.31%
Achievements and Awards	1 362 000	1 061 944	77.97%
Advertising, Publicity and Marketing	810 349	642 336	79.27%
Air Transport	218 398	4 348	1.99%
Bank Charges	599 180	284 836	47.54%
Bargaining Council	3 040 340	6 370 001	209.52%
Cellular Contract (Subscription and Calls)	1 552 723	960 303	61.85%
Claims paid to Third Parties	274 835	66 899	24.34%
External Audit Fees	4 499 999	4 302 269	95.61%
External Computer Service:Internet Charge	4 288 705	4 288 110	99.99%
Gifts and Promotional Items	198 048	72 051	36.38%
Hire Charges	32 591 618	33 430 944	102.58%
Insurance Claims	3 164 901	71 338	2.25%
Insurance Underwriting:Premiums	5 655 503	4 676 662	82.69%
Leases:Furniture and Office Equipment	3 608 585	2 733 671	75.75%
Leases:Machinery and Equipment	167 022	15 132	9.06%
Leases:Other Assets	4 507 514	4 556 663	101.09%
Motor Vehicle Licence and Registrations	901 159	727 041	80.68%
Municipal Services	11 468 404	24 330 632	212.15%
Non-employees	217 000	156 194	71.98%
Other	6 869 702	4 992 629	72.68%
Own Transport	516 784	225 094	43.56%
Postage/Stamps/Franking Machines	1 483 156	1 238 246	83.49%
Printing, Publications and Books	1 276 408	907 887	71.13%
Registration Fees:Professional and Regulatory Bodies	258 153	162 124	62.80%
Registration Fees:Seminars, Conferences, Workshops	1 754 400	1 366 072	77.87%
Remuneration to Ward Committees	3 000 000	3 407 166	113.57%
Signage	404 306	301 050	74.46%
Skills Development Fund Levy	1 760 001	1 685 716	95.78%
Software Licences	3 569 885	2 422 417	67.86%
Storage of Files (Archiving)	750 000	462 653	61.69%
Supplier Development Programme	50 000	41 509	83.02%
Tenders	720 000	694 608	96.47%
Third Party Vendors	5 452 329	5 433 343	99.65%
Uniform and Protective Clothing	3 913 935	3 165 387	80.87%
Vehicle Tracking	619 329	597 544	96.48%
Workmen''s Compensation Fund	1 594 581	1 079 991	67.73%
Total	**113 545 602**	**117 042 697**	**103.08%**


Expenditure By Type
Transfers and subsidies
0.09%
Other expenditure
13.22%
Contracted services
9.95%
Other materials
3.02%
Employee related costs
35.73%
Bulk purchases -
Electricity
28.69%
Remuneration of
councillors
1.56%
Finance charges
0.14%
Debt impairment
0.00%
Depreciation & asset
impairment
7.61%

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 30 June 2021**	**%**
Maintenance of Equipment	668 150	355 827	53.26%
Maintenance of Vehicles	7 899 197	7 771 891	98.39%
Maintenance of Buildings and Facilities	7 318 517	5 159 085	70.49%
Maintenance of Water Infrastructure	4 564 575	3 266 795	71.57%
Roads Maintenance	29 199 000	29 009 499	99.35%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	320 495	97.58%
Maintenance of Electrical Infrastructure	5 203 220	5 035 451	96.78%
Maintenance of Sanitation Infrastructure	2 482 772	2 048 511	82.51%
Hire Charges	7 545 214	7 430 215	98.48%
Other Contracted Services	257 069	200 891	78.15%
Total	**65 526 164**	**60 598 659**	**92.48%**

It is to be noted that actual repairs and maintenance expenditure constituted 92.48% of the 2020/21 Adjusted Budget.

Annexure "A2"

CAPITAL BUDET PERFORMANCE

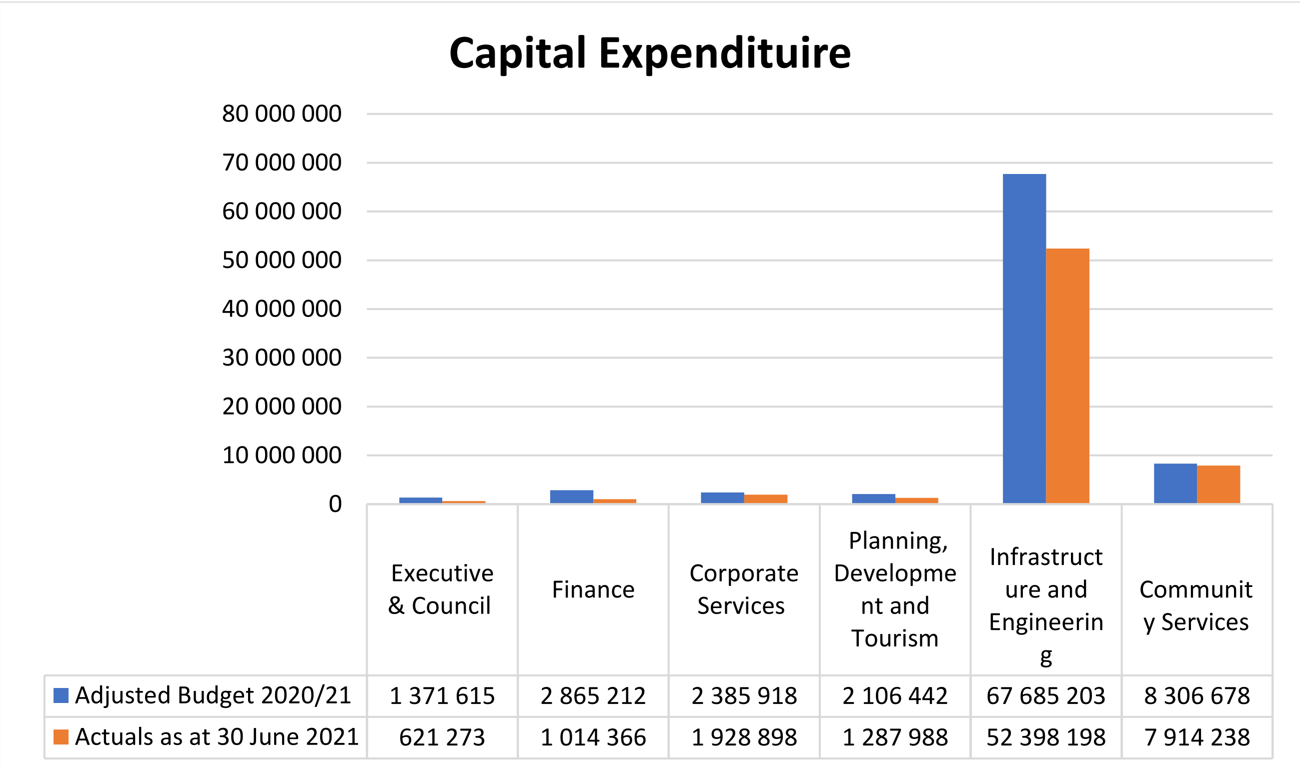
Below is an analysis of the capital expenditure compared to the 2020/21 Adjusted Capital Budget.

DIRECTORATES	PROJECT DESCRIPTION	FUNDING	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
EXECUTIVE & COUNCIL					
MAYOR	Vehicle	Internal	700 000	-	0.00%
MAYORAL COMMITTEE	Furniture and Equipment	Internal	102 962	102 962	100.00%
MAYOR	Furniture and equipment	Internal	13 885	12 605	90.78%
Council	Computer Equipment	Internal	-	-	
MAYORAL COMMITTEE	Computer Equipment	Internal	127 445	123 284	96.73%
INTEGRATED DEVELOPMENT	Computer Equipment	Internal	20 000	-	0.00%
WARD COUNCILLORS	Ward councilors Capital project	Internal	407 323	382 422	93.89%
			1 371 615	**621 273**	**45.29%**
CORPORATE SERVICES					
Corporate Services	EDMS	Internal	835 852	668 898	80.03%
Corporate Services	Computer Software and Applications	Internal	64 691	47 960	74.14%
Skills Development	Computer Equipment	Internal	223 603	202 259	90.45%
Corporate Services	Fencing of municipal building	Internal	469 309	445 986	95.03%
ADMINISTRATION SERVICES	Bio-metric System	Internal	300 000	283 949	94.65%
Corporate Services	Furniture and Equipment	Internal	182 446	173 229	94.95%
Corporate Services	Computer Equipment	Internal	310 017	106 616	34.39%
			2 385 918	**1 928 898**	**80.85%**
FINANCE					
SCM: DEMAND MANAGEMEN	SCM Furniture	Internal	316 426	316 426	100.00%
BUDGET & FINANCIAL REPOF	Computer Equipment	Internal	197 629	62 614	31.68%
REVENUE	Computer Equipment	Internal	125 764	14 950	11.89%
Finance: Revenue	Furniture and Equipment	Internal	200 000	-	0.00%
Finance: IT	Cibex Software	Internal	681 497	403 994	59.28%
Finance: IT	Computer Equipment	Internal	949 831	189 212	19.92%
Finance: IT	WIFI Solution	Internal	75 904	23 180	30.54%
Finance: SCM	Machinery and Equipment	Internal	156 465	3 990	2.55%
Finance: IT	DISASTER RECOVERY SERVER	Internal	-	-	
Finance: Expenditure	Furniture and Equipment	Internal	71 865	-	0.00%
Finance: SCM	Computer Equipment	Internal	89 831	-	0.00%
Finance: IT	Network Upgrade	Internal	-	-	
			2 865 212	**1 014 366**	**35.40%**
PLANNING, DEVELOPOMENT & TOURISM					
Housing Services	Land acquisition housing projects	Internal	360 000	360 000	100.00%
Planning & Development	Computer Software and Applications	Internal	315 000	239 485	76.03%
Housing Services	Vehicles	Internal	400 000	339 886	84.97%
Planning & Development	Furniture and equipment	Internal	278 050	278 050	100.00%
Economic Development: To	Restoration of Fisherman Grave Site	Internal	100 000	35 348	35.35%
Economic Development: Bu	Kouga Business Support Centre	Internal	300 000	30 020	10.01%
LOCAL ECONOMIC DEVELOPI	Computer Equipment	Internal	83 898	5 199	6.20%
STRATEGIC SERVICES	Computer Equipment	Internal	17 966	-	0.00%
LAND & PROPERTY ADMINIS	Computer Equipment	Internal	251 528	-	0.00%
			2 106 442	**1 287 988**	**61.15%**

DIRECTORATES	PROJECT DESCRIPTION	FUNDING	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
COMMUNITY SERVICES					
Fire Services	Vehicle	Internal	435 061	435 061	100.00%
Fire Services	Vehicle	Distrct	5 118 200	5 118 200	100.00%
PARKS AND OPEN SPACES	Jack Hammer and water pump	Internal	250 000	244 837	97.93%
Envornmental Management	Kouga Skip Bins	Internal	200 000	159 478	79.74%
Protection Services	Machinery and Equipment (Security Cameras System)	Internal	750 000	583 194	77.76%
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	147 365	96.03%
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	**7 914 238**	**95.28%**
INFRASTRUCTURE & ENGINEERING					
Electricity	Saffery Substation	Internal	2 031 855	1 493 415	73.50%
Electricity	High Mast Lights	Internal	903 430	718 619	79.54%
Electricity	SUBSTATION SECURITY	Internal	400 000	272 119	68.03%
Water	Replace 250mm Water Main Canal Road St Francis Ba	Internal	300 000	51 214	17.07%
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	196 505	39.30%
Water	Upgrade Hankey Water Treatment Works	Internal	400 000	51 236	12.81%
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	795 722	99.47%
Sewerage	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	690 000	245 702	35.61%
Sewerage	Piped Reticulation - St Francis Bay	Internal	275 000	-	0.00%
Electricity	New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086	2 777 031	91.26%
Electricity	Electrcial supply of tri switches St francis Bay	Internal	200 000	199 660	99.83%
Electricity	Machinery & Equipment	Internal	150 000	123 211	82.14%
Water	Machinery & Equipment	Internal	150 000	141 996	94.66%
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	4 095 591	90.58%
Electricity	Electrical Oil circuit breakers replacement with v	Internal	740 000	250 795	33.89%
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	8 029 166	96.12%
Electricity	Kouga Backup Generators	Internal	730 000	725 268	99.35%
Sewerage	Upgrade Sanitation System Old Hankey	MIG	12 484 841	7 984 324	63.95%
Sewerage	Upgrade Loerie sewer pump station	Internal	250 000	31 212	12.48%
Public Works	Upgrading of Gravel Roads in Humansdorp	MIG	1 739 130	1 716 581	98.70%
Sewerage	Container toilets	Internal	1 100 000	229 705	20.88%

DIRECTORATES	PROJECT DESCRIPTION	FUNDING	Adjusted Budget 2020/21	Actuals as at 30 June 2021	%
INFRASTRUCTURE & ENGINEERING					
Electricity	Saffery Substation	Internal	2 031 855	1 493 415	73.50%
Electricity	Fencing Main Substation Jeffrey's Bay	Internal	500 000	399 069	79.81%
METERING & REVENUE	Substations Movements in Ocean View	Internal	3 000 000	2 760 123	92.00%
Public Works	Roads Capital	Internal	2 270 000	2 206 372	97.20%
PROJECT MANAGEMENT UNI	Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	349 488	31.99%
ROADS AND STORMWATER	Security Camera	Internal	150 000	117 426	78.28%
Electricity	LV Networks (Informal Areas, Electrification/illeg	Internal	467 560	347 410	74.30%
Sewerage	Upgrading KwaNomzamo Waste Water Treatment Wo	WSIG	5 926 679	5 926 679	100.00%
PROJECT MANAGEMENT UNI	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	4 832 362	94.99%
Mig Administration Unit	Upgrading of Sports Facilities	MIG	5 682 636	3 340 549	58.79%
Electricity	Humansdorp, Kruisfontein and Osean View Electric	Internal	303 137	-	0.00%
			67 685 203	**52 398 198**	**77.41%**
			84 721 068	**65 164 962**	**76.92%**
	Transfers recognised - Capital		50 005 830	41 392 938	82.78%
	Internally generated funds		34 715 238	23 772 023	68.48%
	Total Capital Funding		**84 721 068**	**65 164 962**	**76.92%**

It is to be noted that capital expenditure as at 30 June 2021 amounted to 76.92%, compared to the adjusted capital budget of R 84,721,068.



Annexure “A3”

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 June 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 – M12 June 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	13 399	209 995	187 021	22 974	12%	187 021
Service charges		–	424 039	435 205	40 665	498 928	435 205	63 723	15%	435 205
Other revenue		–	53 022	48 944	12 674	77 776	48 944	28 832	59%	48 944
Government - operating		–	145 612	166 705	–	155 833	166 705	(10 873)	-7%	166 705
Government - capital		–	38 356	37 164	–	36 347	37 164	(817)	-2%	37 164
Interest		(510 656)	18 957	14 780	1 176	14 362	14 780	(419)	-3%	14 780
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		55 986	(815 350)	(843 870)	(95 986)	(998 927)	(843 870)	155 057	-18%	(843 870)
Finance charges		–	(1 388)	(1 388)	(64)	(1 240)	(1 388)	(148)	11%	(1 388)
Transfers and Grants		–	(761)	(761)		(500)	(761)	(261)	34%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(454 749)**	**37 290**	**43 801**	**(28 136)**	**(7 426)**	**43 801**	**51 227**	**117%**	**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		–	(56 912)	(85 164)	(18 474)	(71 280)	(85 164)	(13 884)	16%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(85 164)**	**(18 474)**	**(71 280)**	**(85 164)**	**(13 884)**	**16%**	**(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)	(786)	(8 960)	(9 608)	(647)	7%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(786)**	**(8 960)**	**(9 608)**	**(647)**	**7%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(454 749)**	**(29 230)**	**(50 970)**	**(47 397)**	**(87 665)**	**(50 970)**			**(50 970)**
Cash/cash equivalents at beginning:		–	76 328	141 032		141 033	141 032			141 033
Cash/cash equivalents at month/year end:		(454 749)	47 099	90 062		53 367	90 062			90 063

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

Table C1 Monthly Budget Statement Summary – M12 June 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	12 363	210 205	207 801	2 404	1%	207 801
Service charges	420 509	481 716	483 561	36 810	479 970	483 561	(3 591)	-1%	483 561
Investment revenue	11 657	13 013	5 552	229	4 002	5 552	(1 550)	-28%	5 552
Transfers and subsidies	134 341	145 612	166 705	12 838	166 518	166 705	(187)	-0%	166 705
Other own revenue	37 312	60 015	59 198	4 291	39 343	59 198	(19 855)	-34%	59 198
Total Revenue (excluding capital transfers and contributions)	**801 364**	**906 005**	**922 818**	**66 531**	**900 038**	**922 818**	**(22 780)**	**-2%**	**922 818**
Employee costs	293 708	336 974	348 729	26 726	316 393	348 729	(32 337)	-9%	348 729
Remuneration of Councillors	12 876	13 651	13 651	(1 177)	13 806	13 651	155	1%	13 651
Depreciation & asset impairment	76 979	89 271	89 066	6 127	67 399	89 066	(21 666)	-24%	89 066
Finance charges	5 714	1 388	1 388	137	1 240	1 388	(148)	-11%	1 388
Materials and bulk purchases	304 655	305 802	307 830	28 447	280 784	307 830	(27 046)	-9%	307 830
Transfers and subsidies	250	761	761	–	761	761	(0)	-0%	761
Other expenditure	208 243	248 495	276 932	38 516	205 159	276 932	(71 772)	-26%	276 932
Total Expenditure	**902 425**	**996 342**	**1 038 357**	**98 777**	**885 543**	**1 038 357**	**(152 815)**	**-15%**	**1 038 357**
Surplus/(Deficit)	**(101 062)**	**(90 337)**	**(115 540)**	**(32 246)**	**14 495**	**(115 540)**	**130 035**	**-113%**	**(115 540)**
Transfers and subsidies - capital (monetary alloc	126 360	38 356	53 626	12 517	43 022	37 164	5 858	16%	53 626
Contributions & Contributed assets	334	0	0	–	–	0	(0)	-100%	0
Surplus/(Deficit) after capital transfers & contributions	**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**	**135 893**	**-173%**	**(61 914)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**	**135 893**	**-173%**	**(61 914)**
Capital expenditure & funds sources									
Capital expenditure	**97 984**	**56 912**	**84 721**	**18 474**	**65 165**	**84 721**	**(19 556)**	**-23%**	**84 721**
Capital transfers recognised	(8 826)	33 610	50 006	11 351	41 393	50 006	(8 613)	-17%	50 006
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**106 914**	**23 303**	**34 715**	**7 122**	**23 772**	**34 715**	**(10 943)**	**-32%**	**34 715**
Total sources of capital funds	**98 088**	**56 912**	**84 721**	**18 474**	**65 165**	**84 721**	**(19 556)**	**-23%**	**84 721**
Financial position									
Total current assets	(67 873)	182 094	208 575		308 646				208 575
Total non current assets	58 926	2 229 248	2 318 292		2 312 857				2 318 292
Total current liabilities	(19 629)	190 365	238 541		118 403				238 541
Total non current liabilities	(14 480)	170 192	163 445		158 572				163 445
Community wealth/Equity	**(471)**	**2 050 785**	**2 124 881**		**2 344 527**				**2 124 881**
Cash flows									
Net cash from (used) operating	(454 749)	37 290	43 801	(28 136)	(7 426)	43 801	51 227	117%	43 801
Net cash from (used) investing	–	(56 912)	(85 164)	(18 474)	(71 280)	(85 164)	(13 884)	16%	(85 164)
Net cash from (used) financing	–	(9 608)	(9 608)	(786)	(8 960)	(9 608)	(647)	7%	(9 608)
Cash/cash equivalents at the month/year end	**(454 749)**	**47 099**	**90 062**	**–**	**53 367**	**90 062**	**36 694**	**41%**	**90 063**
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	33 316	7 885	6 439	5 863	5 488	5 186	34 751	143 963	242 891
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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) – M12 June 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
Revenue - Functional										
Governance and administration		**338 236**	**332 007**	**343 256**	**(23 917)**	**326 418**	**343 256**	(16 838)	-5%	**343 256**
Executive and council		4	28	734	867	926	734	192	26%	734
Finance and administration		338 232	331 979	342 522	(24 784)	325 492	342 522	(17 030)	-5%	342 522
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**11 477**	**15 620**	**13 588**	**195**	**11 683**	**13 588**	(1 905)	-14%	**13 588**
Community and social services		2 421	2 498	2 498	32	2 160	2 498	(338)	-14%	2 498
Sport and recreation		5 495	8 085	6 054	153	5 485	6 054	(569)	-9%	6 054
Public safety		734	1 985	1 985	0	1 332	1 985	(654)	-33%	1 985
Housing		–	–	(0)	–	–	(0)	0	-100%	(0)
Health		2 827	3 051	3 051	9	2 706	3 051	(345)	-11%	3 051
Economic and environmental services		**15 267**	**23 813**	**26 303**	**3 433**	**25 730**	**26 303**	(573)	-2%	**26 303**
Planning and development		6 085	7 173	6 573	1 620	7 676	6 573	1 102	17%	6 573
Road transport		7 382	15 252	18 341	1 807	16 888	18 341	(1 454)	-8%	18 341
Environmental protection		1 800	1 389	1 389	6	1 167	1 389	(222)	-16%	1 389
Trading services		**563 077**	**572 921**	**593 297**	**99 337**	**579 229**	**576 835**	2 394	0%	**593 297**
Energy sources		264 114	304 317	304 317	27 869	300 772	304 317	(3 546)	-1%	304 317
Water management		170 094	100 261	112 133	27 094	107 656	105 318	2 339	2%	112 133
Waste water management		74 776	93 692	104 840	22 687	96 370	95 194	1 176	1%	104 840
Waste management		54 094	74 651	72 006	21 688	74 430	72 006	2 424	3%	72 006
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**928 057**	**944 362**	**976 444**	**79 048**	**943 060**	**959 982**	**(16 922)**	**-2%**	**976 444**
Expenditure - Functional										
Governance and administration		**188 811**	**242 971**	**238 003**	**24 499**	**194 885**	**238 003**	(43 118)	-18%	**238 003**
Executive and council		45 347	41 969	44 262	6 872	52 573	44 262	8 311	19%	44 262
Finance and administration		143 457	200 981	193 721	17 627	142 310	193 721	(51 410)	-27%	193 721
Internal audit		7	21	21	–	2	21	(19)	-89%	21
Community and public safety		**89 381**	**93 241**	**99 020**	**8 799**	**95 343**	**99 020**	(3 677)	-4%	**99 020**
Community and social services		11 104	10 773	10 610	1 000	9 628	10 610	(982)	-9%	10 610
Sport and recreation		46 142	45 537	50 865	4 498	48 596	50 865	(2 269)	-4%	50 865
Public safety		22 709	25 505	25 397	2 405	25 294	25 397	(103)	0%	25 397
Housing		4 445	5 399	6 643	395	6 203	6 643	(440)	-7%	6 643
Health		4 982	6 026	5 505	501	5 622	5 505	117	2%	5 505
Economic and environmental services		**122 008**	**122 804**	**150 927**	**15 985**	**132 073**	**150 927**	(18 854)	-12%	**150 927**
Planning and development		23 084	39 343	40 583	3 400	30 132	40 583	(10 451)	-26%	40 583
Road transport		92 362	81 450	108 341	12 201	98 071	108 341	(10 270)	-9%	108 341
Environmental protection		6 562	2 011	2 003	383	3 870	2 003	1 867	93%	2 003
Trading services		**500 347**	**534 193**	**548 734**	**49 185**	**462 116**	**548 734**	(86 618)	-16%	**548 734**
Energy sources		272 205	316 672	317 278	29 851	301 930	317 278	(15 349)	-5%	317 278
Water management		89 188	91 486	95 910	5 281	45 202	95 910	(50 709)	-53%	95 910
Waste water management		71 079	62 587	67 506	5 608	62 949	67 506	(4 557)	-7%	67 506
Waste management		67 875	63 448	68 040	8 445	52 036	68 040	(16 004)	-24%	68 040
Other		**1 878**	**3 133**	**1 673**	**310**	**1 125**	**1 673**	**(548)**	**-33%**	**1 673**
Total Expenditure - Functional	3	**902 425**	**996 342**	**1 038 357**	**98 777**	**885 543**	**1 038 357**	**(152 815)**	**-15%**	**1 038 357**
Surplus/ (Deficit) for the year		**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**	**135 893**	**-173%**	**(61 914)**

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 – M12 June 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
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	–	706	867	867	706	162	22.9%	706
Vote 2 - FINANCIAL SERVICES		346 563	325 858	340 936	(24 887)	323 966	340 936	(16 971)	-5.0%	340 936
Vote 3 - CORPORATE SERVICES		586	307	307	–	565	307	258	84.2%	307
Vote 4 - COMMUNITY SERVICES		75 604	111 700	105 577	22 745	104 134	105 577	(1 443)	-1.4%	105 577
Vote 5 - INFRASTRUCTURE AND ENGINEERING		501 814	501 976	524 996	79 689	508 921	508 534	386	0.1%	524 996
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 490	4 521	3 922	634	4 608	3 922	686	17.5%	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	**928 057**	**944 362**	**976 444**	**79 048**	**943 060**	**959 982**	**(16 922)**	**-1.8%**	**976 444**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		44 424	44 558	45 891	7 852	54 104	45 891	8 212	17.9%	45 891
Vote 2 - FINANCIAL SERVICES		77 668	117 483	108 499	7 725	65 981	108 499	(42 518)	-39.2%	108 499
Vote 3 - CORPORATE SERVICES		34 862	46 629	47 075	4 596	38 621	47 075	(8 454)	-18.0%	47 075
Vote 4 - COMMUNITY SERVICES		193 994	195 251	206 795	22 580	189 684	206 795	(17 111)	-8.3%	206 795
Vote 5 - INFRASTRUCTURE AND ENGINEERING		531 934	566 216	602 435	53 496	515 360	602 435	(87 075)	-14.5%	602 435
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19 542	26 204	27 662	2 528	21 793	27 662	(5 869)	-21.2%	27 662
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	**902 425**	**996 342**	**1 038 357**	**98 777**	**885 543**	**1 038 357**	**(152 815)**	**-14.7%**	**1 038 357**
Surplus/ (Deficit) for the year	2	**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**	**135 893**	**-173.4%**	**(61 914)**

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) – M12 June 2021

Description R thousands	Ref	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
Revenue By Source										
Property rates		197 544	205 650	207 801	12 363	210 205	207 801	2 404	1%	207 801
Service charges - electricity revenue		245 438	291 625	291 625	22 122	289 519	291 625	(2 106)	-1%	291 625
Service charges - water revenue		73 769	81 846	83 642	5 846	80 157	83 642	(3 486)	-4%	83 642
Service charges - sanitation revenue		49 951	53 555	55 057	4 378	55 546	55 057	489	1%	55 057
Service charges - refuse revenue		51 351	54 690	53 237	4 464	54 748	53 237	1 511	3%	53 237
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		697	4 083	1 122	939	2 412	1 122	1 289	115%	1 122
Interest earned - external investments		11 657	13 013	5 552	229	4 002	5 552	(1 550)	-28%	5 552
Interest earned - outstanding debtors		8 576	6 993	10 253	919	9 982	10 253	(272)	-3%	10 253
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 125	6 685	2 150	116	1 262	2 150	(887)	-41%	2 150
Licences and permits		11 066	20 714	24 732	896	21 254	24 732	(3 478)	-14%	24 732
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		134 341	145 612	166 705	12 838	166 518	166 705	(187)	0%	166 705
Other revenue		14 777	21 540	20 941	1 421	4 433	20 941	(16 508)	-79%	20 941
Gains on disposal of PPE		70	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**801 364**	**906 005**	**922 818**	**66 531**	**900 038**	**922 818**	**(22 780)**	**-2%**	**922 818**
Expenditure By Type										
Employee related costs		293 708	336 974	348 729	26 726	316 393	348 729	(32 337)	-9%	348 729
Remuneration of councillors		12 876	13 651	13 651	(1 177)	13 806	13 651	155	1%	13 651
Debt impairment		55 131	89 573	70 162	–	7	70 162	(70 155)	-100%	70 162
Depreciation & asset impairment		76 979	89 271	89 066	6 127	67 399	89 066	(21 666)	-24%	89 066
Finance charges		5 714	1 388	1 388	137	1 240	1 388	(148)	-11%	1 388
Bulk purchases		264 529	279 744	246 173	25 226	254 057	246 173	7 884	3%	246 173
Other materials		40 125	26 059	61 657	3 222	26 727	61 657	(34 930)	-57%	61 657
Contracted services		70 860	60 352	93 225	19 046	88 110	93 225	(5 115)	-5%	93 225
Transfers and subsidies		250	761	761	–	761	761	(0)	0%	761
Other expenditure		80 520	98 571	113 546	19 470	117 043	113 546	3 497	3%	113 546
Loss on disposal of PPE		1 731	–	–	–	–	–	–		–
Total Expenditure		**902 425**	**996 342**	**1 038 357**	**98 777**	**885 543**	**1 038 357**	**(152 815)**	**-15%**	**1 038 357**
Surplus/(Deficit)		**(101 062)**	**(90 337)**	**(115 540)**	**(32 246)**	**14 495**	**(115 540)**	**130 035**	**(0)**	**(115 540)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		126 360	38 356	53 626	12 517	43 022	37 164	5 858	**0**	53 626
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	0	0	–	–	0	(0)	**(0)**	0
Transfers and subsidies - capital (in-kind - all)		334	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**			**(61 914)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**			**(61 914)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**			**(61 914)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**25 632**	**(51 980)**	**(61 914)**	**(19 729)**	**57 517**	**(78 375)**			**(61 914)**

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) – M12 June 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	968	103	226	968	(742)	-77%	968
Vote 2 - FINANCIAL SERVICES		75 967	800	2 709	465	1 010	2 709	(1 698)	-63%	2 709
Vote 3 - CORPORATE SERVICES		342	1 349	2 386	886	1 929	2 386	(457)	-19%	2 386
Vote 4 - COMMUNITY SERVICES		4 983	4 220	6 653	1 068	6 558	6 653	(95)	-1%	6 653
Vote 5 - INFRASTRUCTURE AND ENGINEERING		5 283	38 458	55 325	11 216	41 886	55 325	(13 439)	-24%	55 325
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 018	1 505	1 810	186	1 010	1 810	(800)	-44%	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**	**69 851**	**13 923**	**52 619**	**69 851**	**(17 232)**	**-25%**	**69 851**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		343	750	421	96	395	421	(26)	-6%	421
Vote 2 - FINANCIAL SERVICES		(81)	–	156	–	4	156	(152)	-97%	156
Vote 3 - CORPORATE SERVICES		(1 219)	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		6 059	7 352	1 654	583	1 356	1 654	(297)	-18%	1 654
Vote 5 - INFRASTRUCTURE AND ENGINEERING		3 137	1 300	12 360	3 872	10 513	12 360	(1 848)	-15%	12 360
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	1 092	278	–	278	278	–		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	14 870	4 550	12 546	14 870	**(2 324)**	**-16%**	14 870
Total Capital Expenditure	3	**97 984**	**56 912**	**84 721**	**18 474**	**65 165**	**84 721**	**(19 556)**	**-23%**	**84 721**
Capital Expenditure - Functional Classification										
Governance and administration		**77 519**	**3 734**	**6 691**	**2 132**	**4 148**	**6 691**	(2 543)	-38%	**6 691**
Executive and council		561	835	690	198	621	690	(68)	-10%	690
Finance and administration		76 955	2 899	6 001	1 934	3 526	6 001	(2 475)	-41%	6 001
Internal audit		4	–	–	–	–	–	–		–
Community and public safety		**8 576**	**16 028**	**18 886**	**3 764**	**16 044**	**18 886**	(2 842)	-15%	**18 886**
Community and social services		888	–	–	–	–	–	–		–
Sport and recreation		4 377	11 600	12 245	2 730	9 525	12 245	(2 720)	-22%	12 245
Public safety		361	3 669	5 882	1 033	5 820	5 882	(62)	-1%	5 882
Housing		2 950	760	760	–	700	760	(60)	-8%	760
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**754**	**9 628**	**6 880**	**1 256**	**4 943**	**6 880**	(1 937)	-28%	**6 880**
Planning and development		408	1 737	2 871	470	1 020	2 871	(1 851)	-64%	2 871
Road transport		346	7 891	4 009	786	3 923	4 009	(86)	-2%	4 009
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**11 134**	**27 422**	**52 164**	**11 287**	**39 995**	**52 164**	(12 169)	-23%	**52 164**
Energy sources		5 003	8 172	18 984	3 472	16 144	18 984	(2 841)	-15%	18 984
Water management		(25 106)	3 380	7 827	3 082	6 376	7 827	(1 451)	-19%	7 827
Waste water management		27 011	14 633	24 453	4 732	17 316	24 453	(7 137)	-29%	24 453
Waste management		4 226	1 237	900	–	159	900	(741)	-82%	900
Other		–	100	100	35	35	100	(65)	-65%	100
Total Capital Expenditure - Functional Classification	3	**97 984**	**56 912**	**84 721**	**18 474**	**65 165**	**84 721**	**(19 556)**	**-23%**	**84 721**
Funded by:										
National Government		(8 397)	31 644	44 888	10 753	36 275	44 888	(8 613)	-19%	44 888
Provincial Government		–	–	0	–	–	0	(0)	-100%	0
District Municipality		(429)	1 965	5 118	598	5 118	5 118	(0)	0%	5 118
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**(8 826)**	**33 610**	**50 006**	**11 351**	**41 393**	**50 006**	**(8 613)**	**-17%**	**50 006**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		106 914	23 303	34 715	7 122	23 772	34 715	(10 943)	-32%	34 715
Total Capital Funding		**98 088**	**56 912**	**84 721**	**18 474**	**65 165**	**84 721**	**(19 556)**	**-23%**	**84 721**

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 – M12 June 2021

Description R thousands	Ref 1	2019/20 Audited Outcome	Budget Year 2020/21 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		5 136	4 710	24 723	12 878	24 723
Call investment deposits		(78 332)	42 389	65 781	40 489	65 781
Consumer debtors		(5 705)	81 061	67 394	88 090	67 394
Other debtors		10 596	44 682	41 014	109 125	41 014
Current portion of long-term receivables		–	3	3	3	3
Inventory		432	9 249	9 659	58 061	9 659
Total current assets		**(67 873)**	**182 094**	**208 575**	**308 646**	**208 575**
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	2 074 051	2 068 375	2 074 051
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		56	1 608	1 677	1 920	1 677
Other non-current assets		–	–	–	–	–
Total non current assets		**58 926**	**2 229 248**	**2 318 292**	**2 312 857**	**2 318 292**
TOTAL ASSETS		**(8 947)**	**2 411 341**	**2 526 867**	**2 621 502**	**2 526 867**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		541	9 608	6 747	9 559	6 747
Consumer deposits		698	17 378	17 378	20 774	17 378
Trade and other payables		(24 313)	133 730	184 767	54 974	184 767
Provisions		3 446	29 649	29 649	33 095	29 649
Total current liabilities		**(19 629)**	**190 365**	**238 541**	**118 403**	**238 541**
Non current liabilities						
Borrowing		(9 608)	6 747	–		–
Provisions		(4 872)	163 445	163 445	158 572	163 445
Total non current liabilities		**(14 480)**	**170 192**	**163 445**	**158 572**	**163 445**
TOTAL LIABILITIES		**(34 109)**	**360 557**	**401 986**	**276 975**	**401 986**
NET ASSETS	2	**25 162**	**2 050 785**	**2 124 881**	**2 344 527**	**2 124 881**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(471)	2 050 785	2 124 881	2 344 527	2 124 881
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(471)**	**2 050 785**	**2 124 881**	**2 344 527**	**2 124 881**

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 – M12 June 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	13 399	209 995	187 021	22 974	12%	187 021
Service charges		–	424 039	435 205	40 665	498 928	435 205	63 723	15%	435 205
Other revenue		–	53 022	48 944	12 674	77 776	48 944	28 832	59%	48 944
Government - operating		–	145 612	166 705	–	155 833	166 705	(10 873)	-7%	166 705
Government - capital		–	38 356	37 164	–	36 347	37 164	(817)	-2%	37 164
Interest		(510 656)	18 957	14 780	1 176	14 362	14 780	(419)	-3%	14 780
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		55 986	(815 350)	(843 870)	(95 986)	(998 927)	(843 870)	155 057	-18%	(843 870)
Finance charges		–	(1 388)	(1 388)	(64)	(1 240)	(1 388)	(148)	11%	(1 388)
Transfers and Grants		–	(761)	(761)		(500)	(761)	(261)	34%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(454 749)	37 290	43 801	(28 136)	(7 426)	43 801	51 227	117%	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		–	(56 912)	(85 164)	(18 474)	(71 280)	(85 164)	(13 884)	16%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(56 912)	(85 164)	(18 474)	(71 280)	(85 164)	(13 884)	16%	(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)	(786)	(8 960)	(9 608)	(647)	7%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(9 608)	(9 608)	(786)	(8 960)	(9 608)	(647)	7%	(9 608)
NET INCREASE/ (DECREASE) IN CASH HELD		(454 749)	(29 230)	(50 970)	(47 397)	(87 665)	(50 970)			(50 970)
Cash/cash equivalents at beginning:		–	76 328	141 032		141 033	141 032			141 033
Cash/cash equivalents at month/year end:		(454 749)	47 099	90 062		53 367	90 062			90 063

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 30 June 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 30 June 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	8 991	2 241	1 945	1 830	1 723	1 656	10 008	39 230	67 624
Trade and Other Receivables from Exchange Transactions - Electricity	18 074	1 630	1 144	982	882	789	3 435	8 300	35 237
Receivables from Non-exchange Transactions - Property Rates	10 483	1 107	839	690	600	540	7 781	21 458	43 498
Receivables from Exchange Transactions - Waste Water Management	5 510	1 152	982	919	863	803	4 609	17 228	32 067
Receivables from Exchange Transactions - Waste Management	4 595	1 193	1 099	1 018	992	963	5 278	23 366	38 503
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	59	85	101	120	139	162	1 612	22 743	25 022
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(14 397)	476	329	304	288	273	2 029	11 637	940
Total By Income Source	**33 316**	**7 885**	**6 439**	**5 863**	**5 488**	**5 186**	**34 751**	**143 963**	**242 891**
Debtors Age Analysis By Customer Group									
Organs of State	1 004	449	371	360	354	206	1 461	2 731	6 937
Commercial	6 748	407	380	330	370	249	1 050	4 100	13 634
Households	25 564	7 029	5 688	5 173	4 763	4 731	32 240	137 131	222 320
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**33 316**	**7 885**	**6 439**	**5 863**	**5 488**	**5 186**	**34 751**	**143 963**	**242 891**

The aforementioned analysis indicates that from 30 June 2020 to 30 June 2021, the overdue debts have increased by R 40,318 million from R 169,257 million to R 209,574 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-20**	**30-Jun-21**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	58 633	13 721
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	17 163	1 226
Receivables from Non-exchange Transactions - Property Rates	31 419	33 015	1 596
Receivables from Exchange Transactions - Waste Water Management	19 681	26 556	6 875
Receivables from Exchange Transactions - Waste Management	25 254	33 908	8 654
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	24 963	6 465
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 337	1 781
Total By Income Source	**169 257**	**209 574**	**40 318**
Debtors Age Analysis By Customer Group			–
Organs of State	5 386	5 932	546
Commercial	6 049	6 886	838
Households	157 822	196 756	38 934
Other	–	–	–
Total By Customer Group	**169 257**	**209 574**	**40 318**

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	28 701	(9)	–	–	–	–	–	–	**28 692**
Bulk Water	3 157	16	–	(48)	–	–	–	–	**3 125**
PAYE deductions	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–
Trade Creditors	7 223	3 054	192	102	22	23	239	1 252	**12 106**
Auditor General	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total By Customer Type	**39 081**	**3 060**	**192**	**54**	**22**	**23**	**239**	**1 252**	**43 924**

The above amounts represent invoices still to be paid. The major creditors as at 30 June 2021 are as follows:

Eskom	R 28,692 million
NMBM	R 3,125 million
Other Creditors	R 12,106 million
Total	**R 43,924 million**

It is to be noted that the Eskom amount of R 28,692 million, represents the current account for June 2021, which will be fully paid on 23 July 2021.

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 30 June 2021.

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 April 2021
Standard Bank	11 052 012	-	372 155	-		11 424 167
ABSA	29 118 474	-	641 525	32 679 795	4 485	- 2 924 280
Nedbank	14 049 368	-	478 390	10 021 978		4 505 780
RMB	50 227 524	104 704 363	1 485 681	132 989 843		23 427 726
INVESTEC	17 846 936	-	601 077	14 392 021		4 055 992
Total	**122 294 314**	**104 704 363**	**3 578 828**	**- 190 083 636**	**- 4 485**	**40 489 385**
INVESTMENT	**Balance as at 30 June 2020**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 April 2021**
General Account	74 231 786	31 136 019	2 152 344	78 084 779	4 485	29 430 884
Conditional Grants	48 054 952	73 568 345	1 426 241	111 998 856	-	11 050 682
Housing Funds	7 576	-	243	-	-	7 819
Total	**122 294 314**	**104 704 363**	**3 578 828**	**- 190 083 636**	**- 4 485**	**40 489 385**
Bank	18 737 370			- 5 859 559		12 877 811
Total	**141 031 684**	**104 704 363**	**3 578 828**	**- 195 943 195**	**- 4 485**	**53 367 196**

The decrease in the investment portfolio since 30 June 2020 amounts to R 87,664,488. The following analysis indicates the extent to which the investments are committed:

<u>Cash backed Reserves.</u>

Bank Balances and Cash	R 12,877,811
Short-term Investment Deposits	R 40,489,385
	R 53,367,196

<u>Application of Cash</u>

Unspent Conditional Grants	11,050,682
Outstanding Creditors Liability	43,923,748
	54,974,430
Shortfall	**-1,607,234**

The commitments exceed the cash backed reserves at this stage by an amount of R 1,607,234.

4. Allocation and Grants receipts and expenditure for the 2020/2021 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M12 June 2021

Description	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								%	
RECEIPTS:									
Operating Transfers and Grants									
National Government:	129 607	140 782	161 170	–	150 760	150 760	–		161 170
Operational Revenue:General Revenue:Equitable Share	124 938	136 649	157 037	–	146 646	146 646	–		157 037
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 054	1 054	–	1 054	1 054	–		1 054
Local Government Financial Management Grant [Schedule 5B]	1 770	1 500	1 500		1 500	1 500	–		1 500
Municipal Infrastructure Grant [Schedule 5B]	1 899	1 579	1 579		1 560	1 560	–		1 579
Provincial Government:	64	–	2 050	–	2 050	2 050	–		–
Capacity Building and Other	64	–	–	–	–	–	–		–
Sports and Recreation	–	–	2 050	–	2 050	2 050	–		–
District Municipality:	4 669	2 780	2 780	–	2 780	2 780	–		4 830
All Grants	4 669	2 780	2 780		2 780	2 780	–		4 830
Other grant providers:	–	–	706	–	706	706	–		706
Foreign Government and International Organisations	–	–	706	–	706	706	–		706
Total Operating Transfers and Grants	134 341	143 562	166 705	–	156 295	156 295	–		166 705
Capital Transfers and Grants									
National Government:	125 646	36 391	35 199	–	34 831	34 831	–		35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 202	5 200	5 200		5 200	5 200	–		5 200
Municipal Infrastructure Grant [Schedule 5B]	23 591	29 999	29 999		29 631	29 631	–		29 999
Energy Efficiency and Demand Side Management Grant	3 960	–	–	–	–	–	–		–
Water Services Infrastructure Grant [Schedule 5B]	93 702	–	–			–	–		–
Municipal Disaster Relief Grant	1 192	1 192	–	–	–	–	–		–
Provincial Government:	–	1 965	(0)	–	–	–	–		1 965
Capacity Building and Other	–	1 965		–	–		–		1 965
District Municipality:	714	–	1 965	–	1 517	–	1 517	#DIV/0!	–
All Grants	714	–	1 965	–	1 517	–	1 517	#DIV/0!	–
Total Capital Transfers and Grants	126 360	38 356	37 164	–	36 347	34 831	1 517	4.4%	37 164
TOTAL RECEIPTS OF TRANSFERS & GRANTS	260 701	181 918	203 870	–	192 642	191 126	1 517	0.8%	203 870

Below is an analysis of the spending associated with the grants as at 30 June 2021:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M12 June 2021.

Description	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								%	
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	**58 976**	**140 782**	**161 170**	**738**	**150 779**	**150 779**	**–**		**150 779**
Operational Revenue:General Revenue:Equitable Share	56 297	136 649	157 037		146 646	146 646	–		146 646
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 054	1 054		1 054	1 054	–		1 054
Local Government Financial Management Grant [Schedule 5B]	1 647	1 500	1 500	599	1 500	1 500	–		1 500
Municipal Infrastructure Grant [Schedule 5B]	31	1 579	1 579	140	1 579	1 579	–		1 579
Provincial Government:	**56**	**–**	**2 050**	**–**	**2 050**	**2 050**	**–**		**2 050**
Capacity Building and Other	56	–	–	–	–	–	–		–
Sports and Recreation	–	–	2 050		2 050	2 050	–		2 050
District Municipality:	**–**	**2 780**	**2 780**	**–**	**2 780**	**2 780**	**–**		**2 780**
All Grants	–	2 780	2 780		2 780	2 780	–		2 780
Other grant providers:	**–**	**–**	**706**	**–**	**706**	**706**	**–**		**1 167**
Foreign Government and International Organisations	–	–	706		706	706	–		706
Total operating expenditure of Transfers and Grants:	**59 032**	**143 562**	**166 705**	**738**	**156 314**	**156 314**	**–**		**156 776**
Capital expenditure of Transfers and Grants									
National Government:	**(6 544)**	**35 199**	**35 199**	**8 978**	**23 658**	**35 199**	**(11 541)**	**-32.8%**	**35 199**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	2 387	5 200	5 200	101	4 710	5 200	(490)	-9.4%	5 200
Municipal Infrastructure Grant [Schedule 5B]	19 436	29 999	29 999	8 877	18 948	29 999	(11 051)	-36.8%	29 999
District Municipality:	**(429)**	**1 965**	**1 965**	**–**	**1 965**	**1 965**	–		**1 965**
All Grants	(429)	1 965	1 965	–	1 965	1 965	–		1 965
Total capital expenditure of Transfers and Grants	**99 941**	**37 164**	**37 164**	**8 978**	**25 623**	**37 164**	**(11 541)**	**-31.1%**	**72 322**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**158 972**	**180 726**	**203 870**	**9 716**	**181 938**	**193 479**	**(11 541)**	**-6.0%**	**229 098**

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 1,500,000
Unspent as at 30 June 2020:	R 0.00

The spending of the grant amounted to 100% as at 30 June 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 30 June 2021:	R 0.00

The spending of the grant amounted to 100% as at 30 June 2021, compared to the amount of the grant received.

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 31,836,311
Unspent as at 30 June 2021:	R 8,959,683

The spending of the grant amounted to 78.04% as at 30 June 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 4,709,929
Unspent as at 30 June 2021:	R 490,071

The spending of the grant amounted to 90.58% as at 30 June 2021, compared to the amount of the grant received. It should be noted that there were outstanding invoices as at 30 June 2021 that were not yet receipted, the INEP is there for fully spent.

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 6,815,681
Unspent as at 30 June 2021:	R 0.00

The spending of the grant amounted to 100% as at 30 June 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 – M12 June 2021.

Summary of Employee and Councillor remuneration	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								%	
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	8 695	9 104	9 104	(1 599)	9 362	9 104	257	3%	9 104
Medical Aid Contributions	–	–	–	72	301	–	301		–
Motor Vehicle Allowance	2 900	3 081	3 081	243	2 879	3 081	(202)	-7%	3 081
Cellphone Allowance	1 280	1 465	1 465	107	1 265	1 465	(201)	-14%	1 465
Sub Total - Councillors	**12 876**	**13 651**	**13 651**	**(1 177)**	**13 806**	**13 651**	**155**	**1%**	**13 651**
Senior Managers of the Municipality									
Basic Salaries and Wages	5 573	5 919	6 106	455	7 457	6 106	1 352	22%	6 106
Pension and UIF Contributions	43	36	36	23	127	36	91	255%	36
Medical Aid Contributions	17	13	13	(9)	38	13	25	200%	13
Performance Bonus	512	453	453	–	303	453	(150)	-33%	453
Motor Vehicle Allowance	640	811	811	48	640	811	(171)	-21%	811
Cellphone Allowance	6	6	6	1	10	6	3	57%	6
Other benefits and allowances	45	50	50	4	54	50	4	9%	50
Payments in lieu of leave	4	1 150	1 150	37	446	1 150	(704)	-61%	1 150
Sub Total - Senior Managers of Municipality	**6 840**	**8 437**	**8 624**	**559**	**9 075**	**8 624**	**451**	**5%**	**8 624**
Other Municipal Staff									
Basic Salaries and Wages	176 493	213 264	224 540	17 506	186 474	224 540	(38 066)	-17%	224 540
Pension and UIF Contributions	30 176	33 121	33 121	2 576	32 011	33 121	(1 110)	-3%	33 121
Medical Aid Contributions	15 782	17 256	17 256	1 430	16 475	17 256	(781)	-5%	17 256
Overtime	34 729	28 139	28 149	2 440	30 731	28 149	2 582	9%	28 149
Motor Vehicle Allowance	8 750	9 393	9 393	824	9 703	9 393	309	3%	9 393
Cellphone Allowance	–	288	288	–	–	288	(288)	-100%	288
Housing Allowances	857	905	905	83	900	905	(6)	-1%	905
Other benefits and allowances	22 649	24 869	24 869	946	25 965	24 869	1 096	4%	24 869
Payments in lieu of leave	1 217	–	27	278	3 773	27	3 746	13912%	27
Long service awards	1 208	1 274	1 557	85	1 287	1 557	(271)	-17%	1 557
Post-retirement benefit obligations	(4 994)	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**286 868**	**328 509**	**340 105**	**26 168**	**307 318**	**340 105**	**(32 788)**	**-10%**	**340 105**
Total Parent Municipality	**306 584**	**350 598**	**362 380**	**25 550**	**330 199**	**362 380**	**(32 182)**	**-9%**	**362 380**
TOTAL SALARY, ALLOWANCES & BENEFITS	**306 584**	**350 625**	**362 380**	**25 550**	**330 199**	**362 380**	**(32 182)**	**-9%**	**362 380**
TOTAL MANAGERS AND STAFF	**293 708**	**336 947**	**348 729**	**26 726**	**316 393**	**348 729**	**(32 337)**	**-9%**	**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 30 June 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.06%	1.15%
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	2.61
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	0.45
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	90%	94.41%

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 30 June 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	0.62
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.60%	35.73%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	76.92%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	6.28%	6.84%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	3.14%	2.93%
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%	81.50%

The above table is discussed in detail below.

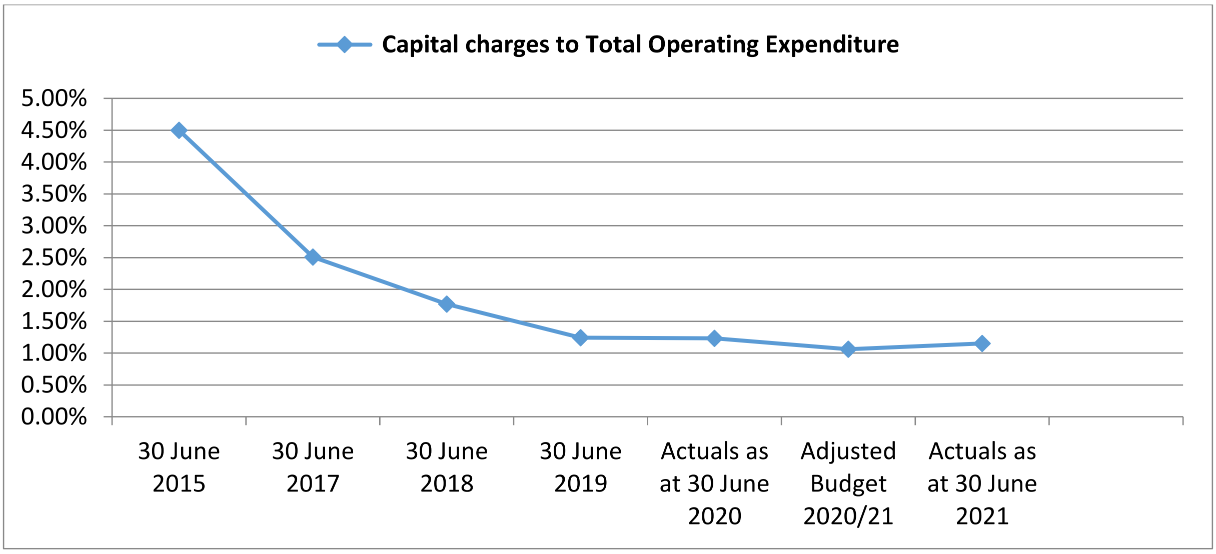
5.1. Borrowing Management

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 1.15% of the Total Operating Expenditure was utilised for capital charges as at 30 June 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.

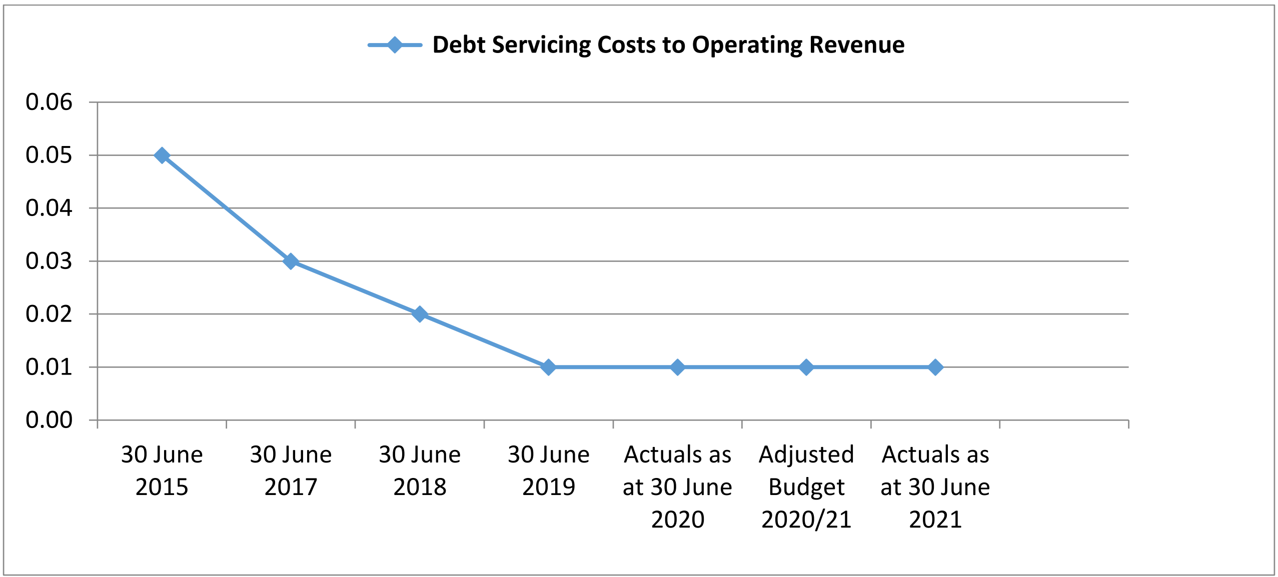
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 30 June 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:

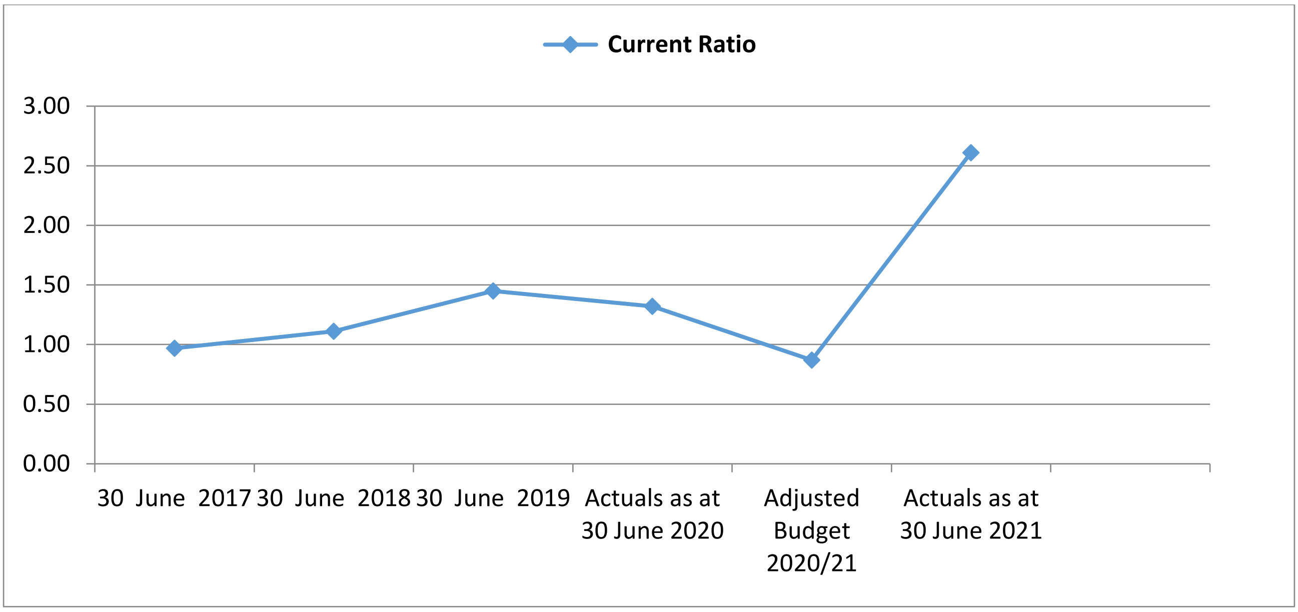
Current assets/Current liabilities

The ratio as at 30 June 2021 was 2.61:1, 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

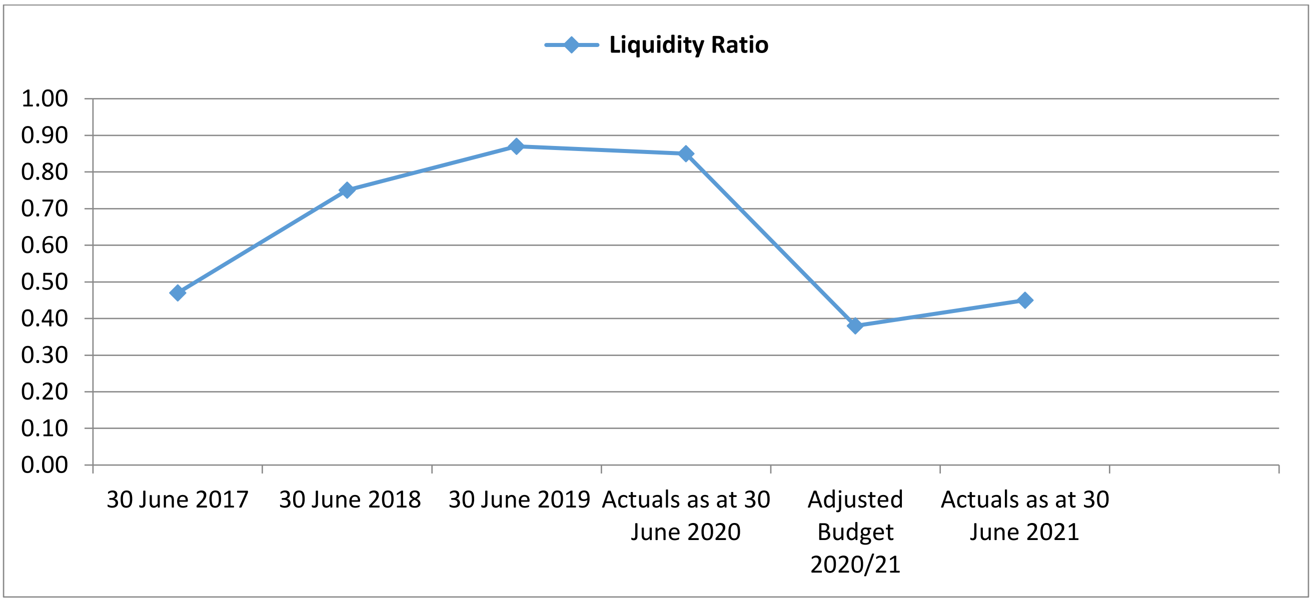
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 30 June 2021 was 0.45:1, 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

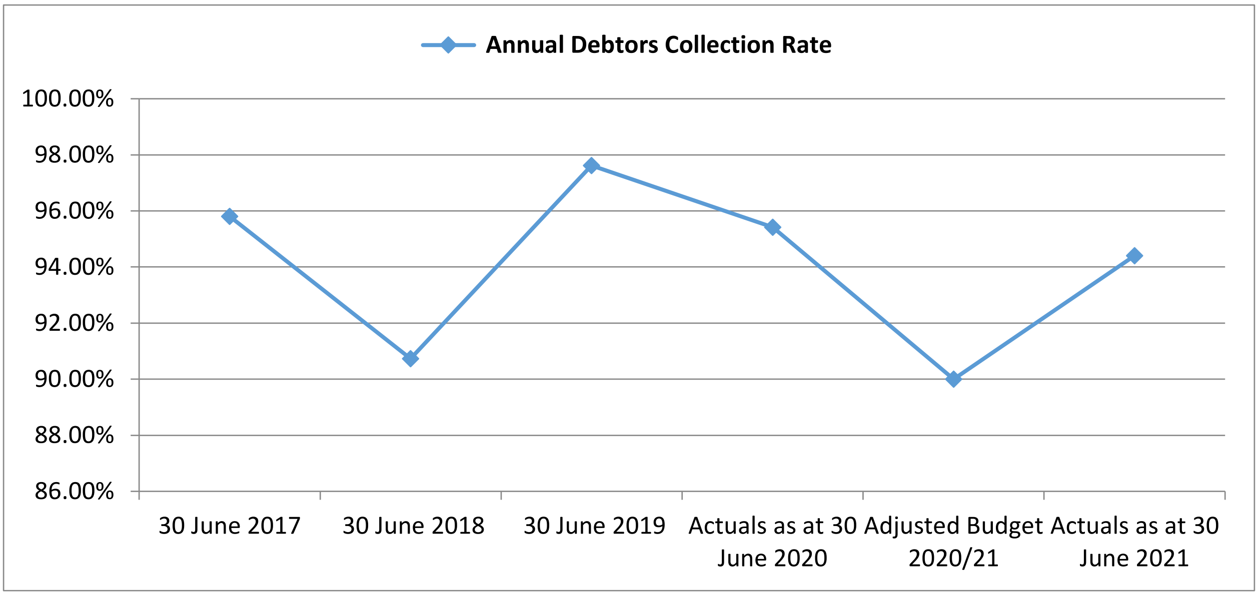
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 30 June 2021 was 94.41%, compared to the approved adjusted budget collection rate of 90%. The actual collection rate for June is 94.20%. 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.

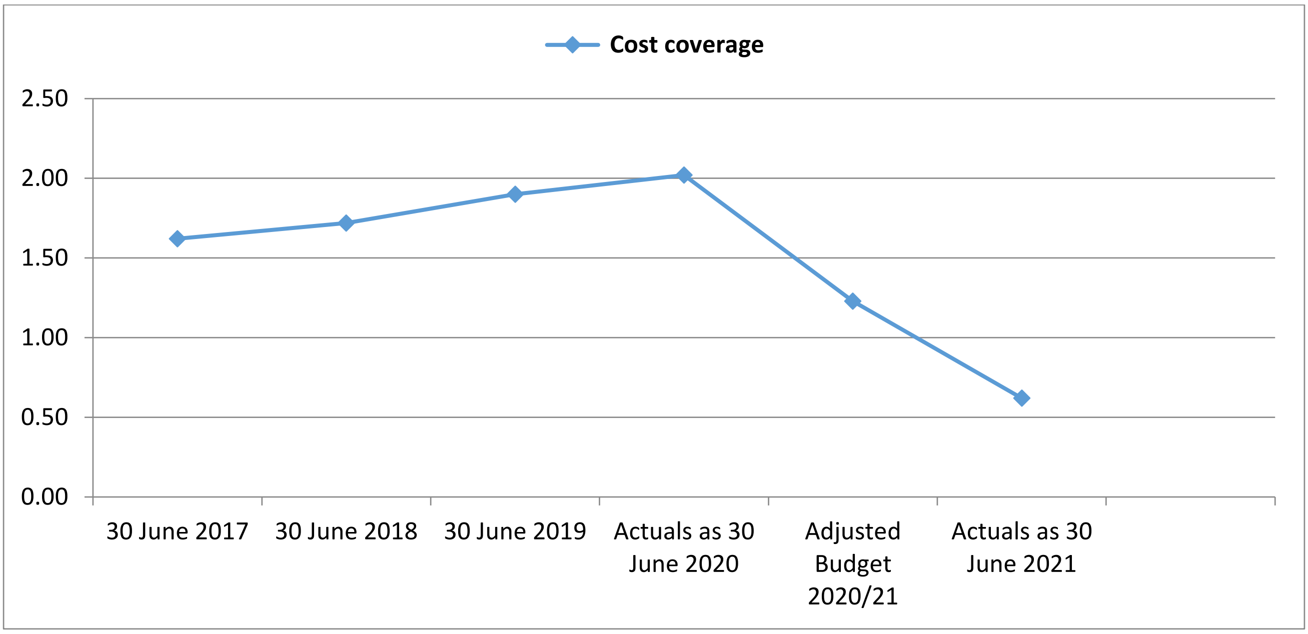
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 June 2021, the Ratio was 0.62 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.



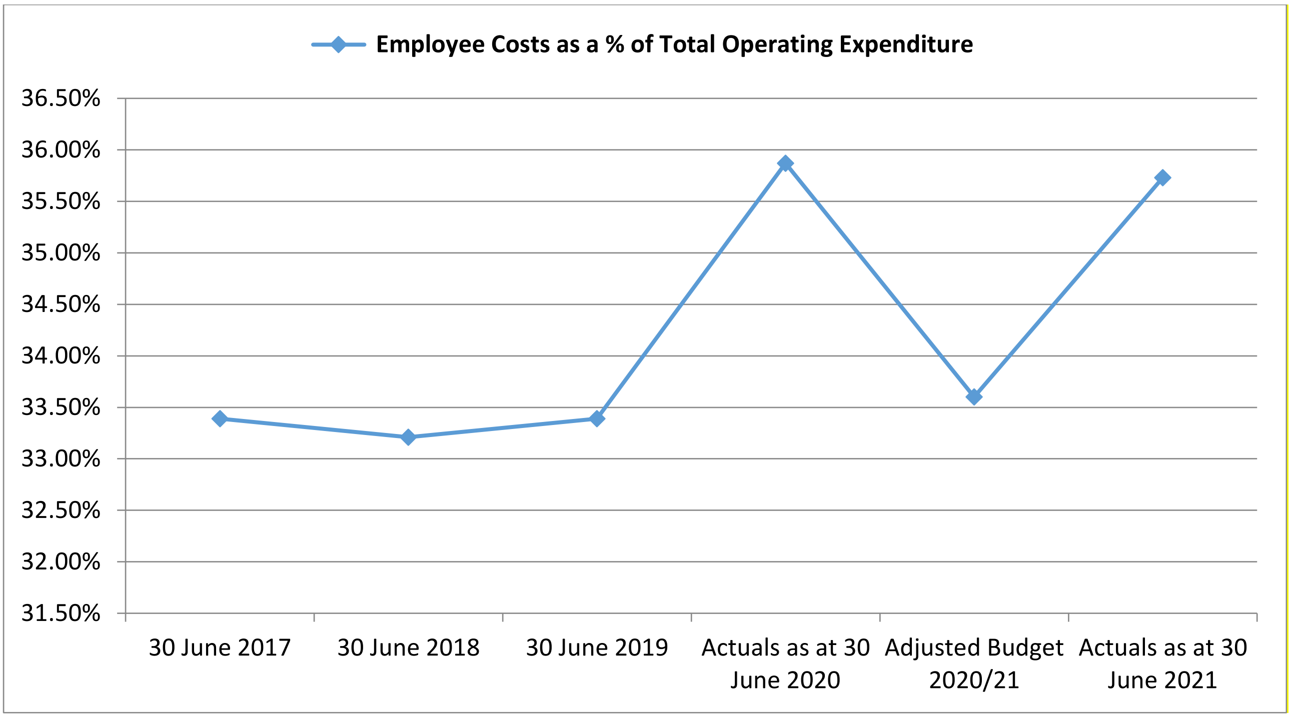
5.4.2. Employee costs as a % of Total Operating Expenditure

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 30 June 2021, Employee Related Costs constituted 35.73% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33,60%.



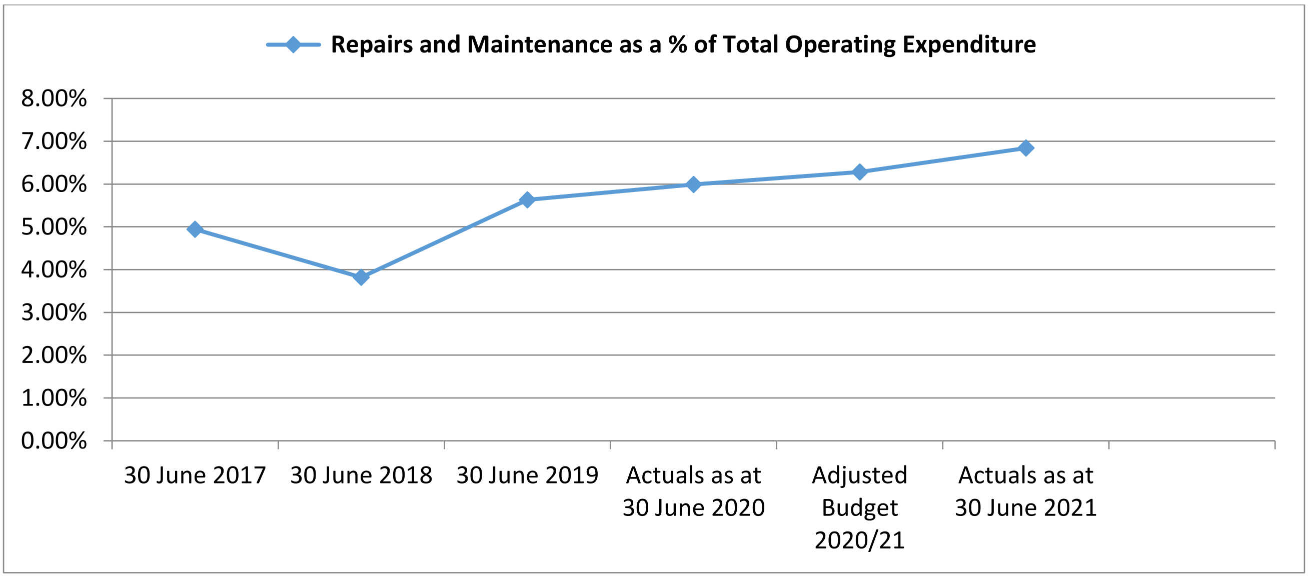
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 June 2021, the ratio was 6.84%, 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)

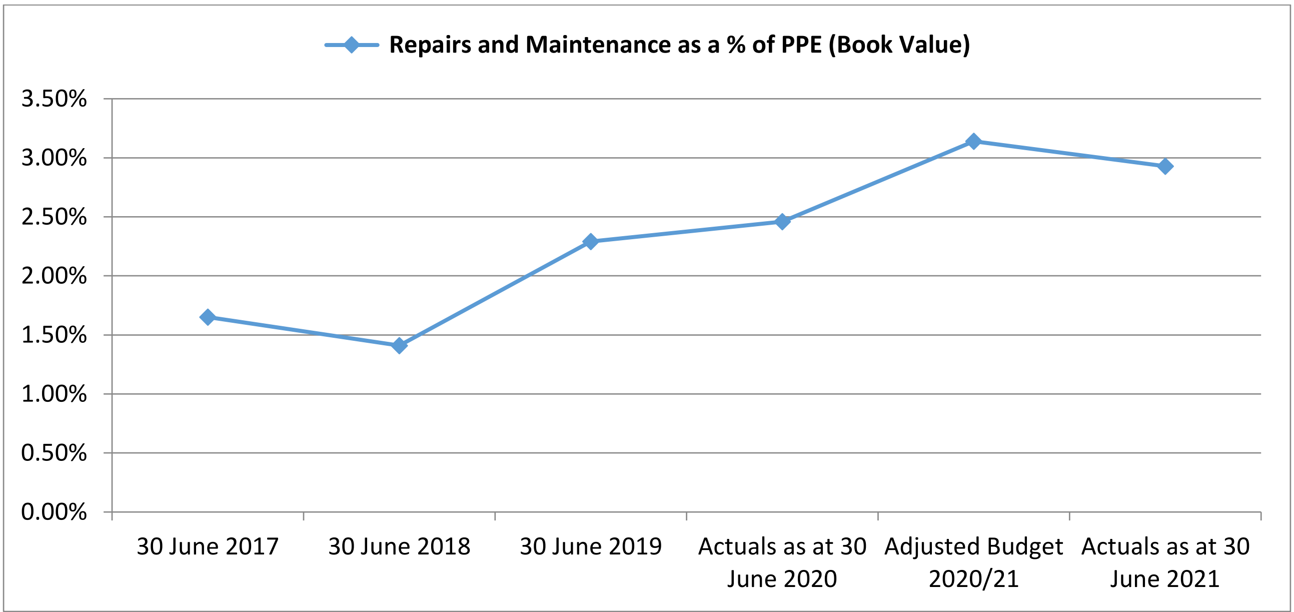
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 June 2021, repairs and maintenance expenditure constituted 2.93% 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%.



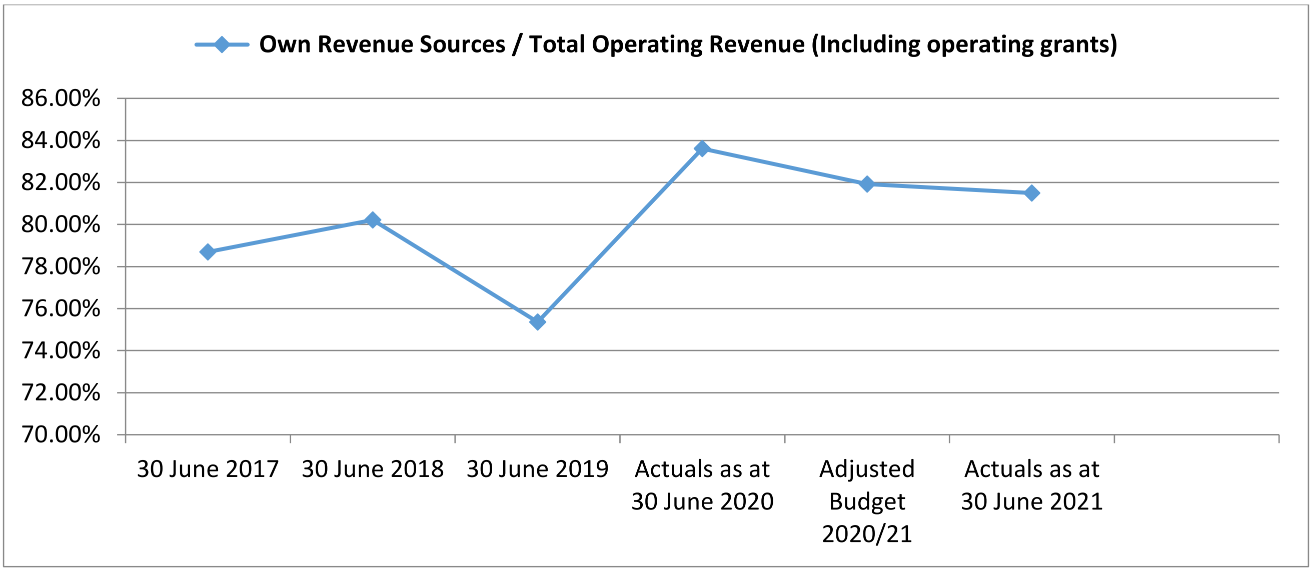
5.4.5. Own Revenue Generation

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 30 June 2021, the Municipality's own revenue sources constituted 81.50% 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 June 2021 amounted to 76.92% compared to the approved adjusted budget ratio of 95%.