KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

……

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2020 TO FEBRUARY 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 28 FEBRUARY 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 February 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 645,407 million, whilst operating expenditure amounted to R 556,461 million, resulting in an operating surplus of R 88,947 million.
- Capital expenditure constituted 35,56% of the 2020/21 Adjusted Capital Budget.
- Overdue consumer debts increased by R 35,628 million (21,05%) since June 2020.

- An amount of R 32,005 million is owing to creditors, of which R 30,227 million (94,44%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 24,783,861 (17,57%) since June 2020, from R 141,031,684 to R 116,247,824.

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 28 February 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	0.95:1	0.38:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	1.55 Months	1.23 Months	1.77 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	98.19%	94.11%	90%
Capital Expenditure	72.92%	73.82%	75.33%	63.69%	35.56%	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 28 February 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,

…………………………..

Municipal Manager

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

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

…………………………..

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…………………………………………….

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD OF JULY TO FEBRUARY 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	160 375	77,18%
Service charges - electricity revenue	291 625	206 221	70,71%
Service charges - water revenue	83 642	58 041	69,39%
Service charges - sanitation revenue	55 057	37 510	68,13%
Service charges - refuse revenue	53 237	36 962	69,43%
Rental of facilities and equipment	1 122	1 021	90,99%
Interest earned - external investments	5 552	2 772	49,92%
Interest earned - outstanding debtors	10 253	6 355	61,98%
Fines, penalties and forfeits	2 150	541	25,18%
Licences and permits	24 732	16 824	68,03%
Transfers and subsidies	166 745	118 165	70,87%
Other revenue	20 941	621	2,97%
Total Revenue (excluding capital transfers and contributions)	**922 858**	**645 407**	69,94%
Expenditure By Type			
Employee related costs	348 729	213 967	61,36%
Remuneration of councillors	13 651	11 624	85,15%
Debt impairment	70 162	7	0,01%
Depreciation & asset impairment	89 066	30 636	34,40%
Finance charges	1 388	932	67,18%
Bulk purchases	246 173	174 815	71,01%
Other materials	63 363	17 651	27,86%
Contracted services	93 559	43 670	46,68%
Transfers and subsidies	761	100	13,14%
Other expenditure	111 062	63 059	56,78%
Total Expenditure	**1 037 915**	**556 461**	**53,61%**
Surplus/(Deficit)	**(115 057)**	**88 947**	

The statement of financial performance indicates a surplus of R 88,947 million.

Below is a discussion of the significant revenue variations:

Revenue Variations

Property Rates

As at 28 February 2021, the Municipality has recognised 77,18% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2020.

Rental of Facilities

This relates to the rental of municipal buildings, community halls and other municipal facilities. The revenue is influenced by the extent of rental agreements.

Interest earned - external investments.

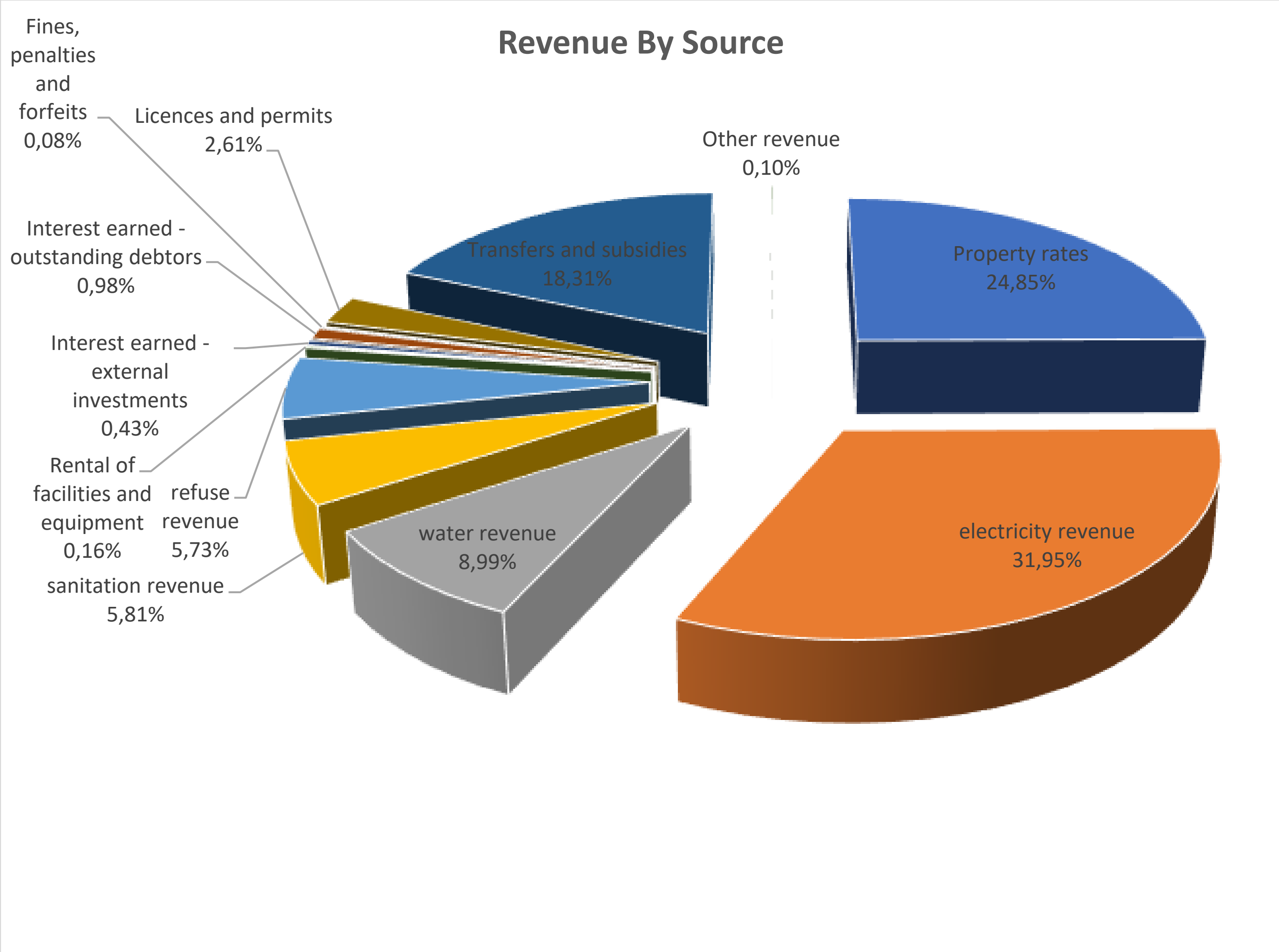
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 116,248 million.

Fines, penalties and forfeits

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

Other revenue

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



Expenditure Variations

Remuneration of councillors

The remuneration of councillors has been misstated due to incorrect journals captured onto the system. The relevant journals have been reversed during the period of March 2021.

Bad Debts

Bad debts are written off upon Council approval.

Bulk purchases

Item Description	Amended Budget 2020/21	Actuals as at 28 February2021	%
Bulk purchases - Electricity	246 173 454,00	174 814 920,98	71,01%
	246 173 454,00	**174 814 920,98**	**71,01%**

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

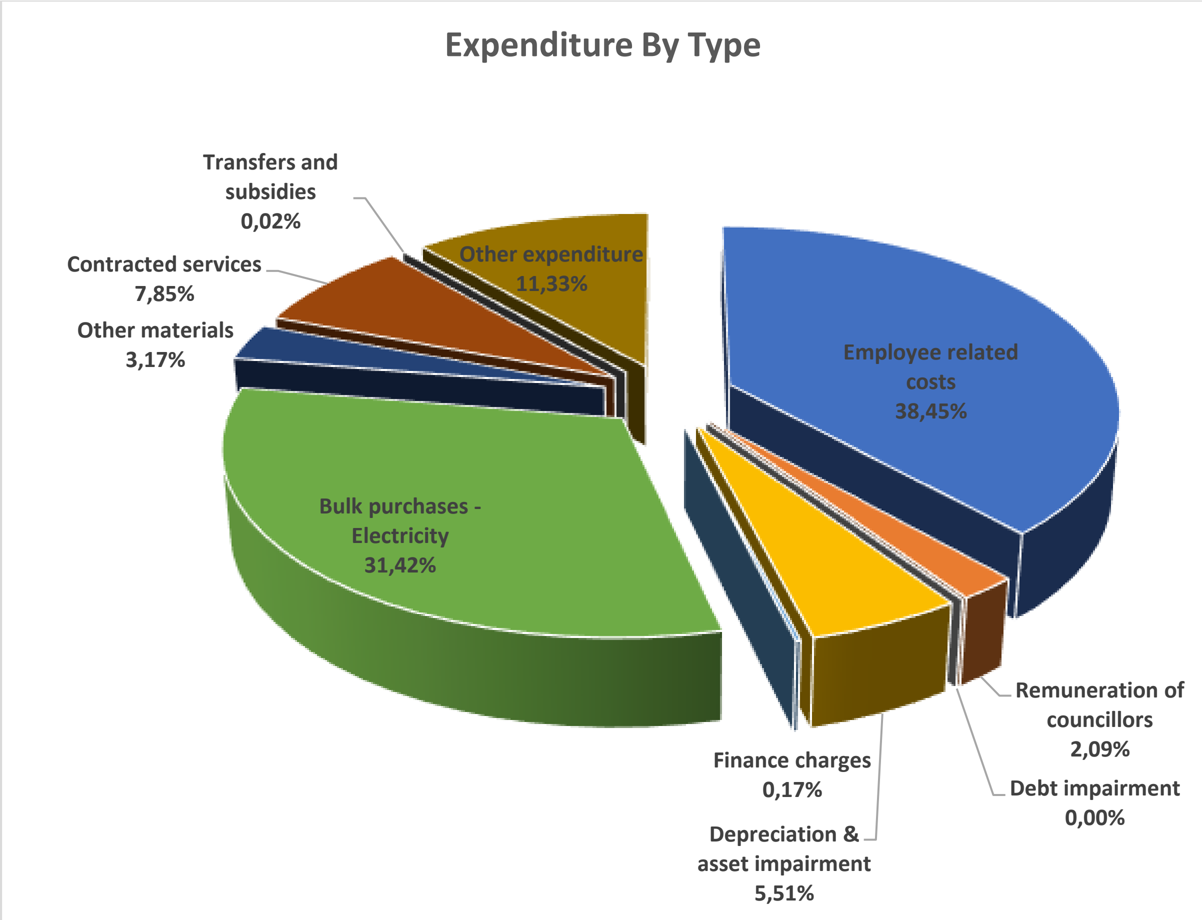
Contracted services mostly relate to outsourced work, in relation to the maintenance of municipal infrastructure assets and includes consultation fees.

Item Description	Adjusted Budget 2020/21	Actuals as at 28 February 2021	%
Consultants and Professional Services	7 502 611	760 939	10.14%
Drivers Licence Cards	550 000	290 404	52.80%
Transport Services	315 119	1 800	0.57%
Dune Stabilisation	5 692 248	5 568 243	97.82%
Valuer	2 002 451	351 109	17.53%
Other Contracted Services	1 992 142	491 503	24.67%
Legal Advice and Litigation	2 749 703	948 984	34.51%
Maintenance of Buildings and Facilities	6 239 825	3 403 956	54.55%
Catering Services	221 939	70 603	31.81%
Maintenance of Vehicles	6 647 336	4 681 067	70.42%
Qualification Verification	800 000	376 005	47.00%
Maintenance of Water Infrastructure	1 653 900	267 532	16.18%
Maintenance of Equipment	598 375	276 775	46.25%
Burial Services	162 250	113 140	69.73%
Roads Maintenance	28 500 000	9 538 931	33.47%
Medical Health Services & Support	1 406 800	845 716	60.12%
Maintenance of Electrical Infrastructure	2 266 032	1 741 720	76.86%
Maintenance of Sanitation Infrastructure	1 339 000	863 857	64.52%
Laboratory Services:Water	585 517	92 602	15.82%
Special Rating Area	8 285 500	5 319 004	64.20%
Internal Auditors	100 000	25 300	25.30%
Legal Cost:Collection	1 250 000	443 686	35.49%
Security Services	3 689 147	2 144 716	58.14%
Occupational Health and Safety	20 900	-	0.00%
Animal Care	476 575	320 000	67.15%
Personnel and Labour	4 554 615	3 991 753	87.64%
Professional Staff	317 460	136 400	42.97%
Employee Wellness	250 000	111 085	44.43%
Clearing and Grass Cutting Services	2 790 000	492 740	17.66%
Litter Picking and Street Cleaning	600 000	-	0.00%
Total	**93 559 445**	**43 669 570**	**46.68%**

Other Expenditure

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2020/21	Actuals as at 28 February 2021	%
Accommodation	421 250	25 541	6.06%
Achievements and Awards	1 212 000	314 795	25.97%
Advertising, Publicity and Marketing	810 349	42 297	5.22%
Air Transport	218 399	4 348	1.99%
Bank Charges	599 180	373 227	62.29%
Bargaining Council	3 040 340	-	0.00%
Cellular Contract (Subscription and Calls)	1 552 723	652 391	42.02%
Claims paid to Third Parties	274 835	10 826	3.94%
External Audit Fees	4 499 999	1 904 185	42.32%
External Computer Service:Internet Charge	4 288 705	2 805 609	65.42%
Gifts and Promotional Items	198 048	32 779	16.55%
Hire Charges	30 548 618	16 976 718	55.57%
Insurance Claims	3 164 901	1 268 475	40.08%
Insurance Underwriting:Premiums	5 655 503	1 813 493	32.07%
Leases:Furniture and Office Equipment	3 608 585	1 700 230	47.12%
Leases:Machinery and Equipment	167 022	2 057	1.23%
Leases:Other Assets	4 245 514	3 037 548	71.55%
Motor Vehicle Licence and Registrations	901 159	629 047	69.80%
Municipal Services	11 468 404	15 253 467	133.00%
Non-employees	217 000	87 590	40.36%
Other	6 858 704	3 134 922	45.71%
Own Transport	505 550	131 318	25.98%
Postage/Stamps/Franking Machines	1 483 156	834 899	56.29%
Printing, Publications and Books	1 265 008	407 923	32.25%
Registration Fees:Professional and Regulatory Bodies	229 553	124 252	54.13%
Registration Fees:Seminars, Conferences, Workshops	1 762 200	418 925	23.77%
Remuneration to Ward Committees	3 000 000	2 215 978	73.87%
Signage	404 306	62 327	15.42%
Skills Development Fund Levy	1 760 001	1 076 645	61.17%
Software Licences	3 599 885	898 797	24.97%
Storage of Files (Archiving)	750 000	192 505	25.67%
Supplier Development Programme	50 000	-	0.00%
Tenders	720 000	257 818	35.81%
Third Party Vendors	5 452 329	3 682 461	67.54%
Uniform and Protective Clothing	3 915 169	1 589 413	40.60%
Vehicle Tracking	619 329	361 928	58.44%
Workmen''s Compensation Fund	1 594 581	734 712	46.08%
Total	**111 062 305**	**63 059 446**	**56.78%**



Expenditure By Type
Transfers and subsidies 0,02%
Other expenditure 11,33%
Contracted services 7,85%
Other materials 3,17%
Employee related costs 38,45%
Bulk purchases - Electricity 31,42%
Remuneration of councillors 2,09%
Finance charges 0,17%
Debt impairment 0,00%
Depreciation & asset impairment 5,51%

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 28 February 2021**	**%**
Maintenance of Equipment	643 150	142 401	22.14%
Maintenance of Vehicles	7 794 197	5 649 182	72.48%
Maintenance of Buildings and Facilities	7 404 517	3 215 996	43.43%
Maintenance of Water Infrastructure	4 642 575	1 993 171	42.93%
Roads Maintenance	30 049 000	9 538 931	31.74%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	328 450	273 781	83.36%
Maintenance of Electrical Infrastructure	5 203 220	4 189 922	80.53%
Maintenance of Sanitation Infrastructure	2 482 772	1 520 668	61.25%
Hire Charges	6 281 214	3 936 346	62.67%
Other Contracted Services	257 069	93 250	36.27%
Total	**65 146 164**	**30 553 648**	**46.90%**

It is to be noted that actual repairs and maintenance expenditure constituted 46.90% of the 2020/21 Adjusted Budget.

Annexure "A2"

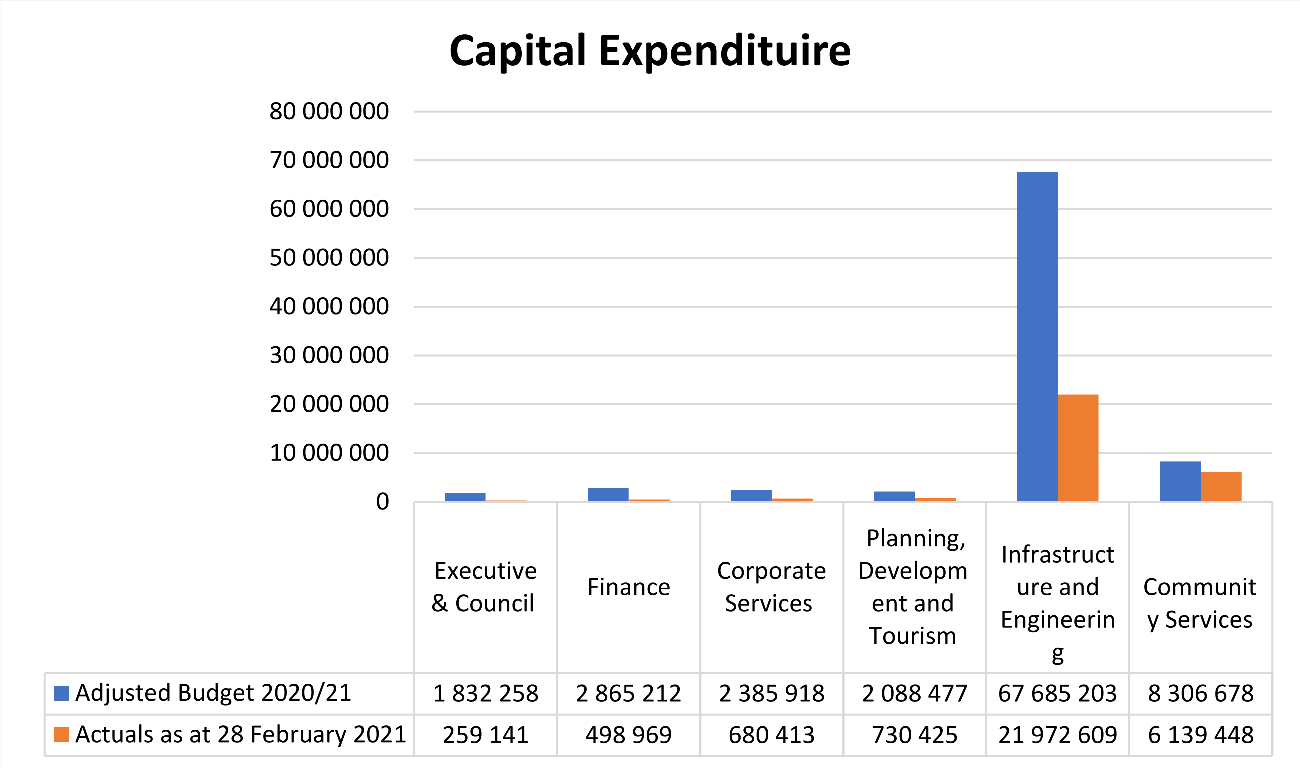
CAPITAL BUDET PERFORMANCE

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

Project Description	Funding	Adjustment Budget 2020/21	Actuals as at 28 February 2021	%
Executive and Council				
Vehicle	Internal	700 000,00	-	0,00%
Furniture and Equipment	Internal	116 847,00	12 306,00	10,53%
Computer Equipment	Internal	165 411,00	77 669,90	46,96%
Ward councilors Capital project	Internal	850 000,00	169 165,00	19,90%
		1 832 258,00	**259 140,90**	**14,14%**
Corporate Services				
EDMS	Internal	835 852,00	573 000,00	68,55%
Computer Software and Applications	Internal	64 691,00	-	0,00%
Computer Equipment	Internal	533 620,00	23 603,00	4,42%
Fencing of municipal building	Internal	469 309,00	-	0,00%
Bio-metric System	Internal	300 000,00	4 649,72	1,55%
Furniture and Equipment	Internal	182 446,00	79 159,95	43,39%
		2 385 918,00	**680 412,67**	**28,52%**
Finance				
SCM Furniture	Internal	316 426,00	316 426,00	100,00%
Computer Equipment	Internal	1 363 055,00	17 966,30	1,32%
Furniture and Equipment	Internal	271 865,00	-	0,00%
Cibex Software	Internal	681 497,00	-	0,00%
WIFI Solution	Internal	75 904,00	23 180,00	30,54%
Machinery and Equipment	Internal	156 465,00	-	0,00%
DISASTER RECOVERY SERVER	Internal	-	34 196,95	
Network Upgrade	Internal	-	107 200,00	
		2 865 212,00	**498 969,25**	**17,41%**
Planning, Development and Tourism				
Land acquisition housing projects	Internal	360 000,00	360 000,00	100,00%
Computer Software and Applications	Internal	315 000,00	92 375,00	29,33%
Vehicles	Internal	400 000,00	-	0,00%
Furniture and equipment	Internal	278 050,00	278 050,00	100,00%
Restoration of Fisherman Grave Site	Internal	100 000,00	-	0,00%
Kouga Business Support Centre	Internal	300 000,00	-	0,00%
Computer Equipment	Internal	335 426,00	-	0,00%
Housing Projects	Prov.	1,00	-	0,00%
		2 088 477,00	**730 425,00**	**34,97%**
Community Services				
Vehicle	Internal	435 061,00	0	0,00%
Vehicle	District	5 118 200,00	4519960,65	88,31%
Jack Hammer and water pump	Internal	250 000,00	166108	66,44%
Kouga Skip Bins	Internal	200 000,00	159478,26	79,74%
Machinery and Equipment (Security Cameras System)	Internal	750 000,00	0	0,00%
Fleet Management	Internal	100 000,00	77200	77,20%
Machinery and Equipment	Internal	575 200,00	475200	82,61%
Computer Equipment	Internal	30 000,00	20794	69,31%
Furniture and Equipment	Internal	144 760,00	134530	92,93%
Fencing Humansdorp Fire Station	Internal	200 000,00	168817,6	84,41%
Upgrading of Sports Facilities	Internal	153 457,00	67798,87	44,18%
Upgrading of Pellsrus, Kabeljous, Cape St Francis	Internal	150 000,00	149580	99,72%
Fencing Community Hall	Internal	200 000,00	199981,08	99,99%
		8 306 678,00	**6139448,46**	**73,91%**

Project Description	Funding	Adjustment Budget 2020/21	Actuals as at 28 February 2021	%
Infrastructure and Engineering				
Saffery Substation	Internal	2 031 855,00	77 303,36	3,80%
High Mast Lights	Internal	903 430,00	-	0,00%
SUBSTATION SECURITY	Internal	400 000,00	-	0,00%
Replace 250mm Water Main Canal Road St Francis Ba	Internal	300 000,00	-	0,00%
Repair Leaking Concrete Water Tower Paradise Beach	Internal	250 000,00	-	0,00%
Replace Main Waterline Sout Rivier Bridge Crossing	Internal	300 000,00	8 164,79	2,72%
Replace 250mm Water Main Mimosa Street Jbay	Internal	500 000,00	-	0,00%
Upgrade Hankey Water Treatment Works	Internal	400 000,00	26 608,22	6,65%
New bypass Sewer Rising Main and Pump Stations Jba	Internal	500 000,00	-	0,00%
Fencing Kruisfontein Waste Water Treatment Plant	Internal	800 000,00	407 128,80	50,89%
Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	Internal	690 000,00	-	0,00%
Piped Reticulation - St Francis Bay	Internal	275 000,00	-	0,00%
New overheadlines 66kv overheadlines(Jbay to Melk	Internal	3 043 086,00	1 780 984,52	58,53%
Electrcial supply of tri switches St francis Bay	Internal	200 000,00	-	0,00%
Machinery & Equipment	Internal	300 000,00	118 787,55	39,60%
Electrical Mini sub station 22 000/11000/400 St Fr	Internal	485 935,00	422 552,00	86,96%
Humansdorp, Kruisfontein and Osean View Electrific	INEP	4 521 739,00	3 354 471,09	74,19%
Humansdorp, Kruisfontein and Osean View Electrific	Internal	303 137,00	-	0,00%
Electrical Oil circuit breakers replacement with v	Internal	740 000,00	34 777,08	4,70%
Electrcial Supply auto recloser St Francis Bay	Internal	285 000,00	285 000,00	100,00%
Electrcial 5 MV 22000/11000 transformer	Internal	1 222 570,00	1 222 570,40	100,00%
Patensie Sewage Package Plant	MIG	8 353 038,00	7 170 179,64	85,84%
Kouga Backup Generators	Internal	730 000,00	-	0,00%
Upgrade Sanitation System Old Hankey	MIG	12 484 841,00	1 591 371,29	12,75%
Upgrade Loerie sewer pump station	Internal	250 000,00	-	0,00%
Upgrading of Gravel Roads in Humansdorp	MIG	1 739 130,00	373 323,22	21,47%
Container toilets	Internal	1 100 000,00	12 396,24	1,13%
Fencing Main Substation Jeffrey's Bay	Internal	500 000,00	172 110,00	34,42%
Substations Movements in Ocean View	Internal	3 000 000,00	2 160 621,39	72,02%
Roads Capital	Internal	2 270 000,00	147 067,38	6,48%
Mini Fresh Food and Craft Markets in Jbay & Hankey	MIG	1 092 413,00	-	0,00%
Mini Fresh Food and Craft Markets in Jbay & Hankey	Internal	400 000,00	-	0,00%
Security Camera	Internal	150 000,00	8 000,00	5,33%
LV Networks (Informal Areas, Electrification/illeg	Internal	467 560,00	167 560,00	35,84%
Upgrading KwaNomzamo Waste Water Treatment Works	WSIG	5 926 679,00	-	0,00%
Upgrading of Kwanomzamo Sports Facility	MIG	5 087 154,00	-	0,00%
Upgrading of Sports Facilities	MIG	5 682 636,00	2 431 632,47	42,79%
		67 685 203,00	**21 972 609,44**	**32,46%**
		85 163 746,00	**30 281 005,72**	**35,56%**
Internal Generated Funds		35 157 915,00	10 840 067,36	30,83%
Transfers recognised - Capital		50 005 831,00	19 440 938,36	38,88%
		85 163 746,00	**30 281 005,72**	**35,56%**

It is to be noted that capital expenditure as at 28 February 2021 amounted to 35.56%, 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	1 832 258	2 865 212	2 385 918	2 088 477	67 685 203	8 306 678
Actuals as at 28 February 2021	259 141	498 969	680 413	730 425	21 972 609	6 139 448

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2020/21 FINANCIAL YEAR

Projected Cash Flow Statement as at 28 February 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 – M08 February 2021

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	187 021	13 853	156 053	124 681	31 372	25%	187 021
Service charges			424 039	435 205	49 141	336 972	290 137	46 835	16%	435 205
Other revenue			53 022	48 944	(4 308)	36 121	32 630	3 492	11%	48 944
Transfers and Subsidies - Operational			145 612	166 705	463	128 342	111 137	17 205	15%	166 705
Transfers and Subsidies - Capital			38 356	37 164	–	15 862	24 776	(8 914)	-36%	37 164
Interest			18 957	14 780	1 269	8 823	9 853	(1 030)	-10%	14 780
Dividends				–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(843 870)	(84 140)	(665 553)	(562 580)	102 973	-18%	(843 870)
Finance charges			(1 388)	(1 388)	(86)	(932)	(925)	7	-1%	(1 388)
Transfers and Grants			(761)	(761)	–	(100)	(508)	(408)	80%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	37 290	43 801	(23 807)	15 588	29 201	13 613	47%	43 801
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets			(56 912)	(85 164)	(4 778)	(34 504)	(56 776)	(22 272)	39%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(56 912)	(85 164)	(4 778)	(34 504)	(56 776)	(22 272)	39%	(85 164)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing			(9 608)	(9 608)	(764)	(5 868)	(6 405)	(537)	8%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	(9 608)	(9 608)	(764)	(5 868)	(6 405)	(537)	8%	(9 608)
NET INCREASE/ (DECREASE) IN CASH HELD		–	(29 230)	(50 970)	(29 349)	(24 784)	(33 980)			(50 970)
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		–	47 099	90 062		116 248	107 052			90 062

Annexure "A4"

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2020/21 budget performance for the period of February 2021 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M08 February 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									
Financial Performance									
Property rates	–	205 650	207 801	15 109	160 375	138 534	21 840	16%	207 801
Service charges	–	481 716	483 561	49 403	338 733	322 374	16 359	5%	483 561
Investment revenue	–	13 013	5 552	301	2 772	3 701	(930)	-25%	5 552
Transfers and subsidies	–	145 612	166 745	(2 312)	118 165	111 164	7 002	6%	166 745
Other own revenue	–	60 015	59 198	(3 439)	25 363	39 465	(14 103)	-36%	59 198
Total Revenue (excluding capital transfers and contributions)	**–**	**906 005**	**922 858**	**59 062**	**645 407**	**615 238**	**30 169**	**5%**	**922 858**
Employee costs	–	336 974	348 729	21 909	213 967	232 486	(18 520)	-8%	348 729
Remuneration of Councillors	–	13 651	13 651	4 845	11 624	9 101	2 524	28%	13 651
Depreciation & asset impairment	–	89 271	89 066	–	30 636	59 377	(28 741)	-48%	89 066
Finance charges	–	1 388	1 388	86	932	925	7	1%	1 388
Materials and bulk purchases	–	305 802	309 536	20 892	192 466	206 357	(13 892)	-7%	309 536
Transfers and subsidies	–	761	761	–	100	508	(408)	-80%	761
Other expenditure	–	248 495	274 783	14 970	106 736	183 189	(76 453)	-42%	274 783
Total Expenditure	**–**	**996 342**	**1 037 915**	**62 702**	**556 461**	**691 943**	**(135 482)**	**-20%**	**1 037 915**
Surplus/(Deficit)	**–**	**(90 337)**	**(115 057)**	**(3 639)**	**88 947**	**(76 705)**	**165 651**	**-216%**	**(115 057)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	38 356	53 586	2 078	8 930	35 724	### ###	-75%	53 586
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**	**138 858**	**-339%**	**(61 471)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**	**138 858**	**-339%**	**(61 471)**
Capital expenditure & funds sources									
Capital expenditure	**–**	**56 912**	**85 164**	**4 778**	**30 281**	**56 776**	**(26 495)**	**-47%**	**85 164**
Capital transfers recognised	–	33 610	50 006	2 065	19 441	33 337	(13 896)	-42%	50 006
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**–**	**23 303**	**35 158**	**2 713**	**10 840**	**23 439**	**(12 599)**	**-54%**	**35 158**
Total sources of capital funds	**–**	**56 912**	**85 164**	**4 778**	**30 281**	**56 776**	**(26 495)**	**-47%**	**85 164**
Financial position									
Total current assets	–	182 094	207 271		238 642				207 271
Total non current assets	–	2 229 248	2 318 735		2 229 248				2 318 735
Total current liabilities	–	190 365	237 238		122 444				237 238
Total non current liabilities	–	170 192	163 445		170 192				163 445
Community wealth/Equity	**–**	**2 050 785**	**2 125 323**		**2 175 254**				**2 125 323**
Cash flows									
Net cash from (used) operating	–	37 290	43 801	(23 807)	15 588	29 201	13 613	47%	43 801
Net cash from (used) investing	–	(56 912)	(85 164)	(4 778)	(34 504)	(56 776)	(22 272)	39%	(85 164)
Net cash from (used) financing	–	(9 608)	(9 608)	(764)	(5 868)	(6 405)	(537)	8%	(9 608)
Cash/cash equivalents at the month/year end	**–**	**47 099**	**90 062**	**–**	**116 248**	**107 052**	**(9 196)**	**-9%**	**90 062**

Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	38 846	8 769	6 894	6 339	5 912	5 085	36 967	134 919	243 731
Creditors Age Analysis									
Total Creditors	30 227	65	71	252	38	224	1 282	(152)	32 005

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) – M08 February 2021

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		**–**	**332 007**	**343 256**	**21 957**	**275 427**	**228 837**	46 590	20%	**343 256**
Executive and council		–	28	734	–	–	489	(489)	-100%	734
Finance and administration		–	331 979	342 522	21 957	275 427	228 348	47 079	21%	342 522
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**15 620**	**13 588**	**672**	**9 941**	**9 059**	883	10%	**13 588**
Community and social services		–	2 498	2 498	26	2 064	1 665	398	24%	2 498
Sport and recreation		–	8 085	6 054	544	4 567	4 036	531	13%	6 054
Public safety		–	1 985	1 985	3	1 327	1 324	3	0%	1 985
Housing		–	–	(0)	–	–	(0)	0	-100%	(0)
Health		–	3 051	3 051	99	1 984	2 034	(50)	-2%	3 051
Economic and environmental services		**–**	**23 813**	**26 303**	**1 956**	**17 536**	**17 535**	1	0%	**26 303**
Planning and development		–	7 173	6 573	658	4 332	4 382	(51)	-1%	6 573
Road transport		–	15 252	18 341	1 161	12 106	12 227	(121)	-1%	18 341
Environmental protection		–	1 389	1 389	138	1 098	926	172	19%	1 389
Trading services		**–**	**572 921**	**593 297**	**36 556**	**351 433**	**395 531**	(44 098)	-11%	**593 297**
Energy sources		–	304 317	304 317	33 191	209 357	202 878	6 479	3%	304 317
Water management		–	100 261	112 133	8 621	59 953	74 755	(14 803)	-20%	112 133
Waste water management		–	93 692	104 840	5 748	43 577	69 893	(26 317)	-38%	104 840
Waste management		–	74 651	72 006	(11 004)	38 547	48 004	(9 457)	-20%	72 006
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**–**	**944 362**	**976 444**	**61 140**	**654 338**	**650 962**	**3 375**	**1%**	**976 444**
Expenditure - Functional										
Governance and administration		**–**	**242 971**	**238 130**	**15 035**	**118 035**	**158 753**	(40 719)	-26%	**238 130**
Executive and council		–	41 969	43 932	3 556	26 892	29 288	(2 396)	-8%	43 932
Finance and administration		–	200 981	194 178	11 479	91 143	129 452	(38 309)	-30%	194 178
Internal audit		–	21	21	–	–	14	(14)	-100%	21
Community and public safety		**–**	**93 241**	**99 017**	**6 783**	**63 493**	**66 012**	(2 519)	-4%	**99 017**
Community and social services		–	10 773	10 548	701	6 503	7 032	(528)	-8%	10 548
Sport and recreation		–	45 537	50 848	3 405	32 344	33 899	(1 554)	-5%	50 848
Public safety		–	25 505	25 389	1 919	16 191	16 926	(735)	-4%	25 389
Housing		–	5 399	6 643	344	4 681	4 428	253	6%	6 643
Health		–	6 026	5 590	413	3 773	3 727	46	1%	5 590
Economic and environmental services		**–**	**122 804**	**152 034**	**6 754**	**72 448**	**101 356**	(28 908)	-29%	**152 034**
Planning and development		–	39 343	40 583	2 137	17 957	27 055	(9 098)	-34%	40 583
Road transport		–	81 450	109 440	4 339	51 850	72 960	(21 110)	-29%	109 440
Environmental protection		–	2 011	2 011	278	2 641	1 341	1 300	97%	2 011
Trading services		**–**	**534 193**	**546 626**	**34 130**	**302 347**	**364 418**	(62 071)	-17%	**546 626**
Energy sources		–	316 672	317 278	23 893	205 930	211 519	(5 589)	-3%	317 278
Water management		–	91 486	93 914	2 661	25 810	62 609	(36 799)	-59%	93 914
Waste water management		–	62 587	67 477	4 404	37 401	44 985	(7 584)	-17%	67 477
Waste management		–	63 448	67 957	3 172	33 205	45 305	(12 100)	-27%	67 957
Other		**–**	**3 133**	**2 107**	**0**	**139**	**1 405**	**(1 266)**	**-90%**	**2 107**
Total Expenditure - Functional	3	**–**	**996 342**	**1 037 915**	**62 702**	**556 461**	**691 943**	**(135 482)**	**-20%**	**1 037 915**
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**	**138 858**	**-339%**	**(61 471)**

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 – M08 February 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	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		–	325 858	340 936	21 694	274 807	227 291	47 516	20,9%	340 936
Vote 3 - CORPORATE SERVICES		–	307	307	147	243	204	39	19,1%	307
Vote 4 - COMMUNITY SERVICES		–	111 700	105 577	(8 918)	62 070	70 385	(8 315)	-11,8%	105 577
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	501 976	524 996	47 735	314 405	349 997	(35 593)	-10,2%	524 996
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	4 521	3 922	482	2 813	2 614	199	7,6%	3 922
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**–**	**944 362**	**976 444**	**61 140**	**654 338**	**650 492**	**3 846**	**0,6%**	**975 738**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		–	45 541	45 903	4 075	28 060	30 602	(2 542)	-8,3%	45 903
Vote 2 - FINANCIAL SERVICES		–	115 737	108 439	5 682	43 748	72 293	(28 545)	-39,5%	108 439
Vote 3 - CORPORATE SERVICES		–	43 677	47 075	2 833	24 326	31 383	(7 057)	-22,5%	47 075
Vote 4 - COMMUNITY SERVICES		–	191 251	206 883	13 118	122 994	137 922	(14 928)	-10,8%	206 883
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	575 140	601 518	35 650	323 192	401 012	(77 820)	-19,4%	601 518
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	24 996	28 096	1 342	14 141	18 730	(4 590)	-24,5%	28 096
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**–**	**996 342**	**1 037 915**	**62 702**	**556 461**	**691 943**	**(135 482)**	**-19,6%**	**1 037 915**
Surplus/ (Deficit) for the year	2	**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(41 451)**	**139 328**	**-336,1%**	**(62 177)**

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure is thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M04 February 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			205 650	207 801	15 109	160 375	138 534	21 840	16%	207 801
Service charges - electricity revenue			291 625	291 625	31 783	206 221	194 416	11 805	6%	291 625
Service charges - water revenue			81 846	83 642	8 280	58 041	55 762	2 279	4%	83 642
Service charges - sanitation revenue			53 555	55 057	4 934	37 510	36 704	805	2%	55 057
Service charges - refuse revenue			54 690	53 237	4 407	36 962	35 491	1 471	4%	53 237
Rental of facilities and equipment			4 083	1 122	112	1 021	748	273	36%	1 122
Interest earned - external investments			13 013	5 552	301	2 772	3 701	(930)	-25%	5 552
Interest earned - outstanding debtors			6 993	10 253	869	6 355	6 836	(481)	-7%	10 253
Dividends received			–	–	–	–	–	–		–
Fines, penalties and forfeits			6 685	2 150	151	541	1 433	(892)	-62%	2 150
Licences and permits			20 714	24 732	1 766	16 824	16 488	336	2%	24 732
Agency services			–	–	–	–	–	–		–
Transfers and subsidies			145 612	166 745	(2 312)	118 165	111 164	7 002	6%	166 745
Other revenue			21 540	20 941	(6 337)	621	13 960	(13 339)	-96%	20 941
Gains			–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**–**	**906 005**	**922 858**	**59 062**	**645 407**	**615 238**	**30 169**	**5%**	**922 858**
Expenditure By Type										
Employee related costs			336 974	348 729	21 909	213 967	232 486	(18 520)	-8%	348 729
Remuneration of councillors			13 651	13 651	4 845	11 624	9 101	2 524	28%	13 651
Debt impairment			89 573	70 162	–	7	46 774	(46 768)	-100%	70 162
Depreciation & asset impairment			89 271	89 066	–	30 636	59 377	(28 741)	-48%	89 066
Finance charges			1 388	1 388	86	932	925	7	1%	1 388
Bulk purchases			279 744	246 173	18 562	174 815	164 116	10 699	7%	246 173
Other materials			26 059	63 363	2 330	17 651	42 242	(24 591)	-58%	63 363
Contracted services			60 352	93 559	5 325	43 670	62 373	(18 703)	-30%	93 559
Transfers and subsidies			761	761	–	100	508	(408)	-80%	761
Other expenditure			98 571	111 062	9 645	63 059	74 042	(10 982)	-15%	111 062
Losses			–	–	–	–	–	–		–
Total Expenditure		**–**	**996 342**	**1 037 915**	**62 702**	**556 461**	**691 943**	**(135 482)**	**-20%**	**1 037 915**
Surplus/(Deficit)		**–**	**(90 337)**	**(115 057)**	**(3 639)**	**88 947**	**(76 705)**	**165 651**	**(0)**	**(115 057)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			38 356	53 586	2 078	8 930	35 724	(26 794)	(0)	53 586
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)				–	–	–	–	–		
Transfers and subsidies - capital (in-kind - all)				–	–	–	–	–		
Surplus/(Deficit) after capital transfers & contributions		**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**			**(61 471)**
Taxation								–		
Surplus/(Deficit) after taxation		**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**			**(61 471)**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**			**(61 471)**
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		**–**	**(51 980)**	**(61 471)**	**(1 561)**	**97 877**	**(40 981)**			**(61 471)**

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) – M08 February 2021

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		–	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	–	–	–	–	–	–		–
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	–	–	–	–	–	–		–
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		–	835	1 832	90	259	1 222	(962)	-79%	1 832
Vote 2 - FINANCIAL SERVICES		–	800	2 865	75	499	1 910	(1 411)	-74%	2 865
Vote 3 - CORPORATE SERVICES		–	1 349	2 386	26	680	1 591	(910)	-57%	2 386
Vote 4 - COMMUNITY SERVICES		–	11 572	8 307	172	6 139	5 538	602	11%	8 307
Vote 5 - INFRASTRUCTURE AND ENGINEERING		–	39 758	67 685	4 055	21 973	45 123	(23 151)	-51%	67 685
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		–	2 597	2 088	360	730	1 392	(662)	-48%	2 088
Vote 7 - COMMUNITY SERVICES (CONTINUED)		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	56 912	85 164	4 778	30 281	56 776	**(26 495)**	**-47%**	85 164
Total Capital Expenditure		**–**	**56 912**	**85 164**	**4 778**	**30 281**	**56 776**	**(26 495)**	**-47%**	**85 164**
Capital Expenditure - Functional Classification										
Governance and administration		**–**	**3 734**	**7 133**	**191**	**1 439**	**4 756**	(3 317)	-70%	**7 133**
Executive and council			835	1 132	90	259	755	(496)	-66%	1 132
Finance and administration			2 899	6 001	101	1 179	4 001	(2 821)	-71%	6 001
Internal audit			–	–	–	–	–	–		–
Community and public safety		**–**	**16 028**	**18 886**	**744**	**8 772**	**12 591**	(3 819)	-30%	**18 886**
Community and social services			–	–	–	–	–	–		–
Sport and recreation			11 600	12 245	384	3 625	8 163	(4 538)	-56%	12 245
Public safety			3 669	5 882	–	4 787	3 921	865	22%	5 882
Housing			760	760	360	360	507	(147)	-29%	760
Health			–	–	–	–	–	–		–
Economic and environmental services		**–**	**9 628**	**6 880**	**379**	**899**	**4 587**	(3 688)	-80%	**6 880**
Planning and development			1 737	2 871	–	378	1 914	(1 536)	-80%	2 871
Road transport			7 891	4 009	379	520	2 673	(2 152)	-81%	4 009
Environmental protection			–	–	–	–	–	–		–
Trading services		**–**	**27 422**	**52 164**	**3 464**	**19 172**	**34 776**	(15 604)	-45%	**52 164**
Energy sources			8 172	18 984	3 388	9 684	12 656	(2 973)	-23%	18 984
Water management			3 380	7 827	63	148	5 218	(5 070)	-97%	7 827
Waste water management			14 633	24 453	12	9 181	16 302	(7 121)	-44%	24 453
Waste management			1 237	900	–	159	600	(441)	-73%	900
Other			100	100	–	–	67	(67)	-100%	100
Total Capital Expenditure - Functional Classification	3	**–**	**56 912**	**85 164**	**4 778**	**30 281**	**56 776**	**(26 495)**	**-47%**	**85 164**
Funded by:										
National Government			31 644	44 888	2 065	14 921	29 925	(15 004)	-50%	44 888
Provincial Government			–	0	–	–	0	(0)	-100%	0
District Municipality			1 965	5 118	–	4 520	3 412	1 108	32%	5 118
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private			–	–	–	–	–	–		–
Transfers recognised - capital		**–**	**33 610**	**50 006**	**2 065**	**19 441**	**33 337**	**(13 896)**	**-42%**	**50 006**
Borrowing	6		–	–	–	–	–	–		–
Internally generated funds			23 303	35 158	2 713	10 840	23 439	(12 599)	-54%	35 158
Total Capital Funding		**–**	**56 912**	**85 164**	**4 778**	**30 281**	**56 776**	**(26 495)**	**-47%**	**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 – M08 February 2021

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			4 710	24 281	9 423	24 281
Call investment deposits			42 389	65 781	106 825	65 781
Consumer debtors			81 061	67 394	73 119	67 394
Other debtors			44 682	41 014	40 023	41 014
Current portion of long-term receivables			3	3	3	3
Inventory			9 249	8 798	9 249	8 798
Total current assets		–	**182 094**	**207 271**	**238 642**	**207 271**
Non current assets						
Long-term receivables			13	13	13	13
Investments			–	–	–	–
Investment property			242 552	242 552	242 552	242 552
Investments in Associate			–	–	–	–
Property, plant and equipment			1 985 075	2 074 493	1 985 075	2 074 493
Biological			–	–	–	–
Intangible			1 608	1 677	1 608	1 677
Other non-current assets			–	–	–	–
Total non current assets		–	**2 229 248**	**2 318 735**	**2 229 248**	**2 318 735**
TOTAL ASSETS		–	**2 411 341**	**2 526 006**	**2 467 890**	**2 526 006**
LIABILITIES						
Current liabilities						
Bank overdraft			–	–	–	–
Borrowing			9 608	6 747	9 608	6 747
Consumer deposits			17 378	17 378	17 378	17 378
Trade and other payables			133 730	183 464	65 810	183 464
Provisions			29 649	29 649	29 649	29 649
Total current liabilities		–	**190 365**	**237 238**	**122 444**	**237 238**
Non current liabilities						
Borrowing			6 747	–	6 747	–
Provisions			163 445	163 445	163 445	163 445
Total non current liabilities		–	**170 192**	**163 445**	**170 192**	**163 445**
TOTAL LIABILITIES		–	**360 557**	**400 683**	**292 636**	**400 683**
NET ASSETS	2	–	**2 050 785**	**2 125 323**	**2 175 254**	**2 125 323**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			2 050 785	2 125 323	2 175 254	2 125 323
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	**2 050 785**	**2 125 323**	**2 175 254**	**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 – M08 February 2021

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates			174 803	187 021	13 853	156 053	124 681	31 372	25%	187 021
Service charges			424 039	435 205	49 141	336 972	290 137	46 835	16%	435 205
Other revenue			53 022	48 944	(4 308)	36 121	32 630	3 492	11%	48 944
Transfers and Subsidies - Operational			145 612	166 705	463	128 342	111 137	17 205	15%	166 705
Transfers and Subsidies - Capital			38 356	37 164	–	15 862	24 776	(8 914)	-36%	37 164
Interest			18 957	14 780	1 269	8 823	9 853	(1 030)	-10%	14 780
Dividends				–	–	–	–	–		–
Payments										
Suppliers and employees			(815 350)	(843 870)	(84 140)	(665 553)	(562 580)	102 973	-18%	(843 870)
Finance charges			(1 388)	(1 388)	(86)	(932)	(925)	7	-1%	(1 388)
Transfers and Grants			(761)	(761)	–	(100)	(508)	(408)	80%	(761)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**37 290**	**43 801**	**(23 807)**	**15 588**	**29 201**	**13 613**	**47%**	**43 801**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets			(56 912)	(85 164)	(4 778)	(34 504)	(56 776)	(22 272)	39%	(85 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(56 912)**	**(85 164)**	**(4 778)**	**(34 504)**	**(56 776)**	**(22 272)**	**39%**	**(85 164)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits								–		
Payments										
Repayment of borrowing			(9 608)	(9 608)	(764)	(5 868)	(6 405)	(537)	8%	(9 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**(9 608)**	**(9 608)**	**(764)**	**(5 868)**	**(6 405)**	**(537)**	**8%**	**(9 608)**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(29 230)**	**(50 970)**	**(29 349)**	**(24 784)**	**(33 980)**			**(50 970)**
Cash/cash equivalents at beginning:			76 328	141 032		141 032	141 032			141 032
Cash/cash equivalents at month/year end:		–	47 099	90 062		116 248	107 052			90 062

- **i.** The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- **ii.** It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

Annexure “A5”

ANALYSIS OF THE MUNICIPALITY’S STATEMENT OF FINANCIAL POSITION

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

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

Below is an analysis of the outstanding consumer debtors as at 30 June 2020, compared to the position as at 28 February 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 28 February 2021

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	12 342	2 620	2 001	1 861	1 994	1 707	10 424	35 440	68 388
Trade and Other Receivables from Exchange Transactions - Electricity	21 635	2 082	1 377	1 163	858	599	3 522	8 197	39 433
Receivables from Non-exchange Transactions - Property Rates	11 161	1 191	927	831	693	555	9 792	22 979	48 129
Receivables from Exchange Transactions - Waste Water Management	6 176	1 177	987	958	906	808	4 560	15 404	30 975
Receivables from Exchange Transactions - Waste Management	4 713	1 217	1 141	1 069	1 018	983	5 067	20 962	36 170
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	66	93	107	129	154	160	1 267	20 832	22 807
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(17 247)	389	354	329	290	274	2 334	11 105	(2 172)
Total By Income Source	**38 846**	**8 769**	**6 894**	**6 339**	**5 912**	**5 085**	**36 967**	**134 919**	**243 731**
2018/19 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1 030	519	416	485	334	207	1 381	3 418	7 789
Commercial	7 712	669	437	319	281	246	1 255	3 977	14 896
Households	30 104	7 581	6 041	5 535	5 298	4 633	34 332	127 524	221 046
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**38 846**	**8 769**	**6 894**	**6 339**	**5 912**	**5 085**	**36 967**	**134 919**	**243 731**

The aforementioned analysis indicates that from 30 June 2020 to 28 February 2021, the overdue debts have increased by R 35,628 million from R 169,257 million to R 204,885 million, as follows:

R thousands	**OVERDUE AMOUNTS AS AT**		
Debtors Age Analysis By Income Source	**30-Jun-20**	**28-Feb-20**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	44 912	56 046	11 134
Trade and Other Receivables from Exchange Transactions - Electricity	15 937	17 799	1 862
Receivables from Non-exchange Transactions - Property Rates	31 419	36 968	5 549
Receivables from Exchange Transactions - Waste Water Management	19 681	24 800	5 119
Receivables from Exchange Transactions - Waste Management	25 254	31 457	6 203
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	18 498	22 741	4 243
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	13 556	15 075	1 519
Total By Income Source	**169 257**	**204 885**	**35 628**
Debtors Age Analysis By Customer Group			–
Organs of State	5 386	6 758	1 372
Commercial	6 049	7 184	1 135
Households	157 822	190 943	33 120
Other	–	–	–
Total By Customer Group	**169 257**	**204 885**	**35 628**

2. Overview of Creditors position

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

Description	Budget Year 2020/21								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	21 179	–	–	–	–	–	–	–	**21 179**
Bulk Water	–	0	0	10	0	0	1	(152)	**(141)**
PAYE deductions	3 543								**3 543**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repay ments									**–**
Trade Creditors	5 505	65	71	242	38	224	1 281	–	**7 425**
Auditor General									**–**
Other									**–**
Total By Customer Type	**30 227**	**65**	**71**	**252**	**38**	**224**	**1 282**	**(152)**	**32 005**

The above amounts represent invoices still to be paid. The major creditors as at 28 February 2021 are as follows:

Eskom	R 21,179 million
NMBM	R -0,141 million
PAYE	R 3,543 million
Other Creditors	R 7,425 million
TOTAL	**R 32,005 million**

It is to be noted that the Eskom amount of R 21,179 million, represents the current account for February 2021, which will be fully paid on 23 March 2021.

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

3. Investment Portfolio

Below is an analysis of the Investment Portfolio as at 28 February 2021.

	Balance as at 30 June 2020	Invested	Interest	Withdrawals	Adjustments	Balance as at 28 February 2021
Standard Bank	11 052 012	-	245 990	-		11 298 002
ABSA	29 118 474	-	427 941	10 000 000	2 040	19 544 376
Nedbank	14 049 368	-	318 670	-		14 368 039
RMB	50 227 524	43 380 168	1 077 744	51 334 834		43 350 602
INVESTEC	17 846 936	-	416 928	-		18 263 863
Total	**122 294 314**	**43 380 168**	**2 487 273**	**61 334 834**	**2 040**	**106 824 881**
	Balance as at 30 June 2020	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 28 February 2021**
General Account	74 231 786	2 658 599	1 431 746	12 264 268	2 040	66 055 824
Conditional Grants	48 054 952	40 721 569	1 055 366	49 070 566	-	40 761 320
Housing Funds	7 576	-	162	-	-	7 737
Total	**122 294 314**	**43 380 168**	**2 487 273**	**61 334 834**	**2 040**	**106 824 881**
Cheque Accounts FNB	18 737 370	- 9 314 428				9 422 943
TOTAL Investments & Bank	**141 031 684**	**34 065 741**	**2 487 273**	**61 334 834**	**2 040**	**116 247 824**

The decrease in the investment portfolio since 30 June 2020 amounts to R 24,783,861. The following analysis indicates the extent to which the investments are committed:

<u>Cash backed Reserves.</u>

Bank Balances and Cash	R 9,422,943
Short-term Investment Deposits	R 106,824,881
	R 116,247,824

<u>Application of Cash</u>

Unspent Conditional Grants	23,404,346
National Treasury withheld funds	10,400,000.
Internally Generated Funds	24,317,848
Outstanding Creditors Liability	32,005,485
	90,127,679
Reserves in excess of commitments	**26,120,145.**

The cash backed reserves exceed the commitments at this stage by an amount of R 26,120,145. It should be noted that the excess of reserves over commitments as at 28 February 2021, is mainly due to an amount of R 112,484 million in respect of the Equitable share allocation received, but not yet fully spent.

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

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M08 February 2021

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	**123 238**	**125 667**	**316**	**116 066**	**83 778**	**31 461**	**37,6%**	**125 667**
Operational Revenue:General Revenue:Equitable Share	119 105	121 534		112 484	81 023	31 461	38,8%	121 534
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054	316	1 054	703			1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500		1 500	1 000			1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579		1 028	1 053			1 579
Provincial Government:	–	–	–	–	–	–		–
Other transfers and grants [insert description]						–		–
District Municipality:	**3 815**	**3 815**	–	**4 135**	**2 543**	1 592	62,6%	**3 815**
Environmental Health				**2 085**	–	2 085	#DIV/0!	–
Libraries	3 815	3 815		2 050	2 543	(493)	-19,4%	3 815
Other grant providers:	–	–	**147**	**949**	–	949	#DIV/0!	–
Skills Development			**147**	**243**	–	243	#DIV/0!	–
Germany Donation		**706**		**706**	–			–
Total Operating Transfers and Grants	**127 053**	**129 482**	**463**	**121 150**	**86 322**	**34 002**	**39,4%**	**129 482**
Capital Transfers and Grants								
National Government:	35 199	35 199	–	22 538	23 466	(928)	**-4,0%**	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200		3 000	3 467	(467)	-13,5%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999		19 538	19 999	(462)	-2,3%	29 999
Municipal Disaster Relief Grant			–	–	–	–		–
Provincial Government:	–	–	–	–	–	–		–
[insert description]						–		–
District Municipality:	**1 965**	**1 965**	–	**1 517**	**1 146**	370	32,3%	**1 965**
Fire	1 965	1 965		1 517	1 146	370	32,3%	1 965
Other grant providers:	–	–	–	–	–	–		–
[insert description]						–		–
Total Capital Transfers and Grants	**37 164**	**37 164**	–	**24 054**	**24 612**	**(558)**	**-2,3%**	**37 164**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	164 217	166 646	463	145 205	110 934	33 444	30,1%	166 646

Below is an analysis of the spending associated with the grants as at 28 February 2021:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M08 February 2021.

Description	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**123 238**	**123 238**	**213**	**115 320**	**61 619**	**53 701**	**87,1%**	**123 238**
Operational Revenue:General Revenue:Equitable Share	119 105	119 105		112 484	59 553	52 932	88,9%	119 105
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 054	1 054		1 054	527	527	100,0%	1 054
Local Government Financial Management Grant [Schedule 5B]	1 500	1 500	84	783	750	33	4,4%	1 500
Municipal Infrastructure Grant [Schedule 5B]	1 579	1 579	130	999	789	209	26,5%	1 579
Provincial Government:	–	–	–	–	–	–		–
Other transfers and grants [insert description]						–		
District Municipality:	**3 815**	**3 815**	–	**4 367**	**1 907**	2 460	128,9%	**3 815**
				2 570	–	2 570	#DIV/0!	–
Environmental Health	3 815	3 815		1 797	1 907	(111)	-5,8%	3 815
Other grant providers:	–	–	**147**	**2 523**	–	2 523	#DIV/0!	–
				2 279		2 279	#DIV/0!	
Skills Development			147	243		243	#DIV/0!	
Total operating expenditure of Transfers and Grants:	**127 053**	**127 053**	**361**	**122 210**	**63 526**	**58 683**	**92,4%**	**127 053**
Capital expenditure of Transfers and Grants								
National Government:	36 391	35 199	2 375	17 159	17 600	(440)	**-2,5%**	35 199
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 200	5 200	1 702	3 858	2 600	1 258	48,4%	5 200
Municipal Infrastructure Grant [Schedule 5B]	29 999	29 999	673	13 301	15 000	(1 698)	-11,3%	29 999
Municipal Disaster Relief Grant	1 192			–	–	–		–
Provincial Government:	–	–	–	–	–	–		–
0						–		
District Municipality:	**1 965**	**1 965**	–	**5 198**	**983**	4 215	429,0%	**1 965**
Fire	1 965	1 965		5 198	983	4 215	429,0%	1 965
Other grant providers:	–	–	–	–	–	–		–
					–	–		
Total capital expenditure of Transfers and Grants	**38 356**	**37 164**	**2 375**	**22 357**	**18 582**	**3 775**	**20,3%**	**37 164**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**165 409**	**164 217**	**2 736**	**144 567**	**82 109**	**62 458**	**76,1%**	**164 217**

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations

Grants received from National Government.

DORA Operating Grants

Financial Management Grant (FMG)

The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,500,000
Amount of Grant Received:	R 1,500,000
Expenditure to date:	R 782,941
Unspent as at 28 February 2020:	R 717,059

The spending of the grant amounted to 52,20% as at 28 February 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 28 February 2021:	R 0

<u>DORA Capital Grants</u>

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 30,171,994
Expenditure to date:	R 14,300,388
Unspent as at 28 February 2021:	R 15,871,606

The spending of the grant amounted to 47.40% as at 28 February 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 3,000,000
Expenditure to date:	R 3,857,642

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

NT Approved rollover	R 6,815,681
Expenditure to date:	R 0.00
Unspent as at 28 February 2021:	R 6,815,681

The spending of the grant amounted to 0% as at 28 February 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 – M08 February 2021.

Summary of Employee and Councillor remuneration	Budget Year 2019/20							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
	B	C						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 104	9 104	116	4 386	5 311	(924)	-17%	9 104
Medical Aid Contributions	–	–	(81)	–	–	–		–
Motor Vehicle Allowance	3 081	3 081	242	1 665	1 797	(132)	-7%	3 081
Cellphone Allowance	1 465	1 465	107	728	855	(127)	-15%	1 465
Sub Total - Councillors	**13 651**	**13 651**	**383**	**6 780**	**7 963**	**(1 183)**	**-15%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	8 253	6 106	488	3 597	3 562	35	1%	6 106
Pension and UIF Contributions	24	36	23	79	21	59	281%	36
Medical Aid Contributions	–	13	(9)	16	7	9	116%	13
Performance Bonus	180	453	–	303	264	39	15%	453
Motor Vehicle Allowance	857	811	56	392	473	(81)	-17%	811
Cellphone Allowance	8	6	1	6	4	2	57%	6
Other benefits and allowances	55	50	3	22	29	(7)	-23%	50
Payments in lieu of leave	1 849	1 150	285	565	671	(105)	-16%	1 150
Sub Total - Senior Managers of Municipality	**11 226**	**8 624**	**848**	**4 981**	**5 031**	**(50)**	**-1%**	**8 624**
Other Municipal Staff								
Basic Salaries and Wages	198 870	224 540	16 631	111 584	130 981	(19 398)	-15%	224 540
Pension and UIF Contributions	31 286	33 121	2 665	18 731	19 321	(589)	-3%	33 121
Medical Aid Contributions	16 124	17 256	1 518	9 722	10 066	(344)	-3%	17 256
Overtime	30 944	28 149	3 143	18 089	16 420	1 669	10%	28 149
Motor Vehicle Allowance	8 053	9 393	799	5 614	5 479	135	2%	9 393
Cellphone Allowance	1	288	–	–	168	(168)	-100%	288
Housing Allowances	1 058	905	71	513	528	(15)	-3%	905
Other benefits and allowances	31 481	24 869	992	21 025	14 507	6 518	45%	24 869
Payments in lieu of leave	19	27	(101)	996	16	980	6241%	27
Long service awards	1 496	1 557	100	803	908	(106)	-12%	1 557
Sub Total - Other Municipal Staff	**319 332**	**340 105**	**25 819**	**187 077**	**198 395**	**(11 318)**	**-6%**	**340 105**
Total Parent Municipality	**344 210**	**362 380**	**27 049**	**198 837**	**211 388**	**(12 551)**	**-6%**	**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 28 February 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	2.51%	1.78%	1.29%	1.23%	1.06%	1.22%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.03	0.02	0.01	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	0.85	0.97	1.58	1.44	0.87	1.95
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.75	0.87	0.38	0.95
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	95.81%	90.73%	97,62%	95.42%	90%	94.11%

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 28 February 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	1.77
Employee Costs	Employee Costs / Total Operating Expenditure	33.39%	33.21%	33.39%	35.87%	33.60%	38.45%
Capital Expenditure	Capital Expenditure / Capital Budget	72.92%	72.98%	44.59%	75.33%	95%	35.56%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4.94%	3.82%	5.63%	5.99%	6.28%	5.49%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.65%	1.41%	2.29%	2.46%	3.14%	1.54%
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%	81.69%

The above table is discussed in detail below.

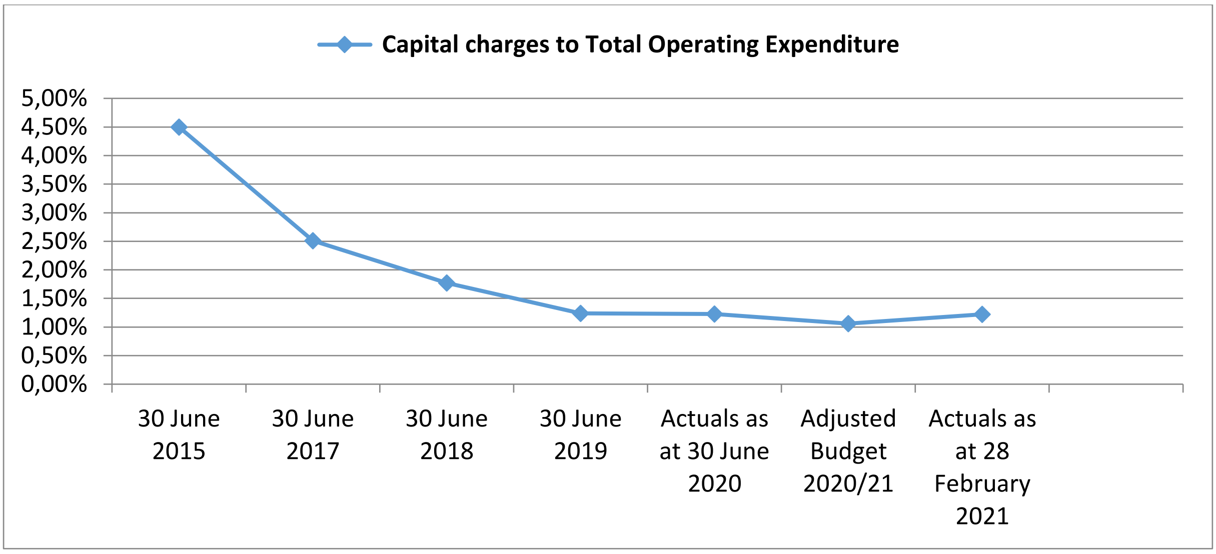
5.1. Borrowing Management

5.1.1. Capital charges to Operating Expenditure

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1.22% of the Total Operating Expenditure was utilised for capital charges as at 28 February 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.

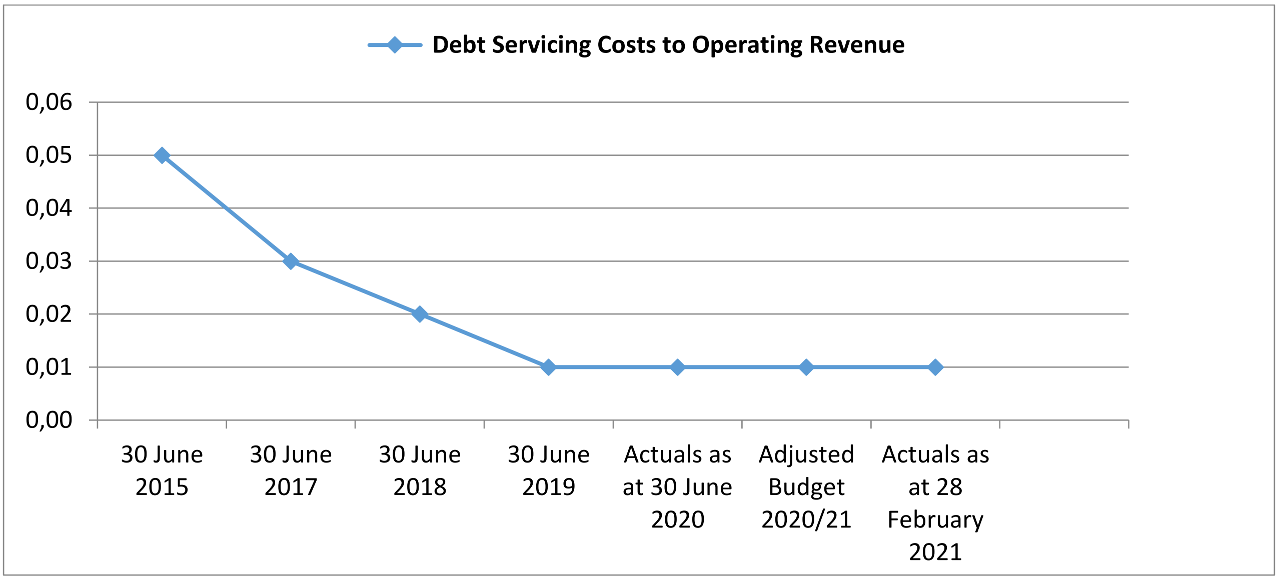
5.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 28 February 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:

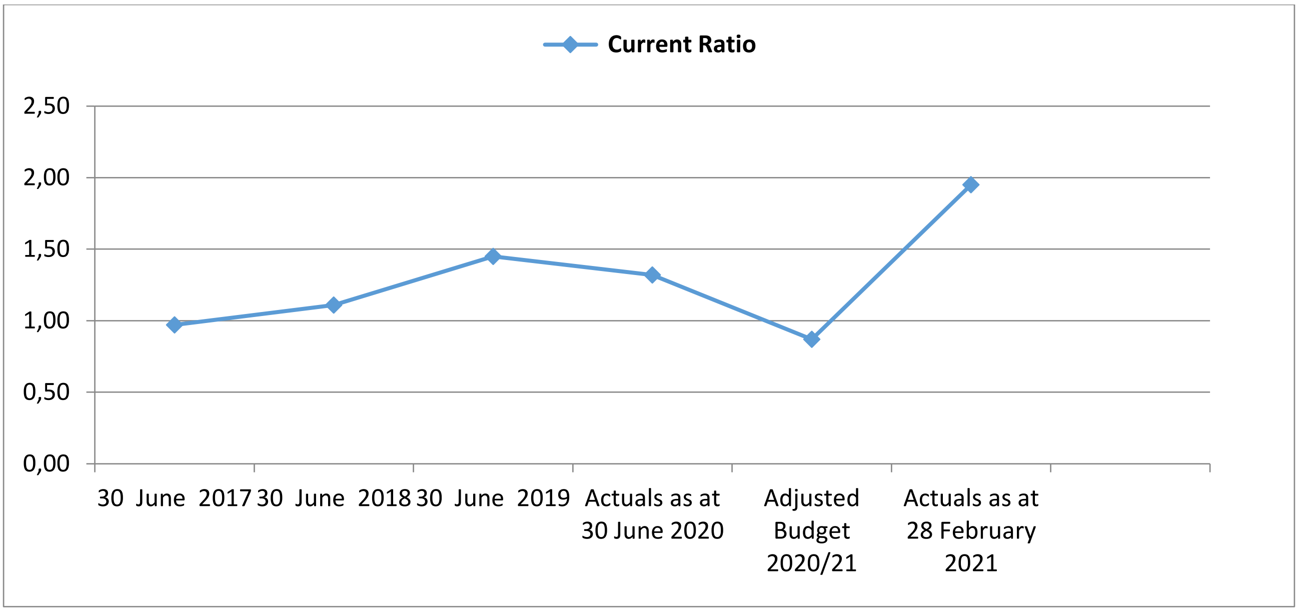
Current assets/Current liabilities

The ratio as at 28 February 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

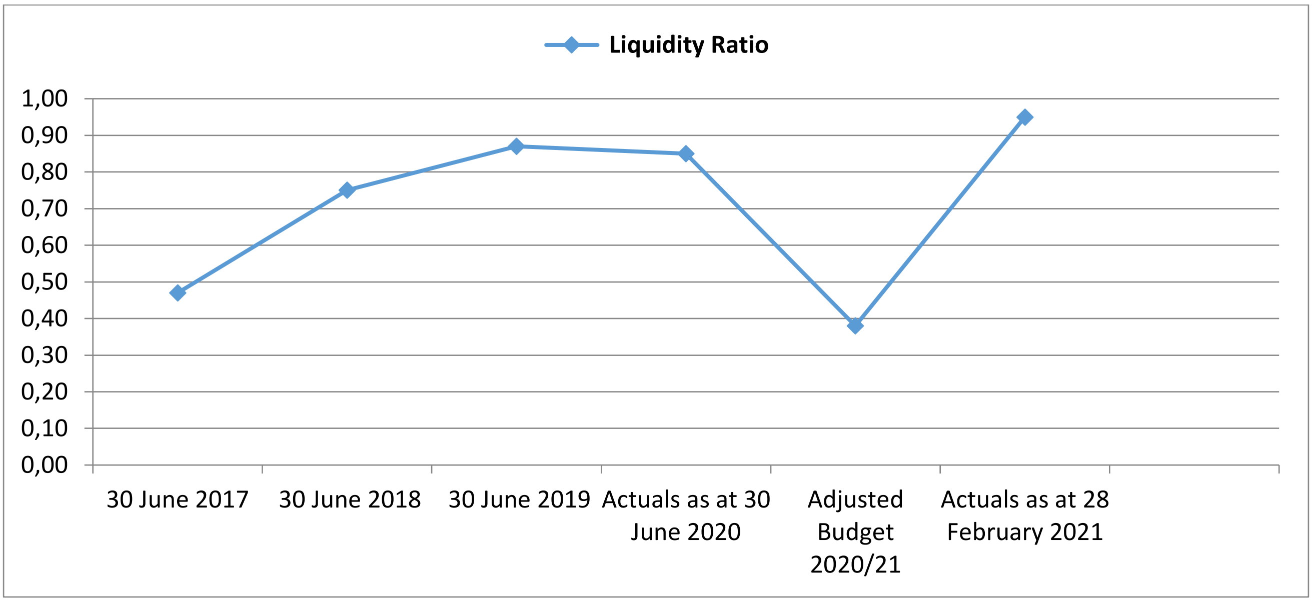
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 28 February 2021 was 0.95:1, 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

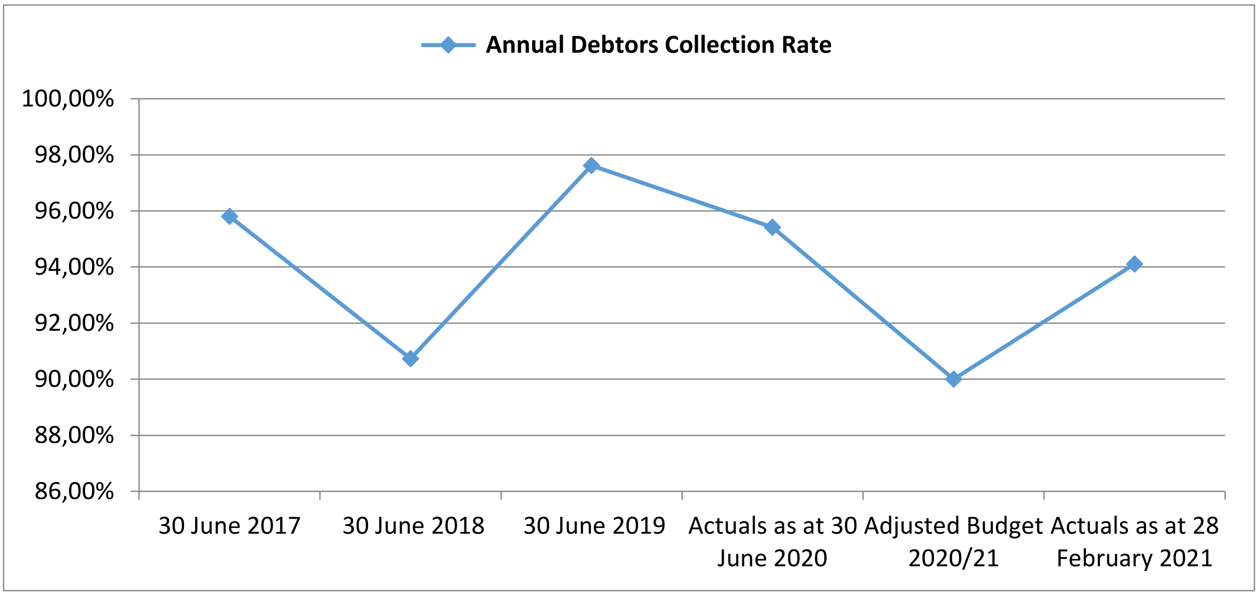
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 28 February 2021 was 94.11%, compared to the approved adjusted budget collection rate of 90%. The actual collection rate for February is 110.82%. 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.

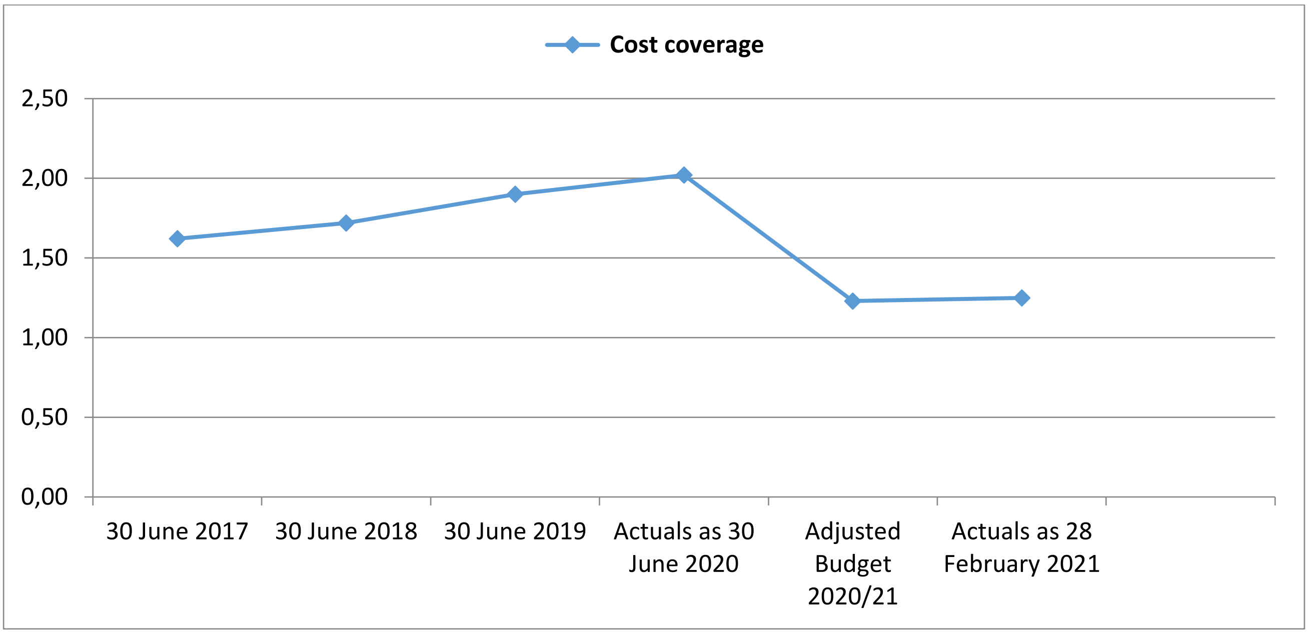
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 28 February 2021, the Ratio was 1.77 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.



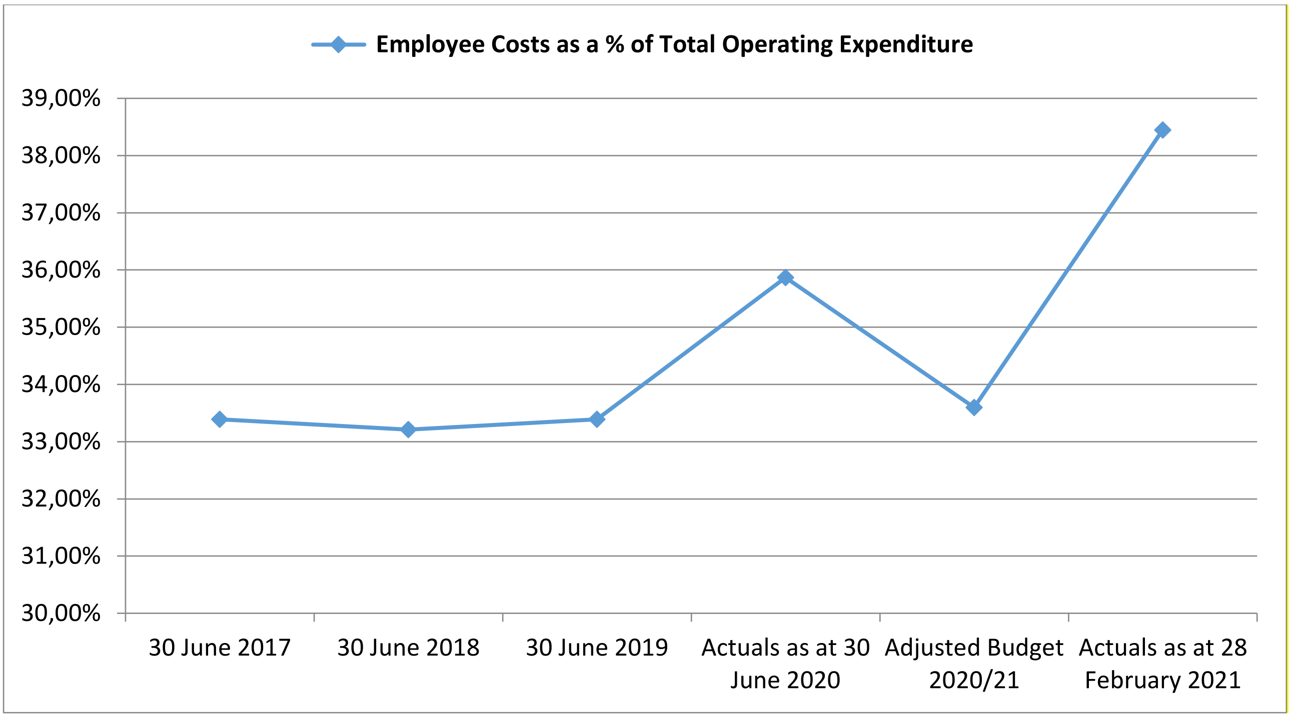
5.4.2. Employee costs as a % of Total Operating Expenditure

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 28 February 2021, Employee Related Costs constituted 38.45% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33,60%.



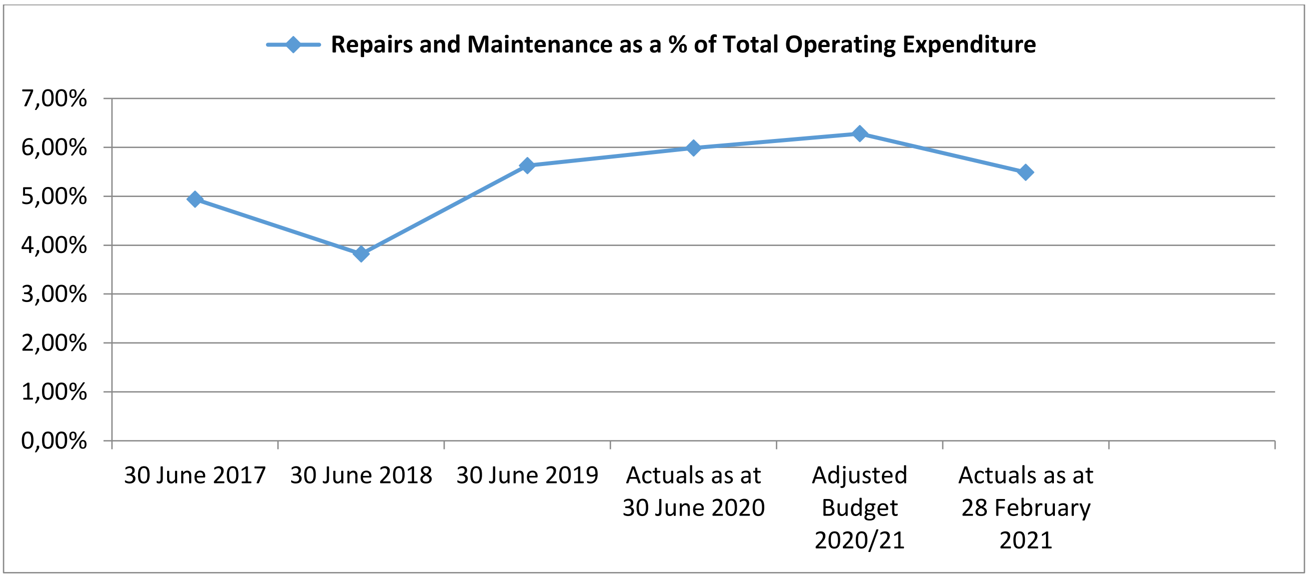
5.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 28 February 2021, the ratio was 5.49%, 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)

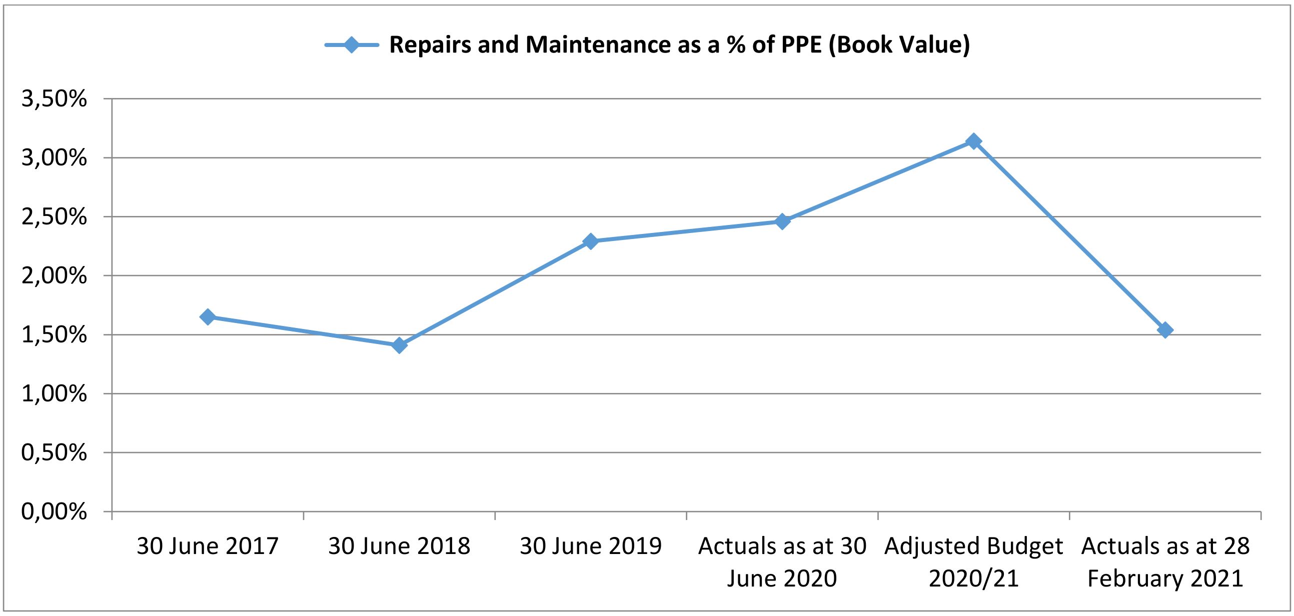
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 28 February 2021, repairs and maintenance expenditure constituted 1.54% 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%.



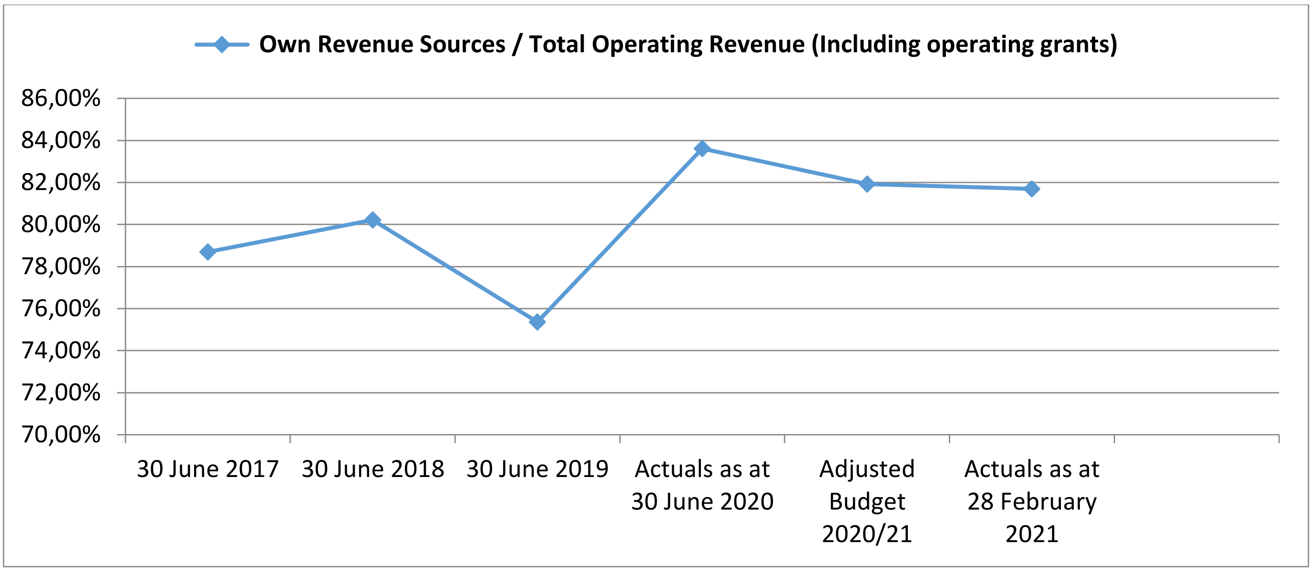
5.4.5. Own Revenue Generation

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 28 February 2021, the Municipality's own revenue sources constituted 81.69% 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 February 2021 amounted to 35.56% compared to the approved adjusted budget ratio of 95%.