KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

……

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

1. Purpose

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

2. Legislative Requirements

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

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

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

3. Executive Summary

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

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the months of May 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 833,506 million, whilst operating expenditure amounted to R 786,766 million, resulting in an operating surplus of R 46,741 million.
- Capital expenditure constituted 54.83% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 40,008 million (23,64%) since June 2020.

- An amount of R 32,911 million is owing to creditors, of which R 30,153 million (91,62%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 40,466,033 (28,69%) since June 2020, from R 141,031,684 to R 100,565,651.

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 May 2021	Adjustment Budget 2020/21
Current Ratio	1.58:1	1.31:1	1.32:1	1.59:1	1.95:1	0.87:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	1.09:1	1.06:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	1.55 Months	1.20 Months	1.23 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	98.19%	94.39%	90%
Capital Expenditure	72.92%	73.82%	75.33%	63.69%	54.83%	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 May 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

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.
2. 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

Acknowledgement of section 71 reports by the Executive Mayor for the period July 2020 to May 2021.

I hereby acknowledge the receipt of section 71 report in terms of the Municipal Finance Management Act No. 56 of 2003.



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Executive Mayor

6. Municipal Manager's Quality Certificate

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal



Signature……

Date……14 June 2021……

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD OF JULY TO MAY 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	197 843	95%
Service charges - electricity revenue	291 625	267 397	92%
Service charges - water revenue	83 642	74 311	89%
Service charges - sanitation revenue	55 057	51 167	93%
Service charges - refuse revenue	53 237	50 284	94%
Rental of facilities and equipment	1 122	1 473	131%
Interest earned - external investments	5 552	3 773	68%
Interest earned - outstanding debtors	10 253	9 063	88%
Fines, penalties and forfeits	2 150	1 146	53%
Licences and permits	24 732	20 358	82%
Transfers and subsidies	166 745	153 680	92%
Other revenue	20 941	3 012	14%
Total Revenue (excluding capital transfers and contributions)	**922 858**	**833 506**	**90%**
Expenditure By Type			
Employee related costs	348 729	292 136	84%
Remuneration of councillors	13 651	12 513	92%
Debt impairment	70 162	7	0%
Depreciation & asset impairment	89 066	61 272	69%
Finance charges	1 388	1 103	79%
Bulk purchases	246 173	228 832	93%
Other materials	62 543	23 505	38%
Contracted services	93 211	69 064	74%
Transfers and subsidies	761	761	100%
Other expenditure	112 231	97 573	86%
Total Expenditure	**1 037 915**	**786 766**	**76%**
Surplus/(Deficit)	**(115 057)**	**46 741**	

The statement of financial performance indicates a surplus of R 46,741 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.

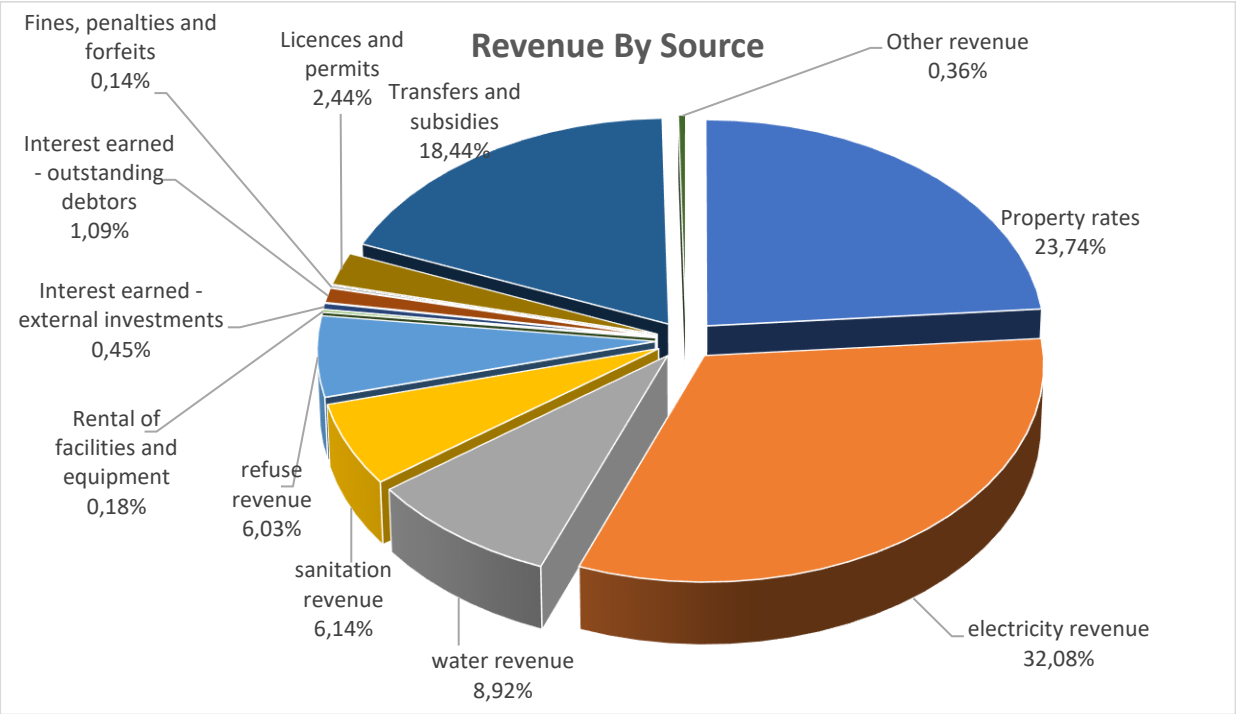
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R100,565,651million.

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

Bad Debts

Bad debts are written off upon Council approval.

Bulk purchases

Description	Budget Year 2020/21		
	Adjusted Budget	Actuals as 30 April 2021	%
R thousands			
Bulk purchases - Electricity	246 173 454	228 831 954	92.96%

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.

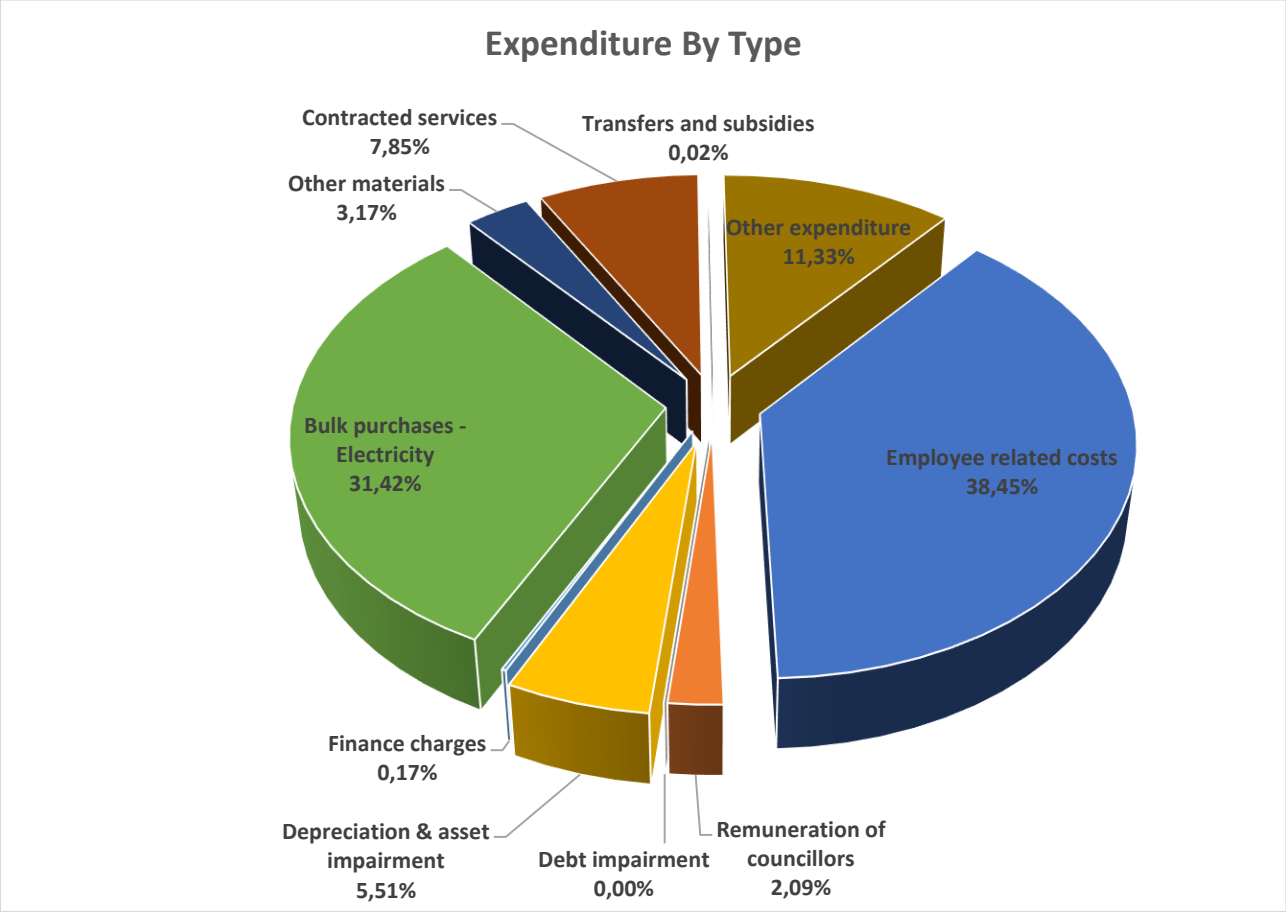
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 May 2021	%
Consultants and Professional Services	7 053 311	1 741 362	24,69%
Drivers Licence Cards	365 000	315 052	86,32%
Transport Services	315 119	1 800	0,57%
Dune Stabilisation	5 692 248	5 577 873	97,99%
Valuer	2 002 451	487 830	24,36%
Other Contracted Services	2 042 142	1 545 938	75,70%
Legal Advice and Litigation	2 749 703	2 178 111	79,21%
Maintenance of Buildings and Facilities	6 303 825	4 241 806	67,29%
Catering Services	229 738	89 538	38,97%
Maintenance of Vehicles	6 722 336	6 161 812	91,66%
Qualification Verification	800 000	789 305	98,66%
Maintenance of Water Infrastructure	1 653 900	751 559	45,44%
Maintenance of Equipment	583 375	421 270	72,21%
Burial Services	261 250	117 690	45,05%
Roads Maintenance	28 500 000	22 525 315	79,04%
Medical Health Services & Support	1 406 800	957 894	68,09%
Maintenance of Electrical Infrastructure	2 266 032	2 042 061	90,12%
Maintenance of Sanitation Infrastructure	1 639 301	1 065 908	65,02%
Laboratory Services:Water	585 517	262 658	44,86%
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	680 717	54,46%
Security Services	3 769 147	3 023 618	80,22%
Occupational Health and Safety	20 900	-	0,00%
Animal Care	401 575	400 000	99,61%
Personnel and Labour	4 854 615	5 697 816	117,37%
Professional Staff	317 460	136 400	42,97%
Employee Wellness	250 000	153 090	61,24%
Clearing and Grass Cutting Services	2 790 000	1 863 716	66,80%
Litter Picking and Street Cleaning	-	-	0,00%
Total	**93 211 245**	**69 063 787**	**74,09%**

Other Expenditure

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 31 May 202	%
Accommodation	426 350	79 632	18,68%
Achievements and Awards	1 362 000	809 986	59,47%
Advertising, Publicity and Marketing	810 349	385 327	47,55%
Air Transport	218 398	4 348	1,99%
Bank Charges	599 180	316 271	52,78%
Bargaining Council	3 040 340	3 422 255	112,56%
Cellular Contract (Subscription and Calls)	1 552 723	866 686	55,82%
Claims paid to Third Parties	274 835	27 768	10,10%
External Audit Fees	4 499 999	4 169 298	92,65%
External Computer Service:Internet Charge	4 288 705	3 876 677	90,39%
Gifts and Promotional Items	198 048	47 065	23,76%
Hire Charges	31 277 620	26 187 444	83,73%
Insurance Claims	3 164 901	31 628	1,00%
Insurance Underwriting:Premiums	5 655 503	4 676 137	82,68%
Leases:Furniture and Office Equipment	3 608 585	2 451 078	67,92%
Leases:Machinery and Equipment	167 022	2 057	1,23%
Leases:Other Assets	4 507 514	4 176 885	92,66%
Motor Vehicle Licence and Registrations	901 159	698 349	77,49%
Municipal Services	11 468 404	21 579 178	188,16%
Non-employees	217 000	113 340	52,23%
Other	6 859 702	4 223 634	61,57%
Own Transport	516 784	196 561	38,04%
Postage/Stamps/Franking Machines	1 483 156	1 137 827	76,72%
Printing, Publications and Books	1 286 408	693 922	53,94%
Registration Fees:Professional and Regulatory Bodies	258 153	127 507	49,39%
Registration Fees:Seminars, Conferences, Workshops	1 754 400	666 711	38,00%
Remuneration to Ward Committees	3 000 000	3 085 943	102,86%
Signage	404 306	126 191	31,21%
Skills Development Fund Levy	1 760 001	1 536 004	87,27%
Software Licences	3 569 885	2 327 347	65,19%
Storage of Files (Archiving)	750 000	207 599	27,68%
Supplier Development Programme	50 000	-	0,00%
Tenders	720 000	362 171	50,30%
Third Party Vendors	5 452 329	4 985 529	91,44%
Uniform and Protective Clothing	3 913 935	2 383 357	60,89%
Vehicle Tracking	619 329	597 544	96,48%
Workmen''s Compensation Fund	1 594 581	993 397	62,30%
Total	**112 231 604**	**97 572 654**	**86,94%**



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 May 2021	%
Maintenance of Equipment	668 150	323 971	48.49%
Maintenance of Vehicles	7 899 197	7 311 133	92.56%
Maintenance of Buildings and Facilities	7 468 517	4 194 571	56.16%
Maintenance of Water Infrastructure	4 642 575	2 927 191	63.05%
Roads Maintenance	29 449 000	22 856 948	77.62%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	278 965	84.93%
Maintenance of Electrical Infrastructure	5 203 220	4 772 198	91.72%
Maintenance of Sanitation Infrastructure	2 482 772	1 853 094	74.64%
Hire Charges	6 881 214	5 893 756	85.65%
Other Contracted Services	257 069	103 160	40.13%
Total	**65 340 164**	**50 514 986**	**77.31%**

It is to be noted that actual repairs and maintenance expenditure constituted 77.31% of the 2020/21 Adjusted Budget.

Annexure "A2"

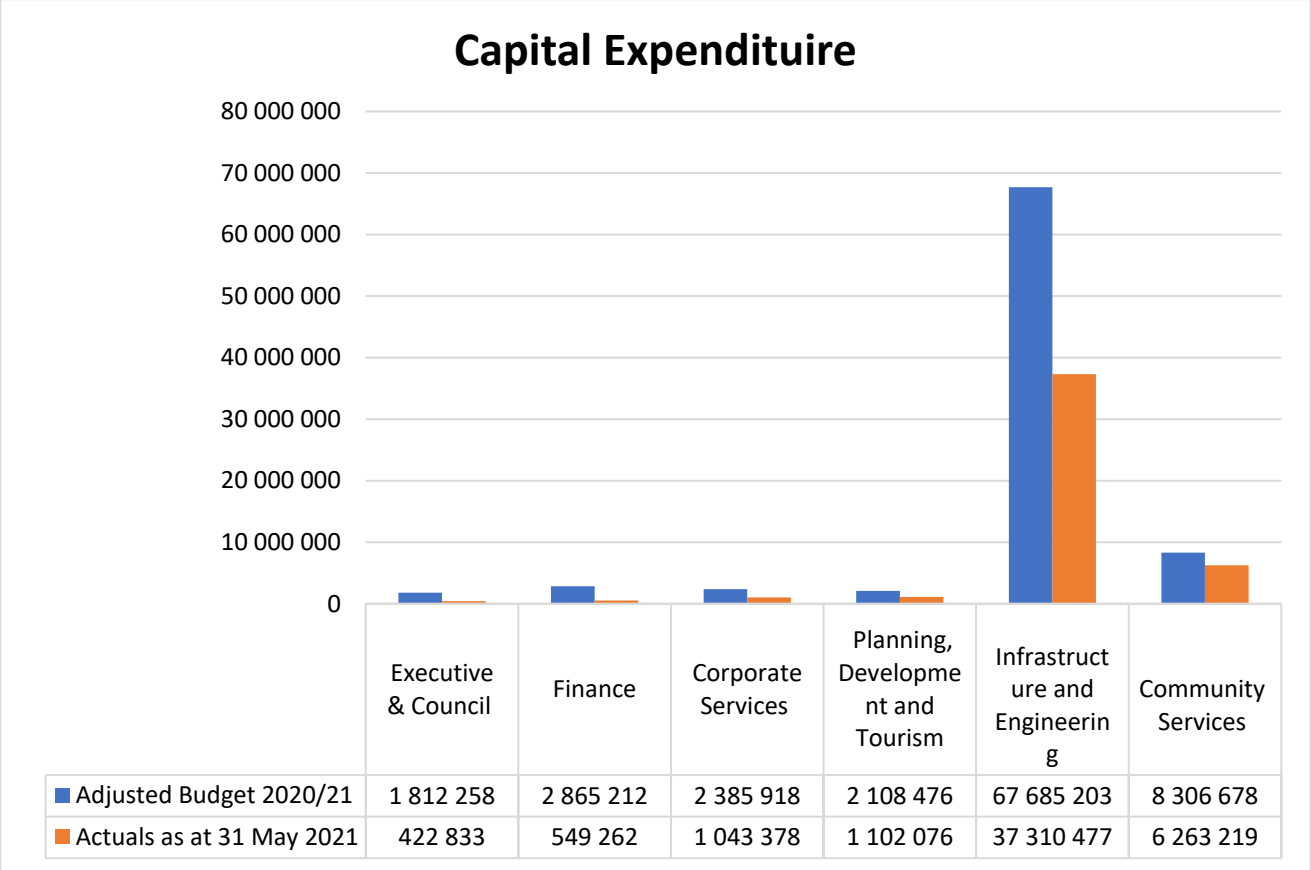
CAPITAL BUDET PERFORMANCE

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

DIRECTORATES	PROJECT DESCRIPTION	FUNDING	Adjusted Budget 2020/2021	Actuals as at 31 May 2021	%
Executive & Council					
MAYOR	Vehicle	Internal	700 000	-	0.00%
MAYORAL COMMITTEE	Furniture and Equipment	Internal	102 962	19 814	19.24%
MAYOR	Furniture and equipment	Internal	13 885	12 605	90.78%
MAYORAL COMMITTEE	Computer Equipment	Internal	127 445	103 580	81.27%
INTEGRATED DEVELOPMENT	Computer Equipment	Internal	20 000	-	0.00%
WARD COUNCILLORS	Ward councilors Capital project	Internal	850 000	286 835	33.75%
			1 814 292	**422 833**	**23.31%**
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	82 953	37.1%
Corporate Services	Fencing of municipal building	Internal	469 309	-	0.00%
ADMINISTRATION SERVICES	Bio-metric System	Internal	300 000	246 448	82.15%
Corporate Services	Furniture and Equipment	Internal	182 446	140 976	77.27%
Corporate Services	Computer Equipment	Internal	310 017	-	0.00%
			2 385 918	**1 043 378**	**43.73%**
Finance					
SCM: DEMAND MANAGEMENT, RISK, PE	SCM Furniture	Internal	316 426	316 426	100.00%
BUDGET & FINANCIAL REPORTING	Computer Equipment	Internal	197 629	24 973	12.64%
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	180 693	19.02%
Finance: IT	WIFI Solution	Internal	75 904	23 180	30.54%
Finance: SCM	Machinery and Equipment	Internal	156 465	3 990	2.55%
Finance: Expenditure	Furniture and Equipment	Internal	71 865	-	0.00%
Finance: SCM	Computer Equipment	Internal	89 831	-	0.00%
			2 865 212	**549 262**	**19.17%**
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	7 945	2.65%
LOCAL ECONOMIC DEVELOPMENT	Computer Equipment	Internal	83 898	-	0.00%
STRATEGIC SERVICES	Computer Equipment	Internal	17 966	-	0.00%
LAND & PROPERTY ADMINISTRATION	Computer Equipment	Internal	251 528	-	0.00%
			2 106 442	**1 102 076**	**52.32%**
Community Service					
Fire Services	Vehicle	Internal	435 061	-	0.00%
Fire Services	Vehicle	District	5 118 200	4 519 961	88.31%
PARKS AND OPEN SPACES	Jack Hammer and water pump	Internal	250 000	224 816	89.93%
Envornmental Management Fee	Kouga Skip Bins	Internal	200 000	159 478	79.74%
Protection Services	Machinery and Equipment (Security Cameras System)	Internal	750 000	-	0.00%
Fire Services	Fleet Management	Internal	100 000	77 200	77.2%
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	132 862	86.58%
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	**6 263 219**	**75.40%**

DIRECTORATES	PROJECT DESCRIPTION	FUNDING	Adjusted Budget 2020/2021	Actuals as at 31 May 2021	%
Infrastructure & Engineering					
Electricity	Saffery Substation	Internal	2 031 855	205 166	10.1%
Electricity	High Mast Lights	Internal	903 430	-	0.00%
Electricity	SUBSTATION SECURITY	Internal	400 000	-	0.00%
Electricity	New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086	2 298 847	75.54%
Electricity	Electrcial supply of tri switches St francis Bay	Internal	200 000	199 660	99.83%
Electricity	Machinery & Equipment	Internal	150 000	5 680	3.79%
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	4 007 683	88.63%
Electricity	Electrical Oil circuit breakers replacement with v	Internal	740 000	209 772	28.35%
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%
Electricity	Kouga Backup Generators	Internal	730 000	362 634	49.68%
Electricity	Fencing Main Substation Jeffrey's Bay	Internal	500 000	373 360	74.67%
Electricity	LV Networks (Informal Areas, Electrification/illeg	Internal	467 560	272 162	58.21%
Electricity	Humansdorp, Kruisfontein and Osean View Electrific	Internal	303 137	12 177	4.02%
METERING & REVENUE	Substations Movements in Ocean View	Internal	3 000 000	2 742 913	91.43%
Mig Administration Unit	Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154	2 147 273	42.21%
Mig Administration Unit	Upgrading of Sports Facilities	MIG	5 682 636	3 329 749	58.6%
PROJECT MANAGEMENT UNIT (PMU)	Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413	139 612	12.78%
PROJECT MANAGEMENT UNIT (PMU)	Mini Fresh Food and Craft Markets in Jbay & Hankey	Internal	400 000	-	0.00%
Public Works	Upgrading of Gravel Roads in Humansdorp	MIG	1 739 130	1 354 021	77.86%
Public Works	Roads Capital	Internal	2 270 000	1 783 050	78.55%
ROADS AND STORMWATER	Security Camera	Internal	150 000	8 000	5.33%
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	162 900	23.61%
Sewerage	Piped Reticulation - St Francis Bay	Internal	275 000	-	0.00%
Sewerage	Patensie Sewage Package Plant	MIG	8 353 038	7 672 176	91.85%
Sewerage	Upgrade Sanitation System Old Hankey	MIG	12 484 841	3 890 754	31.16%
Sewerage	Upgrade Loerie sewer pump station	Internal	250 000	-	0.00%
Sewerage	Container toilets	Internal	1 100 000	62 205	5.66%
Sewerage	Upgrading KwaNomzamo Waste Water Treatment Wo	WSIG	5 926 679	2 980 244	50.29%
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	111 836	22.37%
Water	Upgrade Hankey Water Treatment Works	Internal	400 000	51 236	12.81%
Water	Machinery & Equipment	Internal	150 000	141 996	94.66%
			67 685 203	**37 310 477**	**55.12%**
			85 163 745	**46 691 246**	**54.83%**
	Tranfers recognised - capital		**50 005 830**	**30 041 473**	**60.08%**
	Internally generated funds		**35 157 915**	**16 649 774**	**47.36%**
	Total Capital Funding		**85 163 745**	**46 691 246**	**54.83%**

It is to be noted that capital expenditure as at 31 May 2021 amounted to 54.83%, compared to the adjusted capital budget of R 85,163,746.



	Executive & Council	Finance	Corporate Services	Planning, Development and Tourism	Infrastructure and Engineering	Community Services
Adjusted Budget 2020/21	1 812 258	2 865 212	2 385 918	2 108 476	67 685 203	8 306 678
Actuals as at 31 May 2021	422 833	549 262	1 043 378	1 102 076	37 310 477	6 263 219

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 May 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 – M11 May2021

Description	Ref	2019/20	Budget Year 2020/21							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	187 021	13 856	196 597	171 436	25 160	15%	(187 021)
Service charges			424 039	435 205	38 415	458 051	398 938	59 113	15%	(435 205)
Other revenue			53 022	48 944	5 179	65 385	44 866	20 520	46%	48 944
Government - operating			145 612	166 705	–	156 096	152 813	3 282	2%	158 440
Government - capital			38 356	37 164	–	36 347	34 067	2 280	7%	(33 234)
Interest			18 957	14 780	1 470	12 944	13 548	(604)	-4%	–
Dividends			–	–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(843 870)	(75 314)	(891 227)	(773 547)	117 680	-15%	(826 011)
Finance charges			(1 388)	(1 388)	(73)	(1 176)	(1 272)	(96)	8%	(1 388)
Transfers and Grants			(761)	(761)	(400)	(761)	(698)	63	-9%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**37 290**	**43 801**	**(16 867)**	**32 255**	**40 151**	**7 897**	**20%**	**(1 275 475)**
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)	(5 628)	(47 641)	(78 067)	(30 425)	39%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(85 164)**	**(5 628)**	**(47 641)**	**(78 067)**	**(30 425)**	**39%**	**–**
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)	(777)	(8 174)	(8 807)	(633)	7%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(777)**	**(8 174)**	**(8 807)**	**(633)**	**7%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(29 230)**	**(50 970)**	**(23 272)**	**(23 560)**	**(46 722)**			**(1 275 475)**
Cash/cash equivalents at beginning:		–	76 328	141 032		124 126	141 032			124 126
Cash/cash equivalents at month/year end:		–	47 099	90 062		100 566	94 309			(1 151 349)

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

Table C1 Monthly Budget Statement Summary – M11 May 2021

Description	2019/20	Budget Year 2020/21							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	197 544	205 650	207 801	12 487	197 843	190 485	7 358	4%	207 801
Service charges	420 509	481 716	483 561	41 040	443 160	443 264	(104)	-0%	483 561
Investment revenue	11 657	13 013	5 552	316	3 773	5 089	(1 317)	-26%	5 552
Transfers and subsidies	134 341	145 612	166 705	218	153 680	152 872	807	1%	166 705
Other own revenue	37 312	60 015	59 198	3 013	35 052	54 264	(19 213)	-35%	59 198
Total Revenue (excluding capital transfers and contributions)	**801 364**	**906 005**	**922 818**	**57 074**	**833 506**	**845 975**	**(12 468)**	**-1%**	**922 818**
Employee costs	293 708	336 974	348 729	25 538	292 136	320 918	(28 782)	-9%	348 729
Remuneration of Councillors	12 876	13 651	13 651	1 119	12 513	12 513	0	0%	13 651
Depreciation & asset impairment	76 979	89 271	89 066	6 127	61 272	81 644	(20 371)	-25%	89 066
Finance charges	5 714	1 388	1 388	–	1 103	1 272	(169)	-13%	1 388
Materials and bulk purchases	304 655	305 802	307 974	20 262	252 337	282 309	(29 972)	-11%	307 974
Transfers and subsidies	250	761	761	400	761	698	63	9%	761
Other expenditure	208 243	248 495	276 788	13 732	166 643	242 026	(75 383)	-31%	276 788
Total Expenditure	**902 425**	**996 342**	**1 038 357**	**67 178**	**786 766**	**941 379**	**(154 614)**	**-16%**	**1 038 357**
Surplus/(Deficit)	**(101 062)**	**(90 337)**	**(115 540)**	**(10 105)**	**46 741**	**(95 405)**	**142 145**	**-149%**	**(115 540)**
Transfers and subsidies - capital (monetary allocations)	126 360	38 356	37 164	6 523	30 505	34 067	(3 562)	-10%	37 164
Contributions & Contributed assets	334	0	0	–	–	–	–		0
Surplus/(Deficit) after capital transfers & contributions	**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**	**138 584**	**-226%**	**(78 375)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**	**138 584**	**-226%**	**(78 375)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**85 164**	**5 628**	**46 691**	**57 234**	**(10 543)**	**-18%**	**84 721**
Capital transfers recognised	(8 826)	33 610	50 006	4 469	30 041	45 839	(15 797)	-34%	50 006
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**106 914**	**23 303**	**34 715**	**920**	**16 650**	**31 822**	**(15 172)**	**-48%**	**34 715**
Total sources of capital funds	**98 088**	**56 912**	**84 721**	**5 390**	**46 691**	**77 661**	**(30 969)**	**-40%**	**84 721**
Financial position									
Total current assets	(67 873)	47 945	208 431		(6 091)				208 431
Total non current assets	58 926	2 318 518	2 318 292		(14 581)				2 318 292
Total current liabilities	(19 629)	188 216	238 397		(82 415)				238 397
Total non current liabilities	(14 480)	170 192	163 445		(14 859)				163 445
Community wealth/Equity	**(471)**	**2 092 763**	**2 125 323**		**(644)**				**2 125 323**
Cash flows									
Net cash from (used) operating	–	37 290	43 801	(16 867)	32 255	40 151	7 897	20%	(1 275 475)
Net cash from (used) investing	–	(56 912)	(85 164)	(5 628)	(47 641)	(78 067)	(30 425)	39%	–
Net cash from (used) financing	–	(9 608)	(9 608)	(777)	(8 174)	(8 807)	(633)	7%	–
Cash/cash equivalents at the month/year end	**–**	**47 099**	**90 062**	**–**	**100 566**	**94 309**	**(6 256)**	**-7%**	**(1 151 349)**
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	34 467	7 782	6 603	6 063	5 736	4 891	35 653	142 536	243 732
Creditors Age Analysis									
Total Creditors	30 153	1 237	20	28	–	8	1 463	1	32 911

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) – M11 May 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**	**13 875**	**336 605**	**286 164**	50 441	18%	**343 256**
Executive and council		4	28	734	19	59	729	(670)	-92%	734
Finance and administration		338 232	331 979	342 522	13 856	336 547	285 435	51 112	18%	342 522
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**11 477**	**15 620**	**13 588**	**981**	**11 274**	**11 323**	(50)	0%	**13 588**
Community and social services		2 421	2 498	2 498	19	2 103	2 082	21	1%	2 498
Sport and recreation		5 495	8 085	6 054	260	5 149	5 045	104	2%	6 054
Public safety		734	1 985	1 985	1	1 330	1 654	(324)	-20%	1 985
Housing		–	–	(0)	–	–	–	–		(0)
Health		2 827	3 051	3 051	700	2 691	2 542	149	6%	3 051
Economic and environmental services		**15 267**	**23 813**	**26 303**	**1 511**	**20 999**	**21 919**	(921)	-4%	**26 303**
Planning and development		6 085	7 173	6 573	527	5 519	5 478	42	1%	6 573
Road transport		7 382	15 252	18 341	968	14 319	15 284	(965)	-6%	18 341
Environmental protection		1 800	1 389	1 389	16	1 160	1 157	2	0%	1 389
Trading services		**563 077**	**572 921**	**593 297**	**42 248**	**431 538**	**480 696**	(49 157)	-10%	**576 835**
Energy sources		264 114	304 317	304 317	23 286	247 374	253 598	(6 224)	-2%	304 317
Water management		170 094	100 261	112 133	8 448	72 322	87 765	(15 443)	-18%	105 318
Waste water management		74 776	93 692	104 840	5 701	63 797	79 328	(15 532)	-20%	95 194
Waste management		54 094	74 651	72 006	4 813	48 046	60 005	(11 959)	-20%	72 006
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**928 057**	**944 362**	**976 444**	**58 615**	**800 416**	**800 102**	**314**	**0%**	**959 982**
Expenditure - Functional										
Governance and administration		**188 811**	**242 971**	**238 130**	**19 355**	**157 580**	**197 533**	(39 953)	-20%	**238 130**
Executive and council		45 347	41 969	44 232	7 878	41 084	36 923	4 161	11%	44 232
Finance and administration		143 457	200 981	193 878	11 477	116 494	160 593	(44 099)	-27%	193 878
Internal audit		7	21	21	–	2	17	(15)	-87%	21
Community and public safety		**89 381**	**93 241**	**99 006**	**7 837**	**78 868**	**83 070**	(4 202)	-5%	**99 006**
Community and social services		11 104	10 773	10 540	684	7 881	8 855	(974)	-11%	10 540
Sport and recreation		46 142	45 537	50 837	4 149	40 455	42 630	(2 175)	-5%	50 837
Public safety		22 709	25 505	25 397	2 207	20 513	21 321	(809)	-4%	25 397
Housing		4 445	5 399	6 643	382	5 428	5 569	(141)	-3%	6 643
Health		4 982	6 026	5 590	415	4 591	4 694	(103)	-2%	5 590
Economic and environmental services		**122 008**	**122 804**	**151 439**	**10 564**	**105 937**	**126 604**	(20 667)	-16%	**151 439**
Planning and development		23 084	39 343	40 583	2 598	23 743	34 002	(10 259)	-30%	40 583
Road transport		92 362	81 450	108 840	7 715	79 014	90 922	(11 907)	-13%	108 840
Environmental protection		6 562	2 011	2 016	251	3 179	1 680	1 499	89%	2 016
Trading services		**500 347**	**534 193**	**547 232**	**35 631**	**376 487**	**452 617**	(76 130)	-17%	**547 232**
Energy sources		272 205	316 672	317 278	21 565	248 363	262 060	(13 697)	-5%	317 278
Water management		89 188	91 486	94 514	4 208	36 337	78 238	(41 901)	-54%	94 514
Waste water management		71 079	62 587	67 477	5 976	51 533	55 910	(4 377)	-8%	67 477
Waste management		67 875	63 448	67 963	3 882	40 253	56 408	(16 155)	-29%	67 963
Other		**1 878**	**3 133**	**2 107**	**574**	**715**	**1 756**	**(1 041)**	**-59%**	**2 107**
Total Expenditure - Functional	3	**902 425**	**996 342**	**1 037 915**	**73 961**	**719 588**	**861 580**	**(141 992)**	**-16%**	**1 037 915**
Surplus/ (Deficit) for the year		**25 632**	**(51 980)**	**(61 471)**	**(15 346)**	**80 828**	**(61 477)**	**142 306**	**-231%**	**(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 – M11 May 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	–	–	706	(706)	-100,0%	706
Vote 2 - FINANCIAL SERVICES		346 563	325 858	340 936	13 626	348 853	312 525	36 328	11,6%	340 936
Vote 3 - CORPORATE SERVICES		586	307	307	–	565	281	284	101,0%	307
Vote 4 - COMMUNITY SERVICES		75 604	111 700	105 577	5 776	81 389	96 779	(15 390)	-15,9%	105 577
Vote 5 - INFRASTRUCTURE AND ENGINEERING		501 814	501 976	508 534	43 862	429 232	466 156	(36 925)	-7,9%	508 534
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 490	4 521	3 922	332	3 974	3 595	379	10,5%	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**	**959 982**	**63 596**	**864 012**	**880 042**	**(16 030)**	**-1,8%**	**959 982**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		44 424	44 558	45 891	5 034	46 251	42 096	4 155	9,9%	45 891
Vote 2 - FINANCIAL SERVICES		77 668	117 483	108 499	1 658	58 256	96 193	(37 937)	-39,4%	108 499
Vote 3 - CORPORATE SERVICES		34 862	46 629	47 075	3 601	34 025	43 261	(9 237)	-21,4%	47 075
Vote 4 - COMMUNITY SERVICES		193 994	195 251	206 795	14 251	167 105	189 025	(21 920)	-11,6%	206 795
Vote 5 - INFRASTRUCTURE AND ENGINEERING		531 934	566 216	602 435	40 911	461 864	545 383	(83 519)	-15,3%	602 435
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		19 542	26 204	27 662	1 723	19 265	25 422	(6 157)	-24,2%	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**	**67 178**	**786 766**	**941 379**	**(154 614)**	**-16,4%**	**1 038 357**
Surplus/ (Deficit) for the year	2	**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**	**138 584**	**-225,9%**	**(78 375)**

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) – M11 May 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	12 487	197 843	190 485	7 358	4%	207 801
Service charges - electricity revenue		245 438	291 625	291 625	25 177	267 397	267 323	75	0%	291 625
Service charges - water revenue		73 769	81 846	83 642	6 879	74 311	76 672	(2 361)	-3%	83 642
Service charges - sanitation revenue		49 951	53 555	55 057	4 539	51 167	50 469	699	1%	55 057
Service charges - refuse revenue		51 351	54 690	53 237	4 444	50 284	48 801	1 484	3%	53 237
Service charges - other		–	–	–	–	–	–	–		–
Rental of facilities and equipment		697	4 083	1 122	127	1 473	1 029	444	43%	1 122
Interest earned - external investments		11 657	13 013	5 552	316	3 773	5 089	(1 317)	-26%	5 552
Interest earned - outstanding debtors		8 576	6 993	10 253	909	9 063	9 399	(336)	-4%	10 253
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 125	6 685	2 150	116	1 146	1 970	(824)	-42%	2 150
Licences and permits		11 066	20 714	24 732	885	20 358	22 671	(2 313)	-10%	24 732
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		134 341	145 612	166 705	218	153 680	152 872	807	1%	166 705
Other revenue		14 777	21 540	20 941	975	3 012	19 195	(16 184)	-84%	20 941
Gains on disposal of PPE		70	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**801 364**	**906 005**	**922 818**	**57 074**	**833 506**	**845 975**	**(12 468)**	**-1%**	**922 818**
Expenditure By Type										
Employee related costs		293 708	336 974	348 729	25 538	292 136	320 918	(28 782)	-9%	348 729
Remuneration of councillors		12 876	13 651	13 651	1 119	12 513	12 513	0	0%	13 651
Debt impairment		55 131	89 573	70 162	–	7	52 621	(52 614)	-100%	70 162
Depreciation & asset impairment		76 979	89 271	89 066	6 127	61 272	81 644	(20 371)	-25%	89 066
Finance charges		5 714	1 388	1 388	–	1 103	1 272	(169)	-13%	1 388
Bulk purchases		264 529	279 744	246 173	18 434	228 832	225 659	3 173	1%	246 173
Other materials		40 125	26 059	61 801	1 828	23 505	56 650	(33 145)	-59%	61 801
Contracted services		70 860	60 352	93 225	5 007	69 064	85 455	(16 391)	-19%	93 225
Transfers and subsidies		250	761	761	400	761	698	63	9%	761
Other expenditure		80 520	98 571	113 402	8 725	97 573	103 950	(6 377)	-6%	113 402
Loss on disposal of PPE		1 731	–	–	–	–	–	–		–
Total Expenditure		**902 425**	**996 342**	**1 038 357**	**67 178**	**786 766**	**941 379**	**(154 614)**	**-16%**	**1 038 357**
Surplus/(Deficit)		**(101 062)**	**(90 337)**	**(115 540)**	**(10 105)**	**46 741**	**(95 405)**	**142 145**	**(0)**	**(115 540)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		126 360	38 356	37 164	6 523	30 505	34 067	(3 562)	(0)	37 164
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	0	0	–	–	–	–		0
Transfers and subsidies - capital (in-kind - all)		334	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**			**(78 375)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**			**(78 375)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**			**(78 375)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**25 632**	**(51 980)**	**(78 375)**	**(3 582)**	**77 246**	**(61 338)**			**(78 375)**

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) – M11 May 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	37	123	888	(764)	-86%	968
Vote 2 - FINANCIAL SERVICES		75 967	800	2 709	25	545	2 483	(1 938)	-78%	2 709
Vote 3 - CORPORATE SERVICES		342	1 349	2 386	336	1 043	2 187	(1 144)	-52%	2 386
Vote 4 - COMMUNITY SERVICES		4 983	4 220	6 653	15	5 490	6 099	(608)	-10%	6 653
Vote 5 - INFRASTRUCTURE AND ENGINEERING		5 283	38 458	55 325	3 374	30 670	50 714	(20 045)	-40%	55 325
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		3 018	1 505	1 810	–	824	1 660	(836)	-50%	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**	**3 787**	**38 696**	**64 030**	**(25 334)**	**-40%**	**69 851**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		343	750	864	62	299	386	(87)	-22%	864
Vote 2 - FINANCIAL SERVICES		(81)	–	156	–	4	143	(139)	-97%	156
Vote 3 - CORPORATE SERVICES		(1 219)	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		6 059	7 352	1 654	–	773	1 516	(743)	-49%	1 654
Vote 5 - INFRASTRUCTURE AND ENGINEERING		3 137	1 300	12 360	1 541	6 641	11 330	(4 689)	-41%	12 360
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	1 092	278	–	278	255	23	9%	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	1 602	7 995	13 630	**(5 635)**	**-41%**	15 312
Total Capital Expenditure	3	**97 984**	**56 912**	**85 164**	**5 390**	**46 691**	**77 661**	**(30 969)**	**-40%**	**85 164**
Capital Expenditure - Functional Classification										
Governance and administration		**77 519**	**3 734**	**7 133**	**460**	**2 015**	**6 133**	(4 118)	-67%	**7 133**
Executive and council		561	835	1 132	98	423	632	(209)	-33%	1 132
Finance and administration		76 955	2 899	6 001	361	1 593	5 501	(3 908)	-71%	6 001
Internal audit		4	–	–	–	–	–	–		–
Community and public safety		**8 576**	**16 028**	**18 886**	**1 135**	**12 281**	**17 313**	(5 032)	-29%	**18 886**
Community and social services		888	–	–	–	–	–	–		–
Sport and recreation		4 377	11 600	12 245	1 135	6 794	11 224	(4 430)	-39%	12 245
Public safety		361	3 669	5 882	–	4 787	5 392	(605)	-11%	5 882
Housing		2 950	760	760	–	700	697	3	0%	760
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**754**	**9 628**	**6 880**	**563**	**3 687**	**6 307**	(2 620)	-42%	**6 880**
Planning and development		408	1 737	2 871	140	550	2 632	(2 082)	-79%	2 871
Road transport		346	7 891	4 009	423	3 137	3 675	(538)	-15%	4 009
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**11 134**	**27 422**	**52 164**	**3 470**	**28 708**	**47 817**	(19 108)	-40%	**52 164**
Energy sources		5 003	8 172	18 984	222	12 672	17 402	(4 731)	-27%	18 984
Water management		(25 106)	3 380	7 827	923	3 293	7 174	(3 881)	-54%	7 827
Waste water management		27 011	14 633	24 453	2 325	12 584	22 415	(9 831)	-44%	24 453
Waste management		4 226	1 237	900	–	159	825	(666)	-81%	900
Other		–	100	100	–	–	92	(92)	-100%	100
Total Capital Expenditure - Functional Classification	3	**97 984**	**56 912**	**85 164**	**5 628**	**46 691**	**77 661**	**(30 969)**	**-40%**	**85 164**
Funded by:										
National Government		(8 397)	31 644	44 888	4 469	25 522	41 147	(15 625)	-38%	44 888
Provincial Government		–	–	0	–	–	–	–		0
District Municipality		(429)	1 965	5 118	–	4 520	4 692	(172)	-4%	5 118
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**(8 826)**	**33 610**	**50 006**	**4 469**	**30 041**	**45 839**	**(15 797)**	**-34%**	**50 006**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		106 914	23 303	35 158	1 159	16 650	31 822	(15 172)	-48%	35 158
Total Capital Funding		**98 088**	**56 912**	**85 164**	**5 628**	**46 691**	**77 661**	**(30 969)**	**-40%**	**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 – M11 May 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	(156 507)	24 723	(14 739)	24 723
Call investment deposits		(78 332)	69 457	65 781	(41 485)	65 781
Consumer debtors		(5 705)	81 061	67 394	25 800	67 394
Other debtors		10 596	44 682	41 014	(17 155)	41 014
Current portion of long-term receivables		–	3	3	–	3
Inventory		432	9 249	9 515	41 488	9 515
Total current assets		**(67 873)**	**47 945**	**208 431**	**(6 091)**	**208 431**
Non current assets						
Long-term receivables		(3)	13	13	–	13
Investments		–	–	–	–	–
Investment property		–	242 552	242 552	–	242 552
Investments in Associate		–	–	–	–	–
Property, plant and equipment		58 873	2 074 345	2 074 051	(15 395)	2 074 051
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		56	1 608	1 677	814	1 677
Other non-current assets		–	–	–	–	–
Total non current assets		**58 926**	**2 318 518**	**2 318 292**	**(14 581)**	**2 318 292**
TOTAL ASSETS		**(8 947)**	**2 366 463**	**2 526 723**	**(20 672)**	**2 526 723**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		541	7 459	6 747	(48)	6 747
Consumer deposits		698	17 378	17 378	2 284	17 378
Trade and other payables		(24 313)	133 730	184 623	(84 648)	184 623
Provisions		3 446	29 649	29 649	(3)	29 649
Total current liabilities		**(19 629)**	**188 216**	**238 397**	**(82 415)**	**238 397**
Non current liabilities						
Borrowing		(9 608)	6 747	–	(14 859)	–
Provisions		(4 872)	163 445	163 445	–	163 445
Total non current liabilities		**(14 480)**	**170 192**	**163 445**	**(14 859)**	**163 445**
TOTAL LIABILITIES		**(34 109)**	**358 408**	**401 842**	**(97 274)**	**401 842**
NET ASSETS	2	**25 162**	**2 008 055**	**2 124 881**	**76 602**	**2 124 881**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		(471)	2 092 763	2 125 323	(644)	2 125 323
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(471)**	**2 092 763**	**2 125 323**	**(644)**	**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 – M11 May 2021

Description R thousands	Ref 1	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
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	187 021	13 856	196 597	171 436	25 160	15%	(187 021)
Service charges			424 039	435 205	38 415	458 051	398 938	59 113	15%	(435 205)
Other revenue			53 022	48 944	5 179	65 385	44 866	20 520	46%	48 944
Government - operating			145 612	166 705	–	156 096	152 813	3 282	2%	158 440
Government - capital			38 356	37 164	–	36 347	34 067	2 280	7%	(33 234)
Interest			18 957	14 780	1 470	12 944	13 548	(604)	-4%	–
Dividends			–	–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(843 870)	(75 314)	(891 227)	(773 547)	117 680	-15%	(826 011)
Finance charges			(1 388)	(1 388)	(73)	(1 176)	(1 272)	(96)	8%	(1 388)
Transfers and Grants			(761)	(761)	(400)	(761)	(698)	63	-9%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**37 290**	**43 801**	**(16 867)**	**32 255**	**40 151**	**7 897**	**20%**	**(1 275 475)**
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)	(5 628)	(47 641)	(78 067)	(30 425)	39%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(56 912)**	**(85 164)**	**(5 628)**	**(47 641)**	**(78 067)**	**(30 425)**	**39%**	**–**
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)	(777)	(8 174)	(8 807)	(633)	7%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**(9 608)**	**(9 608)**	**(777)**	**(8 174)**	**(8 807)**	**(633)**	**7%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(29 230)**	**(50 970)**	**(23 272)**	**(23 560)**	**(46 722)**			**(1 275 475)**
Cash/cash equivalents at beginning:		–	76 328	141 032		124 126	141 032			124 126
Cash/cash equivalents at month/year end:		–	47 099	90 062		100 566	94 309			(1 151 349)

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 May 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 May 2021

Description		Budget Year 2020/21								
R thousands	NT Code	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	1200	9 843	2 290	2 030	1 855	1 848	1 509	10 407	38 474	68 259
Trade and Other Receivables from Exchange Transactions - Electricity	1300	20 146	1 524	1 184	1 103	936	630	3 463	8 277	37 263
Receivables from Non-exchange Transactions - Property Rates	1400	10 656	1 146	840	700	615	538	8 194	22 127	44 817
Receivables from Exchange Transactions - Waste Water Management	1500	5 595	1 141	1 015	923	890	784	4 650	16 869	31 867
Receivables from Exchange Transactions - Waste Management	1600	4 610	1 219	1 092	1 042	1 003	989	5 263	22 927	38 145
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	62	82	102	125	149	154	1 572	22 308	24 554
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–
Other	1900	(16 445)	379	340	314	294	287	2 105	11 554	(1 172)
Total By Income Source	**2000**	**34 467**	**7 782**	**6 603**	**6 063**	**5 736**	**4 891**	**35 653**	**142 536**	**243 732**
2019/20 - totals only										–
Debtors Age Analysis By Customer Group										
Organs of State	2200	945	412	397	386	236	158	1 387	2 693	6 614
Commercial	2300	6 859	422	356	396	307	254	1 040	4 042	13 676
Households	2400	26 663	6 948	5 850	5 282	5 193	4 479	33 226	135 801	223 442
Other	2500	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**34 467**	**7 782**	**6 603**	**6 063**	**5 736**	**4 891**	**35 653**	**142 536**	**243 732**

The aforementioned analysis indicates that from 30 June 2020 to 31 May 2021, the overdue debts have increased by R 40,008 million from R 169,257 million to R 209,265 million, as follows:

	OVERDUE AMOUNTS AS AT		
R thousands	**30-Jun-20**	**31-May-20**	**Difference**
Debtors Age Analysis By Income Source			
Trade and Other Receivables from Exchange Transactions - Water	44 912	58 415	13 503
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	17 177	1 180
Receivables from Non-exchange Transactions - Property Rates	31 419	34 161	2 742
Receivables from Exchange Transactions - Waste Water Management	19 681	26 272	6 591
Receivables from Exchange Transactions - Waste Management	25 254	33 535	8 281
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	24 492	5 994
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 273	1 717
Total By Income Source	**169 257**	**209 265**	**40 008**
Debtors Age Analysis By Customer Group			
Organs of State	5 386	5 669	283
Commercial	6 049	6 816	767
Households	157 822	196 779	38 957
Other	–	–	–
Total By Customer Group	**169 257**	**209 265**	**40 008**

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	20 656								**20 656**
Bulk Water									**–**
PAYE deductions	4 136								**4 136**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	5 361	1 237	20	28	–	8	1 463	1	**8 119**
Auditor General									**–**
Other									**–**
Total By Customer Type	**30 153**	**1 237**	**20**	**28**	**–**	**8**	**1 463**	**1**	**32 911**

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

Eskom	R 20,656 million
PAYE(SARS)	R 4,136 million
Other Creditors	R 8,119 million
TOTAL	**R 32,911 million**

It is to be noted that the Eskom amount of R 20,656 million, represents the current account for May 2021, which will be fully paid on 23 June 2021.

The PAYE deductions represent employee related costs for the month of May 2021, with the amounts in question being paid on 4 June 2021 to SARS.

3. Investment Portfolio

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

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 May 2021
Standard Bank	11 052 012	-	341 252	-		11 393 264
ABSA	29 118 474	-	591 166	10 000 000	2 455	19 707 185
Nedbank	14 049 368	-	440 333	-		14 489 702
RMB	50 227 524	76 983 075	1 433 468	103 942 533		24 701 534
INVESTEC	17 846 936	-	572 476	7 900 000		10 519 411
Total	**122 294 314**	**76 983 075**	**3 378 695**	**- 121 842 533**	**- 2 455**	**80 811 096**
INVESTMENT	**Balance as at 30 June 2020**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 May 2021**
General Account	74 231 786	18 844 337	2 002 912	38 890 986	2 455	56 185 594
Conditional Grants	48 054 952	58 138 738	1 375 560	82 951 547	-	24 617 703
Housing Funds	7 576	-	223	-	-	7 799
Total	**122 294 314**	**76 983 075**	**3 378 695**	**- 121 842 533**	**- 2 455**	**80 811 096**
Bank	18 737 370	1 017 185				19 754 555
Total	**141 031 684**	**78 000 260**	**3 378 695**	**- 121 842 533**	**- 2 455**	**100 565 651**

The decrease in the investment portfolio since 30 June 2020 amounts to R 40,466,033. The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 19,754,555
Short-term Investment Deposits	R 80,811,096
	R 100,565,651

Application of Cash

Unspent Conditional Grants	24,277,783
Internally Generated Funds	18,085,465
Outstanding Creditors Liability	32,911,484
	75,274,732
Reserves in excess of commitments	**25,290,919**

The cash backed reserves exceed the commitments at this stage by an amount of R 25,290,919. It should be noted that the excess of reserves over commitments as at 31 May 2021, is mainly due to the Equitable share allocation received, but not yet fully spent.

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

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M10 May 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**	**218**	**149 208**	**147 739**	**1 469**	**1,0%**	**161 170**
Operational Revenue:General Revenue:Equitable Share	124 938	136 649	157 037	–	146 646	143 951	2 695	1,9%	157 037
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 054	1 054	–	–	966	(966)	-100,0%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 770	1 500	1 500	75	1 055	1 375	(320)	-23,3%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 899	1 579	1 579	143	1 506	1 447	59	4,1%	1 579
Provincial Government:	**64**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Capacity Building and Other	64	–	–	–	–	–	–		–
District Municipality:	**4 669**	**4 830**	**4 830**	**–**	**4 472**	**4 427**	44	1,0%	**4 830**
All Grants	**4 669**	**4 830**	**4 830**	**–**	**4 472**	**4 427**	44	1,0%	**4 830**
Other grant providers:	**–**	**–**	**706**	**–**	**–**	**706**	(706)	-100,0%	**706**
Foreign Government and International Organisations	**–**	**–**	**706**	**–**	**–**	**706**	(706)	-100,0%	**706**
Total Operating Transfers and Grants	**134 341**	**145 612**	**166 705**	**218**	**153 680**	**152 872**	**807**	**0,5%**	**166 705**
Capital Transfers and Grants									
National Government:	**125 646**	**36 391**	**35 199**	**(2 300)**	**20 364**	**32 266**	**(11 902)**	**-36,9%**	**35 199**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	3 202	5 200	5 200	272	4 606	4 767	(160)	-3,4%	5 200
Municipal Infrastructure Grant [Schedule 5B]	23 591	29 999	29 999	(3 624)	12 330	27 499	(15 169)	-55,2%	29 999
Energy Efficiency and Demand Side Management Grant	3 960	–	–	–	–	–	–		–
Water Services Infrastructure Grant [Schedule 5B]	93 702	–	–	1 052	3 427	–	3 427	#DIV/0!	–
Municipal Disaster Relief Grant	1 192	1 192	–	–	–	–	–		–
Provincial Government:	**–**	**1 965**	**1 965**	**–**	**–**	**1 801**	(1 801)	-100,0%	**1 965**
Capacity Building and Other	**–**	**1 965**	**1 965**	**–**	**–**	**1 801**	(1 801)	-100,0%	**1 965**
District Municipality:	**714**	**–**	**–**	**–**	**1 319**	**–**	1 319	#DIV/0!	**–**
All Grants	**714**	**–**	**–**	**–**	**1 319**	**–**	1 319	#DIV/0!	**–**
Total Capital Transfers and Grants	**126 360**	**38 356**	**37 164**	**(2 300)**	**21 682**	**34 067**	**(12 385)**	**-36,4%**	**37 164**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	260 701	183 968	203 870	(2 082)	175 362	186 939	(11 577)	-6,2%	203 870

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M11 May 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									
Operating Transfers and Grants	**117 951**	**178 534**	**250 755**	**11 913**	**142 029**	**230 283**	**(88 254)**	**-38,3%**	**250 755**
National Government:	58 976	89 267	125 378	5 957	71 014	115 142	(44 127)	-38,3%	125 378
Operational Revenue:General Revenue:Equitable Share	56 297	85 400	121 488	5 090	64 032	111 568	(47 536)	-42,6%	121 488
Energy Efficiency and Demand-side [Schedule 5B]	–	–	40	–	–	37	(37)	-100,0%	40
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 000	1 054	1 054	686	5 934	966	4 968	514,2%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 647	1 342	1 342	166	1 029	1 230	(201)	-16,3%	1 342
Municipal Infrastructure Grant [Schedule 5B]	31	1 472	1 454	15	19	1 341	(1 322)	-98,6%	1 454
Metro Informal Settlements Partnership Grant	–	–	–	–	–	–	–		–
Provincial Government:	56	–	–	–	–	–	–		–
Capacity Building and Other	56	–	–	–	–	–	–		–
Water Supply Infrastructure - Maintenance	–	–	–	–	–	–	–		–
District Municipality:	–	4 366	3 895	125	831	3 617	(2 786)	-77,0%	3 895
All Grants	–	**4 366**	**3 895**	**125**	**831**	**3 617**	(2 786)	-77,0%	**3 895**
Other grant providers:	–	**761**	**1 075**	**101**	**476**	**985**	(509)	-51,7%	**1 075**
Foreign Government and International Organisations	–	–	614	1	15	562	(547)	-97,3%	614
Private Enterprises	–	500	200	100	200	183	17	9,1%	200
Public Corporations	–	261	261	–	261	239	22	9,0%	261
Parent Municipality / Entity	–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:	59 032	94 394	130 348	6 183	72 321	119 744	(47 423)	-39,6%	130 348
Capital expenditure of Transfers and Grants									
National Government:	(6 544)	31 870	45 113	4 597	27 009	41 354	(14 345)	-34,7%	45 113
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	2 387	4 522	4 522	8	4 008	4 145	(137)	-3,3%	4 522
Municipal Infrastructure Grant [Schedule 5B]	19 436	26 312	34 665	3 675	20 021	31 776	(11 755)	-37,0%	34 665
Water Services Infrastructure Grant [Schedule 5B]	(28 367)	–	5 927	915	2 980	5 433	(2 453)	-45,1%	5 927
Municipal Disaster Relief Grant	–	1 037	–	–	–	–	–		–
Water Supply Infrastructure	–	–	–	–	–	–	–		–
District Municipality:	(429)	1 965	5 118	–	4 520	4 692	(172)	-3,7%	5 118
All Grants	**(429)**	**1 965**	**5 118**	**–**	**4 520**	**4 692**	(172)	-3,7%	**5 118**
Other grant providers:	106 914	23 303	34 715	920	16 650	31 822	(15 172)	-47,7%	34 715
Transfer from Operational Revenue	**106 914**	**23 303**	**34 715**	**920**	**16 650**	**31 822**	**(15 172)**	**-47,7%**	**34 715**
Total capital expenditure of Transfers and Grants	99 941	57 138	84 947	5 518	48 178	77 867	(29 689)	-38,1%	84 947
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**158 972**	**151 532**	**215 294**	**11 701**	**120 500**	**197 611**	**(77 111)**	**-39%**	215 294

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 1,055,246
Unspent as at 31 May 2021:	R 444,754

The spending of the grant amounted to 70.35% as at 31 May 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 May 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 31,578,000
NT Approved rollover	R 9,605,994
Amount of Grant Received:	R 40,795,994
Expenditure to date:	R 21,317,566
Unspent as at 31 May 2021:	R 19,478,428

The spending of the grant amounted to 52.25% % as at 31 May 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 4,608,836
Unspent as at 31 May 2021:	R 591,164

The spending of the grant amounted to 88.63% as at 31 May 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	2,980,244
Unspent as at 31May 2021:	R	3,835,437

The spending of the grant amounted to 43.73% as at 31 May 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 – M11 May 2021.

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 695	9 104	9 104	740	8 346	8 346	–		9 104
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 900	3 081	3 081	257	2 824	2 824	–		3 081
Cellphone Allowance		1 280	1 465	1 465	122	1 343	1 343	–		1 465
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**12 876**	**13 651**	**13 651**	**1 119**	**12 513**	**12 513**	**–**		**13 651**
% increase	4		**6,0%**	**6,0%**						**6,0%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 573	5 919	6 106	455	7 002	5 597	1 405	25%	6 106
Pension and UIF Contributions		43	36	36	9	104	33	71	217%	36
Medical Aid Contributions		17	13	13	4	47	12	36	309%	13
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		512	453	453	–	303	443	(140)	-32%	453
Motor Vehicle Allowance		640	811	811	48	592	743	(151)	-20%	811
Cellphone Allowance		6	6	6	1	9	6	3	57%	6
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		45	50	50	6	50	45	4	10%	50
Payments in lieu of leave		4	1 150	1 150	0	409	1 054	(645)	-61%	1 150
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**6 840**	**8 437**	**8 624**	**523**	**8 516**	**7 932**	**584**	**7%**	**8 624**
% increase	4		**23,3%**	**26,1%**						**26,1%**
Other Municipal Staff										
Basic Salaries and Wages		176 493	213 264	224 540	15 215	171 437	205 828	(34 391)	-17%	224 540
Pension and UIF Contributions		30 176	33 121	33 121	2 572	29 435	30 361	(926)	-3%	33 121
Medical Aid Contributions		15 782	17 256	17 256	1 393	15 045	15 818	(773)	-5%	17 256
Overtime		34 729	28 139	28 149	2 738	28 292	25 803	2 489	10%	28 149
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		8 750	9 393	9 393	824	8 879	8 610	269	3%	9 393
Cellphone Allowance		–	288	288	–	–	264	(264)	-100%	288
Housing Allowances		857	905	905	77	816	830	(13)	-2%	905
Other benefits and allowances		22 649	24 869	24 869	1 028	25 019	24 020	999	4%	24 869
Payments in lieu of leave		1 217	–	27	1 010	3 495	25	3 470	14063%	27
Long service awards		1 208	1 274	1 557	198	1 202	1 427	(225)	-16%	1 557
Post-retirement benefit obligations	2	(4 994)	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**286 868**	**328 509**	**340 105**	**25 055**	**283 620**	**312 986**	**(29 366)**	**-9%**	**340 105**
% increase	4		**14,5%**	**18,6%**						**18,6%**
Total Parent Municipality		**306 584**	**350 598**	**362 380**	**26 697**	**304 649**	**333 431**	**(28 782)**	**-9%**	**362 380**

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 May 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.06%	1.19%
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	1.95
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	1.06
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	90%	94.39%

Other indicators		Actuals as at 30 June 2017	Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Adjustment Budget 2020/21	Actuals as at 31 May 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	1.20%
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.60%	37.13%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	54.83%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	6.28%	6.42%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	3.14%	2.44%
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%	81.71%

The above table is discussed in detail below.

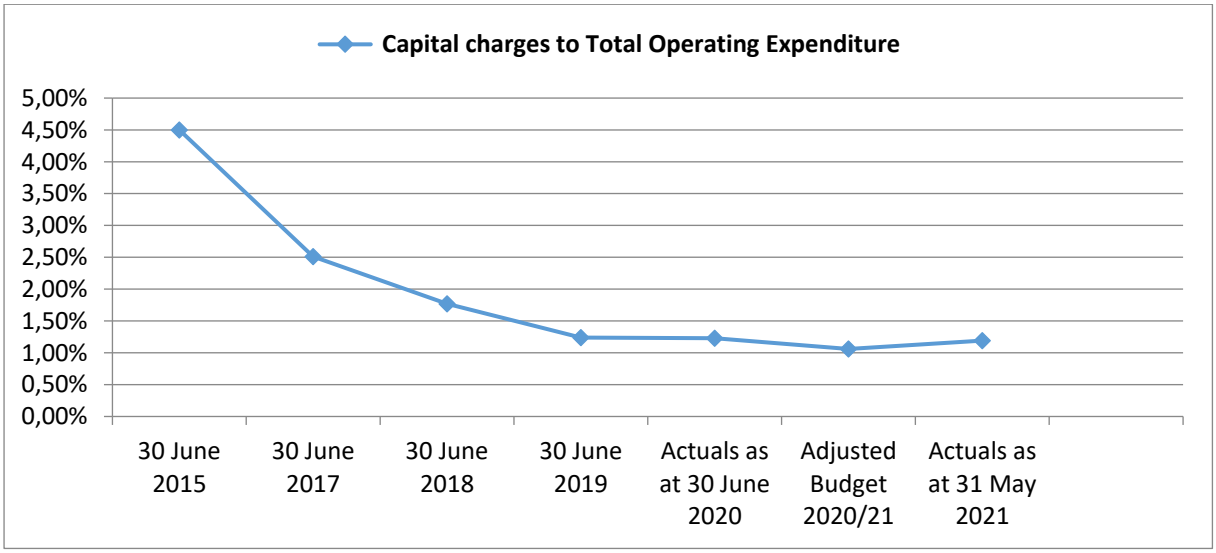
5.1. Borrowing Management

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 1.19% of the Total Operating Expenditure was utilised for capital charges as at 31 May 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.

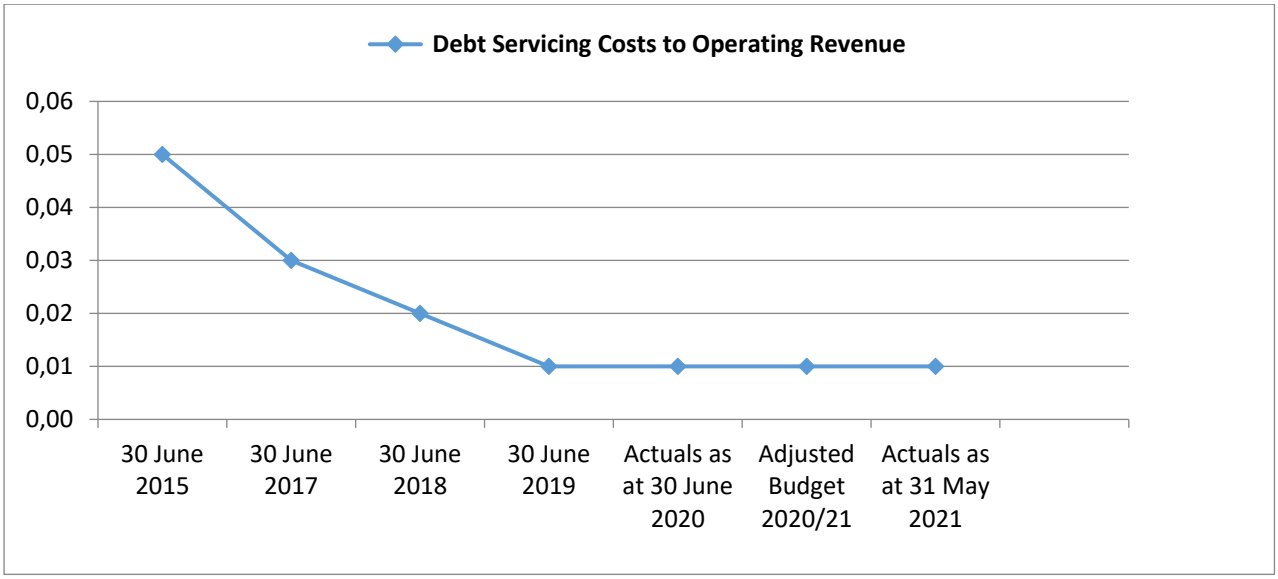
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 May 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:

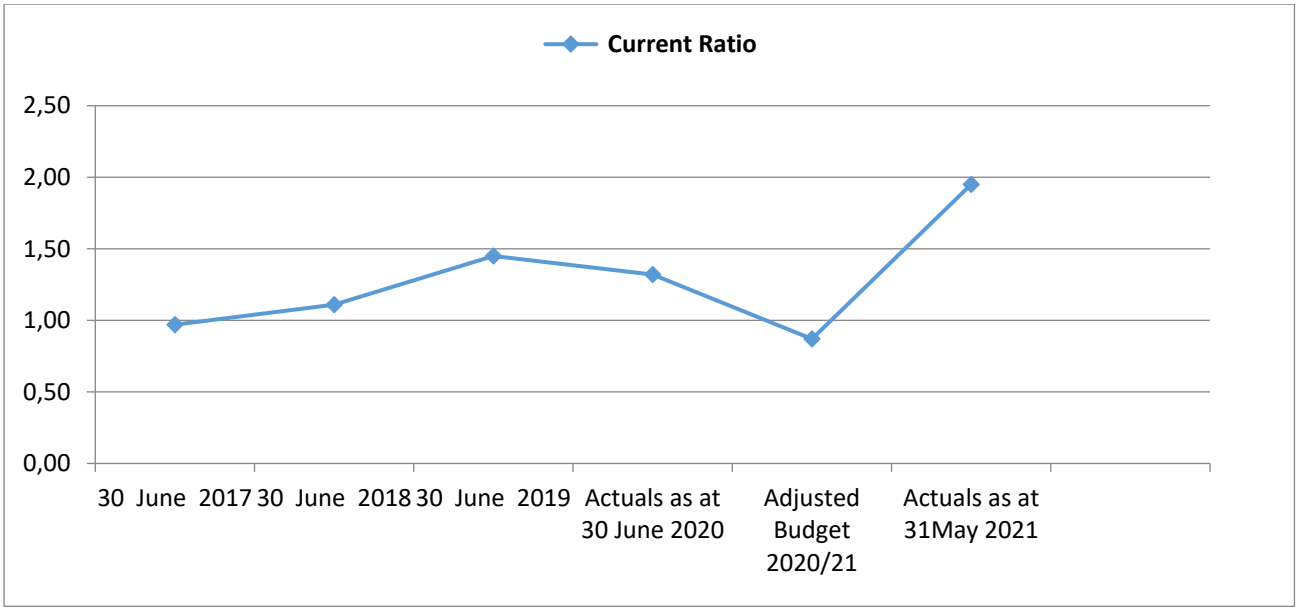
Current assets/Current liabilities

The ratio as at 31 May 2021 was 1.95 :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

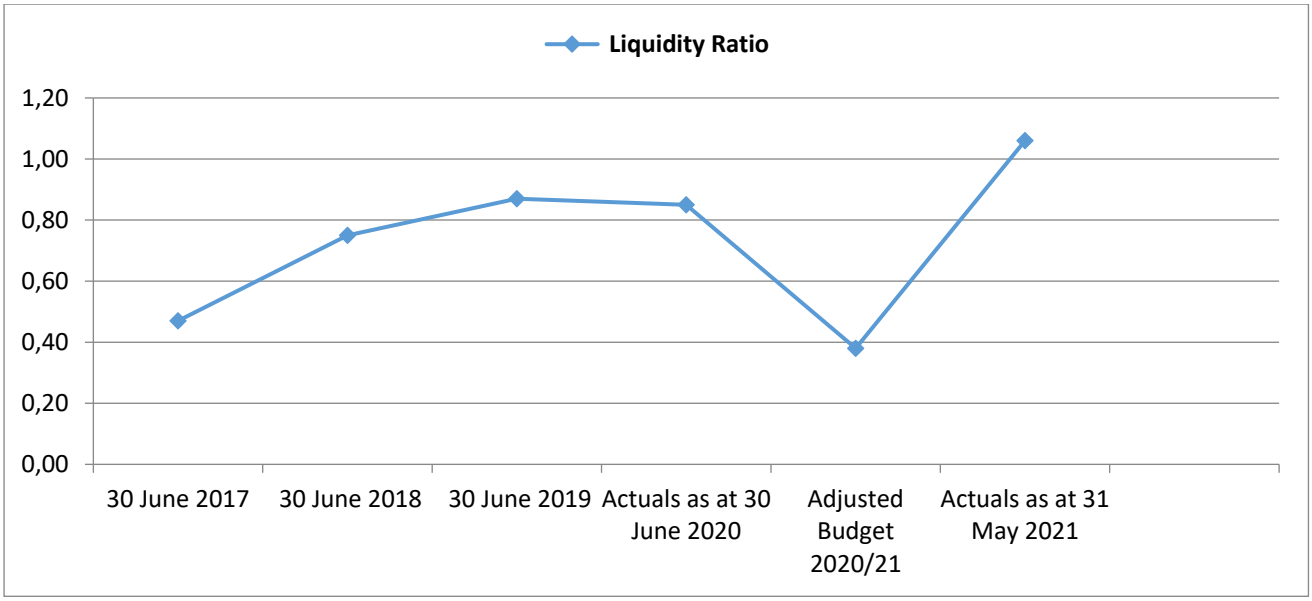
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 May 2021 was 1.06:1, 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

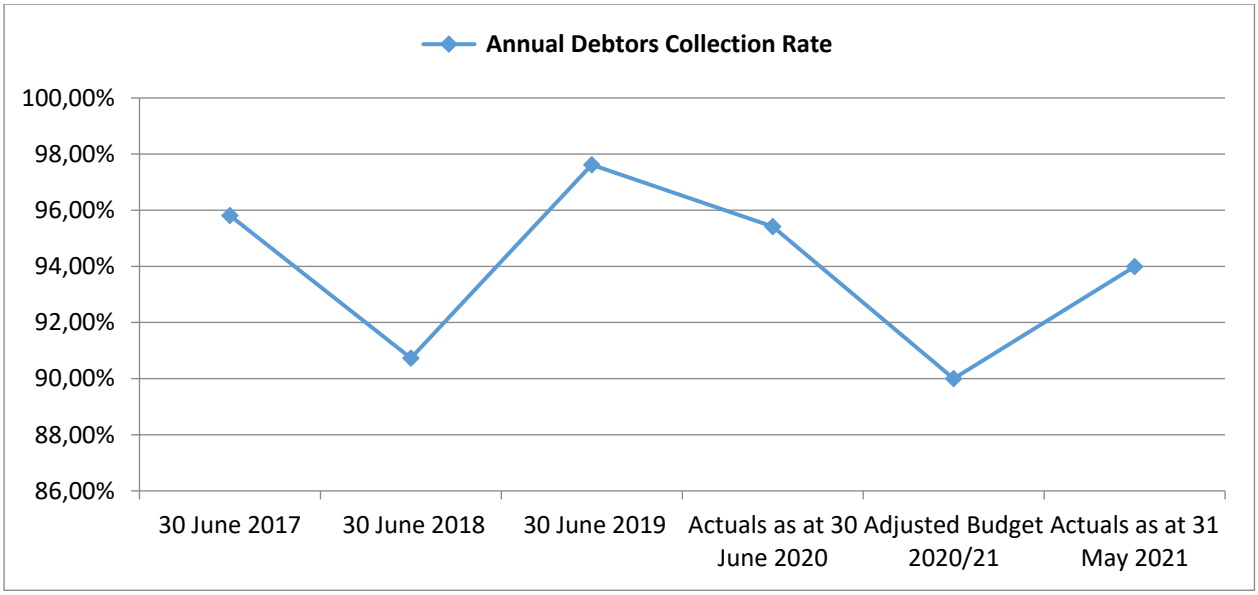
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 May 2021 was 93.99%, compared to the approved adjusted budget collection rate of 90%. 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.

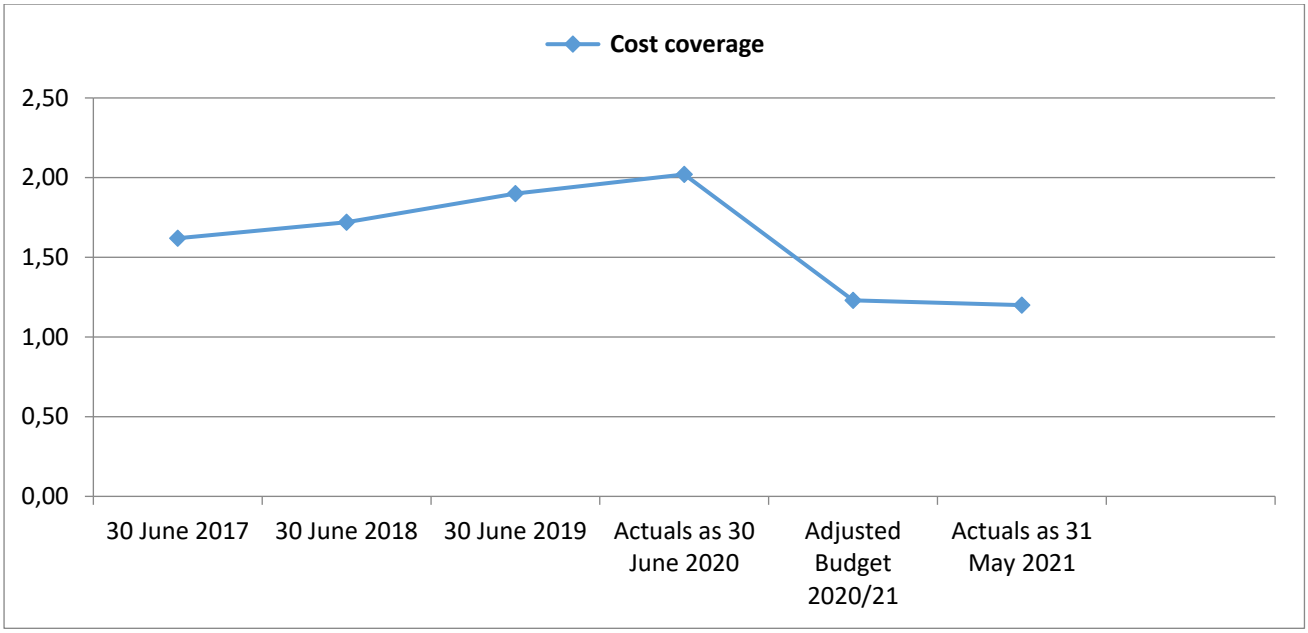
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 May 2021, the Ratio was 1.20 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.



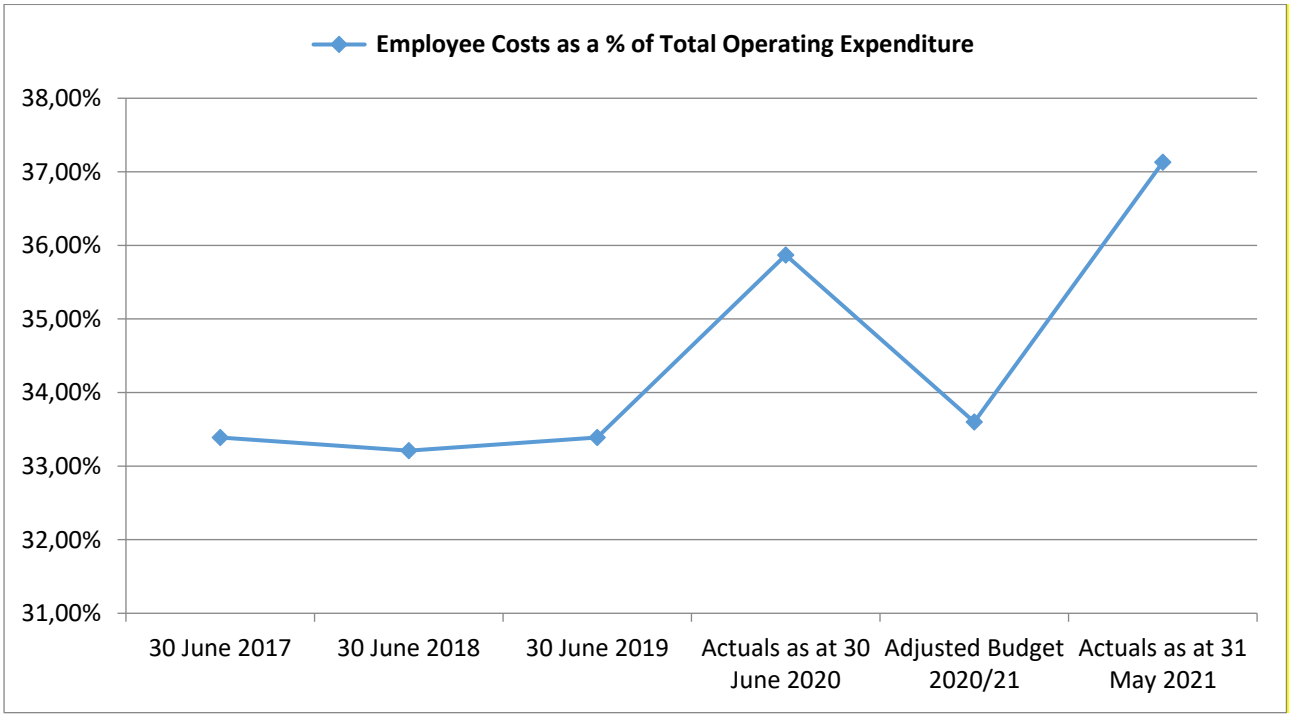
5.4.2. Employee costs as a % of Total Operating Expenditure

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 May 2021, Employee Related Costs constituted 37.13% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33.60%.



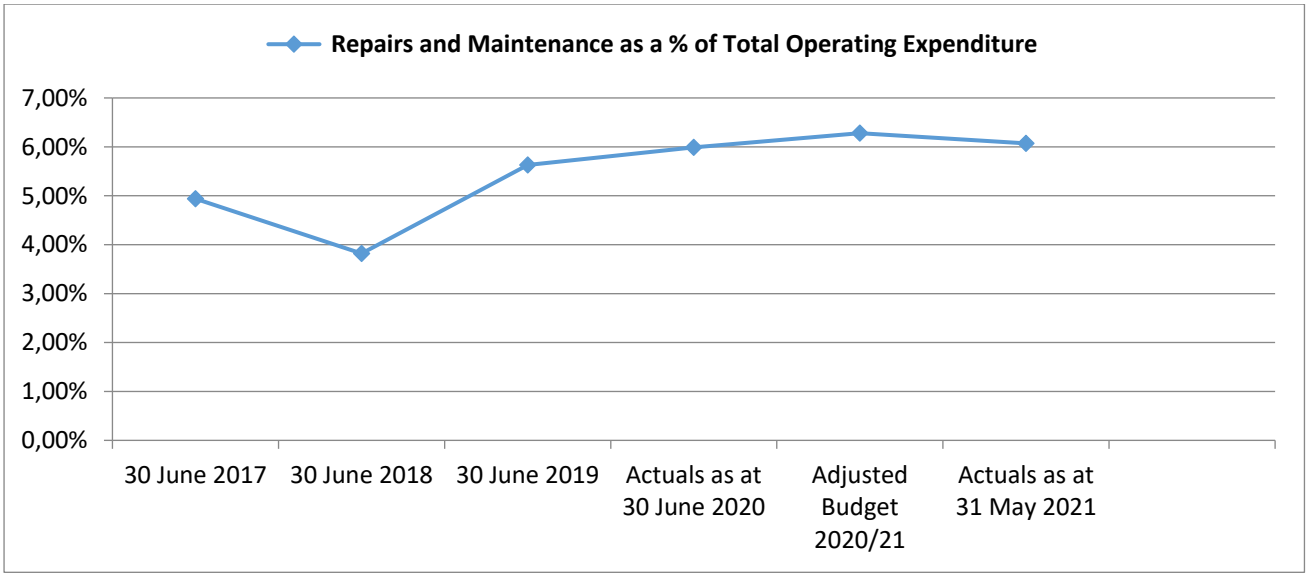
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 May 2021, the ratio was 6.42%, 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)

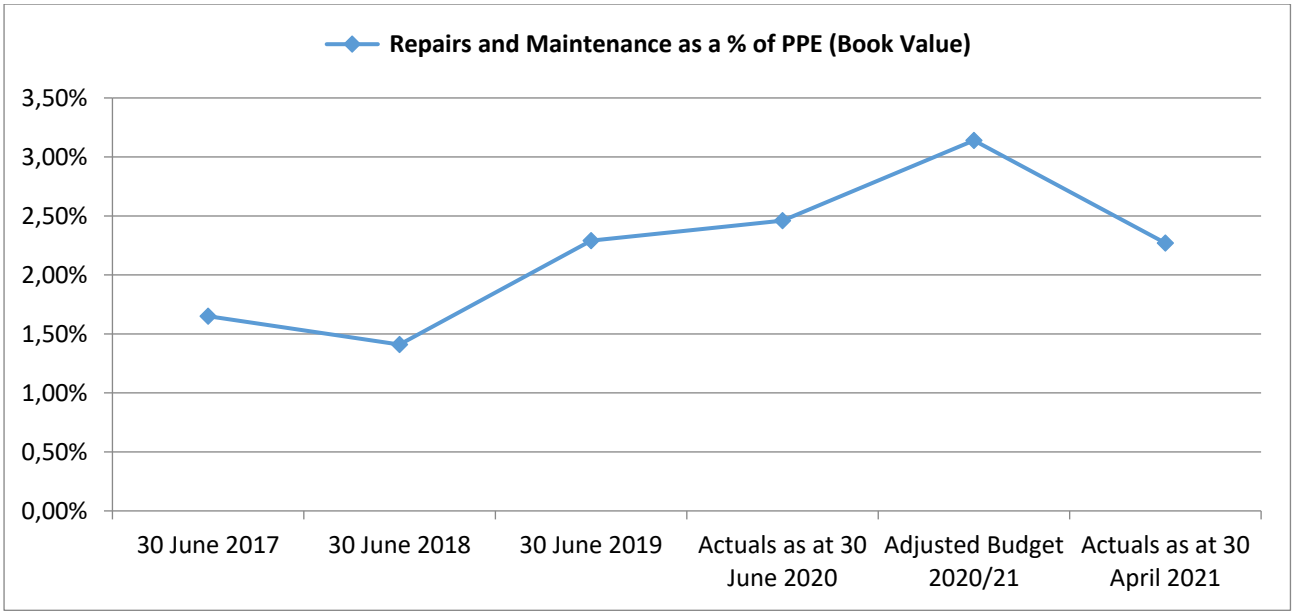
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 May 2021, repairs and maintenance expenditure constituted 2.27% 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%.



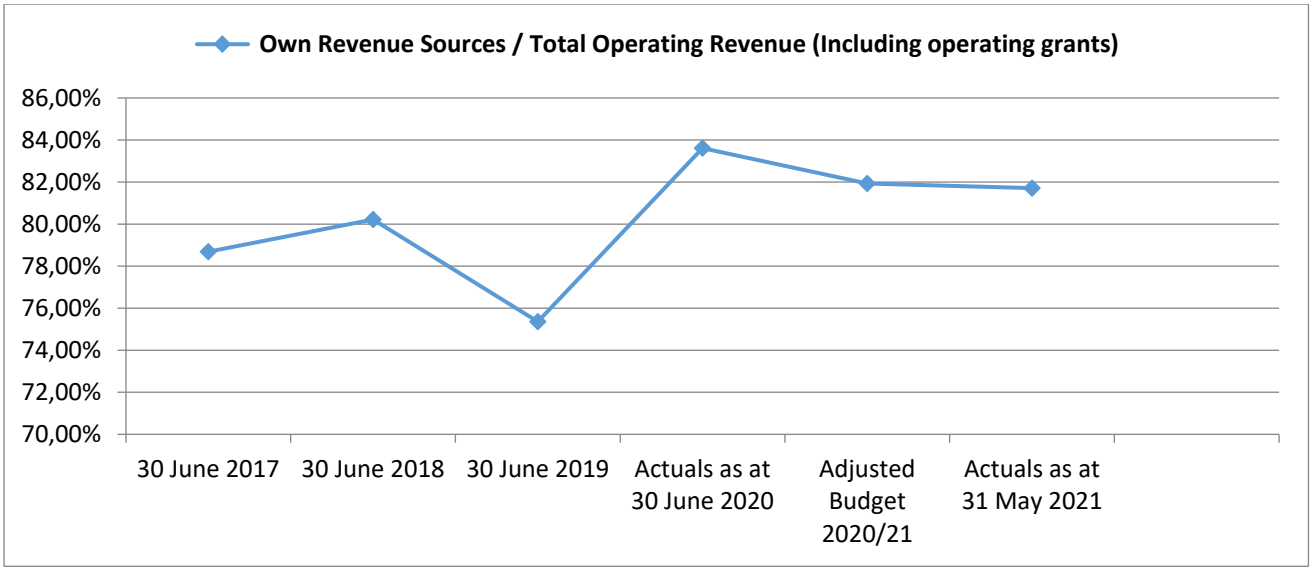
5.4.5. Own Revenue Generation

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 May 2021, the Municipality's own revenue sources constituted 81.71% 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 May 2021 amounted to 54.83% compared to the approved adjusted budget ratio of 95%.

