

KOUGA MUNICIPALITY (EC108)
FINANCE PORTFOLIO COMMITTEE MEETING
FINANCE

DATE:

ITEM NO:

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MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF JULY 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JULY 2021 (2021/22 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 July 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 198,352 million, whilst operating expenditure amounted to R 73,610 million, resulting in an operating surplus of R 124,743 million.
- Capital expenditure constituted 0% of the 2021/22 Capital Budget.
- Overdue consumer debts increased by R 3,179 million (1.52%) since June 2021.

- An amount of R 53,123 million is owing to creditors, of which R 50,903 million (95.82%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 59,840,653 (112.13%) since June 2021, from R 53,367,196 to R 113,207,849.

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

	Balance as at 30 June 2021	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 July 2021
Standard Bank	11 424 167	-	32 019	-		11 456 186
ABSA	- 2 924 280	7 000 000	7 341	-	19 621	4 063 440
Nedbank	4 505 780	-	12 820	-		4 518 600
RMB	23 427 726	14 280 682	67 521	7 050 682		30 725 247
INVESTEC	4 055 992	-	11 885	-		4 067 877
Total	40 489 385	21 280 682	131 585	- 7 050 682	- 19 621	54 831 349
INVESTMENT	Balance as at 30 June 2021	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 July 2021
General Account	29 430 884	14 050 682	97 292	7 000 000	19 621	36 559 236
Conditional Grants	11 050 682	7 230 000	34 273	50 682	-	18 264 273
Housing Funds	7 819	-	21	-	-	7 840
Total	40 489 385	21 280 682	131 585	- 7 050 682	- 19 621	54 831 349
Bank	12 877 811	45 498 689				58 376 500
Total	53 367 196	66 779 371	131 585	- 7 050 682	- 19 621	113 207 849

The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 58,376,500
Short-term Investment Deposits	<u>R 54,831,349</u>
	<u>R113,207,849</u>

Application of Cash

Unspent Conditional Grants	13,074,103
Outstanding Creditors Liability	<u>53,122,630</u>
	<u>66,196,733</u>

Reserves in excess of commitments **47,011,116**

The cash backed reserves exceed the commitments at this stage by an amount of R 47,011,116. It should be noted that the excess of reserves over commitments as at 31 July 2021, is mainly due to an amount of R 59 906 million in respect of the Equitable share allocation received on 6 July 2021, but not yet fully spent.

These funds are already committed towards spending in the 2021/22 operating and capital budget.

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 30 June 2021	Actuals as at 31 July 2021	Approved Budget 2021/22
Current Ratio	1.58:1	1.31:1	1.32:1	2.61:1	2.35:1	0.9:1
Liquidity Ratio	0.75:1	0.84:1	0.85:1	0.45:1	1.22:1	0.2:1
Cost Coverage (Excluding unspent conditional grants)	1.73 Months	1.97 Months	2.02 Months	0.62 Months	1.3 Months	0.6 Months
Debtors Collection Rate	90.73%	97.62%	95.42%	94.41%	102.90%	93%
Capital Expenditure	72.92%	73.82%	75.33%	76.92%	0%	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 July 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. Grants receipts and Expenditure
- iv. Councillors & Employee benefits
- v. Key performance Indicators

5. Recommendation

5.1 That the Executive Mayor notes the Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.

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

Report Submitted by,



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Municipal Manager

6. Municipal Manager's Quality Certificate

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

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature.....

Date.....16 August 2021.....

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

Summary Statement of Financial Performance

Description	Budget Year 2021/22					
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
R thousands						
Total Revenue (excluding capital transfers and contributions)	965 400	965 400	198 352	198 352	80 450	117 902
Total Expenditure	1 074 449	1 074 449	73 610	73 610	88 176	(14 566)
Surplus/(Deficit)	(109 049)	(109 049)	124 743	124 743	(7 726)	132 469

the statement of financial performance reflects a surplus of R 124,743 million, the surplus is largely influenced by the annual property rates revenue raised in July 2021.

Revenue

Main revenue sources for 2021/22

Description	Budget Year 2021/22		
	Original Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	218 711	74 694	34.15%
Service charges - electricity revenue	334 173	32 920	9.85%
Service charges - water revenue	89 581	13 530	15.10%
Service charges - sanitation revenue	58 635	5 939	10.13%
Service charges - refuse revenue	55 744	6 191	11.11%
Rental of facilities and equipment	1 169	76	6.52%
Interest earned - external investments	5 780	217	3.76%
Interest earned - outstanding debtors	10 674	931	8.73%
Fines, penalties and forfeits	2 238	74	3.30%
Licences and permits	25 746	2 881	11.19%
Transfers and subsidies	152 602	60 090	39.38%
Other revenue	10 348	808	7.81%
Total Revenue (excluding capital transfers and contributions)	965 400	198 352	20.55%

Reasons for major over-/under-recovery per revenue source

- **Property Rates**

As at 31 July 2021, the Municipality has recognised 34.15% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2021.

- **Interest earned - external investments**

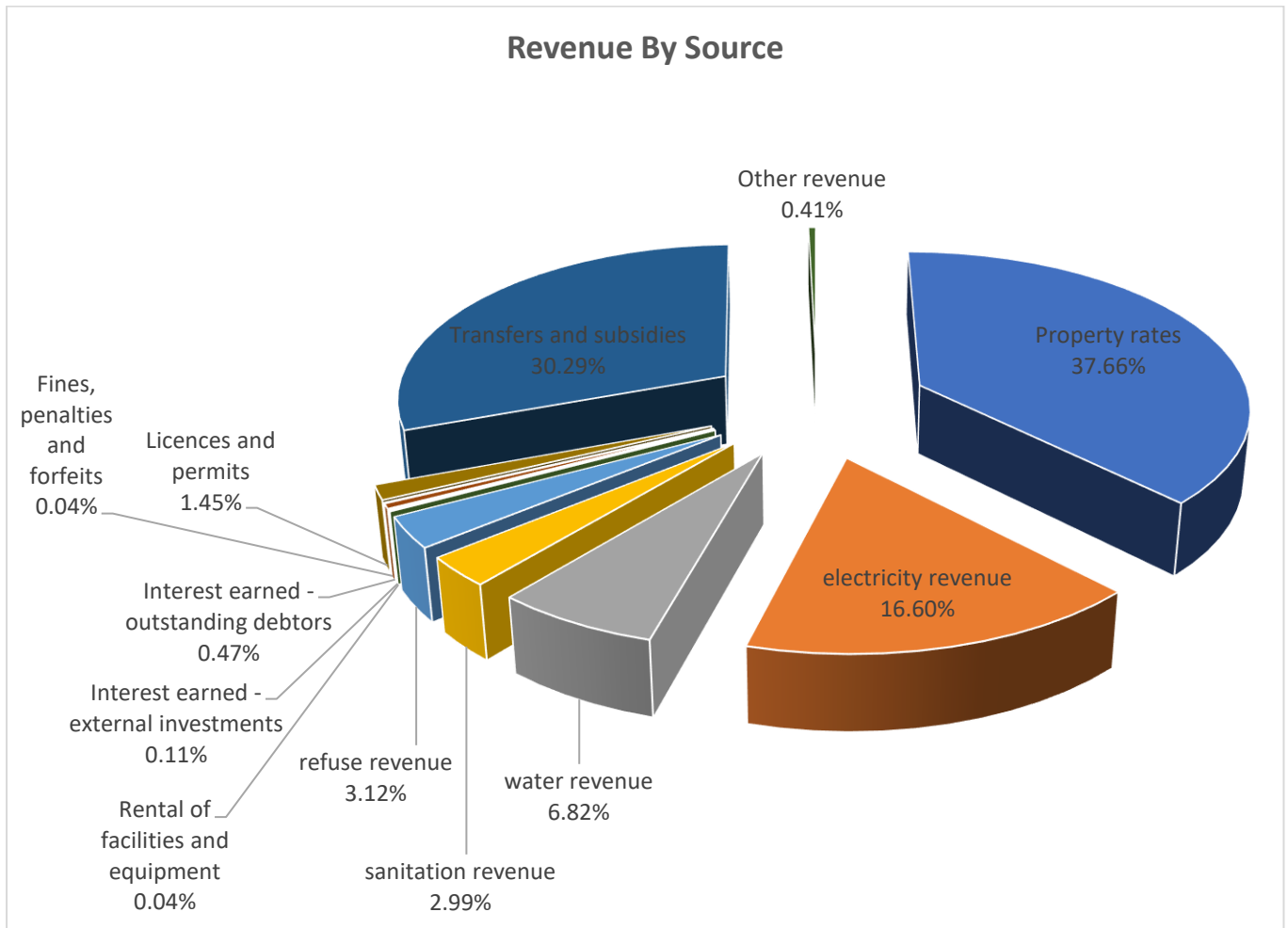
Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 113,208 million.

- **Fines, penalties and forfeits**

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

- **Transfers and subsidies**

Transfers and subsidies are largely influenced by the Equitable share allocation received on 6 July 2021 amounting to R 59,906 million.



Expenditure

Main expenditure types for 2021/22

Description	Budget Year 2021/22		
	Original Budget	YearTD actual	%
R thousands			
Expenditure By Type			
Employee related costs	378 677	24 373	6.44%
Remuneration of councillors	13 651	1 119	8.20%
Debt impairment	53 726	–	0.00%
Depreciation & asset impairment	91 830	4 012	4.37%
Finance charges	716	56	7.87%
Bulk purchases - electricity	290 000	33 252	11.47%
Inventory consumed	66 261	1 799	2.72%
Contracted services	78 598	2 835	3.61%
Transfers and subsidies	650	–	0.00%
Other expenditure	100 339	6 163	6.14%
Total Expenditure	1 074 449	73 610	6.85%

Reasons for major over-/under expenditure per type

- **Bad Debts**

Bad debts are written off upon Council approval.

- **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.

- **Bulk purchases (Electricity)**

Description	Budget Year 2021/22		
	Origin Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	290 000 000	33 251 988	11.47%
	290 000 000	33 251 988	11.47%

- **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:

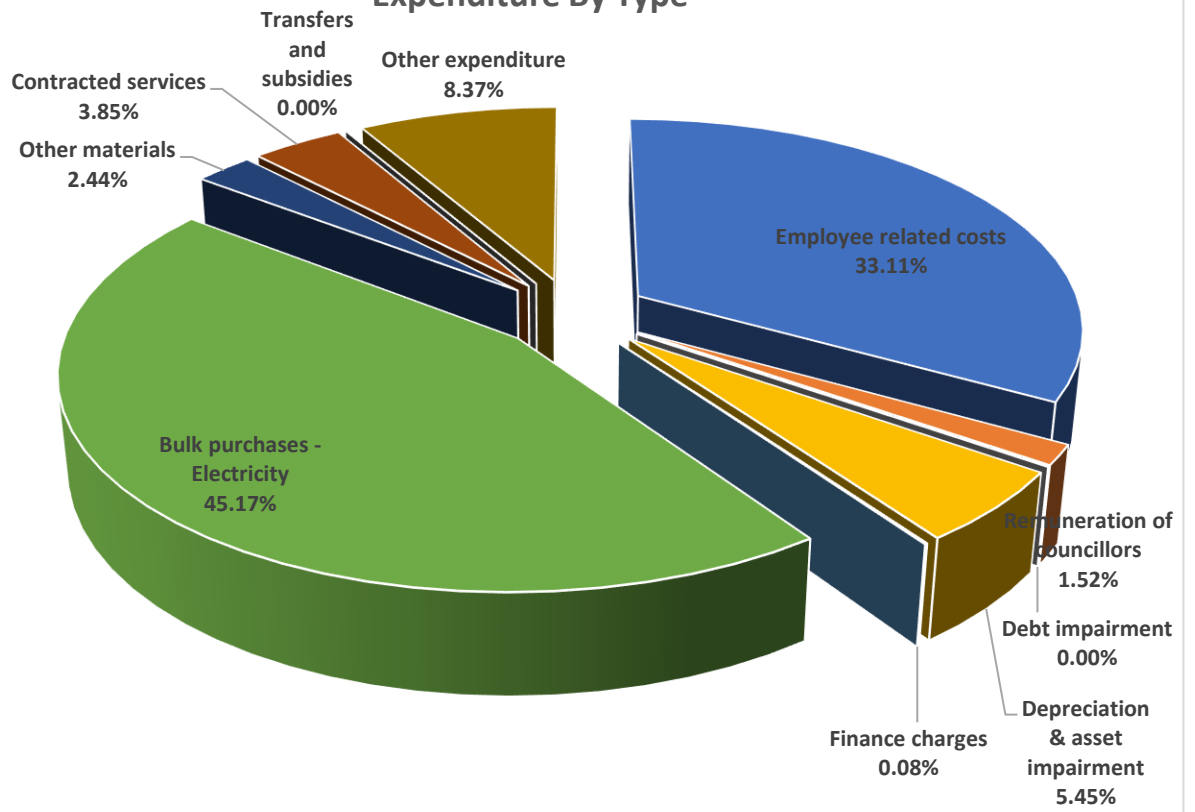
Item Description	Adjusted Budget 2021/22	Actuals as at 31 July 2021	%
Animal Care	476 575	-	0.00%
Burial Services	180 000	-	0.00%
Call Centre	250 000	-	0.00%
Catering Services	539 500	1 106	0.20%
Clearing and Grass Cutting Services	1 300 000	-	0.00%
Consultants and Professional Services	11 459 451	-	0.00%
Drivers Licence Cards	600 000	-	0.00%
Dune Stabilisation	3 300 000	-	0.00%
Employee Wellness	410 000	13 306	3.25%
Internal Auditors	400 000	-	0.00%
Laboratory Services:Water	625 000	-	0.00%
Legal Advice and Litigation	2 230 000	-	0.00%
Legal Cost:Collection	1 000 000	-	0.00%
Litter Picking and Street Cleaning	1 500 000	-	0.00%
Maintenance of Buildings and Facilities	6 585 000	3 354	0.05%
Maintenance of Electrical Infrastructure	2 526 839	16 357	0.65%
Maintenance of Equipment	841 450	3 475	0.41%
Maintenance of Sanitation Infrastructure	1 265 000	25 113	1.99%
Maintenance of Vehicles	7 918 373	370 815	4.68%
Maintenance of Water Infrastructure	1 420 000	102 337	7.21%
Medical Health Services & Support	1 000 000	34 739	3.47%
Occupational Health and Safety	71 000	-	0.00%
Other Contracted Services	2 315 000	-	0.00%
Personnel and Labour	6 665 870	-	0.00%
Professional Staff	307 000	-	0.00%
Qualification Verification	600 000	101 100	16.85%
Roads Maintenance	10 000 000	1 668 506	16.69%
Security Services	3 000 000	58 392	1.95%
Special Rating Area	7 500 000	436 317	5.82%
Transport Services	562 250	-	0.00%
Valuer	1 750 000	-	0.00%
Total	78 598 308	2 834 917	3.61%

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 31 July 2021	%
Accommodation	889 797	-	0.00%
Achievements and Awards	1 700 000	1 990	0.12%
Advertising, Publicity and Marketing	2 435 000	-	0.00%
Air Transport	373 609	-	0.00%
Bank Charges	700 000	28 319	4.05%
Bargaining Council	3 200 000	-	0.00%
Cellular Contract (Subscription and Calls)	1 735 364	75 295	4.34%
Claims paid to Third Parties	300 000	-	0.00%
External Audit Fees	4 500 000	-	0.00%
External Computer Service:Internet Charge	4 464 541	357 022	8.00%
Gifts and Promotional Items	135 000	-	0.00%
Hire Charges	20 959 100	755 674	3.61%
Insurance Claims	3 180 000	-	0.00%
Insurance Underwriting:Premiums	3 087 456	-	0.00%
Leases:Furniture and Office Equipment	3 599 992	224 036	6.22%
Leases:Machinery and Equipment	60 000	-	0.00%
Leases:Other Assets	3 963 740	344 138	8.68%
Motor Vehicle Licence and Registrations	1 046 294	13 263	1.27%
Municipal Services	11 938 606	2 292 437	19.20%
Non-employees	575 926	23 560	4.09%
Other	1 334 281	212 627	15.94%
Own Transport	888 083	12 538	1.41%
Postage/Stamps/Frinking Machines	1 462 500	173 913	11.89%
Printing, Publications and Books	1 408 000	29 578	2.10%
Registration Fees:Professional and Regulatory Bodies	1 078 140	-	0.00%
Registration Fees:Seminars, Conferences, Workshops	1 969 210	69 802	3.54%
Remuneration to Ward Committees	2 137 200	300 394	14.06%
Riparian Levies	3 280 241	504 480	15.38%
Signage	633 257	-	0.00%
Skills Development Fund Levy	3 861 814	237 883	6.16%
Software Licences	4 174 684	13 679	0.33%
Storage of Files (Archiving)	550 000	-	0.00%
Supplier Development Programme	100 000	-	0.00%
Tenders	715 000	-	0.00%
Third Party Vendors	1 490 102	77 162	5.18%
Uniform and Protective Clothing	4 121 886	221 519	5.37%
Vehicle Tracking	625 715	59 625	9.53%
Workmen"s Compensation Fund	1 664 930	134 287	8.07%
Total	100 339 468	6 163 219	6.14%

Expenditure By Type



Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2021/22 Original Budget.

Item Description	Budget Year 2021/22		
	Adjusted Budget	Actuals as at 31 July 2021	%
Maintenance of Equipment	922 381	12 781	1.39%
Maintenance of Vehicles	9 511 582	539 908	5.68%
Maintenance of Buildings and Facilities	7 701 360	3 354	0.04%
Maintenance of Water Infrastructure	4 426 000	193 654	4.38%
Roads Maintenance	11 600 000	1 676 347	14.45%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	343 559	-	0.00%
Maintenance of Electrical Infrastructure	7 051 839	334 296	4.74%
Maintenance of Sanitation Infrastructure	2 434 600	154 330	6.34%
Hire Charges	4 425 000	360 249	8.14%
Other Contracted Services	340 000	-	0.00%
Total	48 816 321	3 274 919	6.71%

It is to be noted that actual repairs and maintenance expenditure constituted 6.71% of the 2021/22 Approved Budget.

Annexure "A2"

CAPITAL BUDET PERFORMANCE

Summary Capital Expenditure and Funding

Vote Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Funded by:								
National Government	34 385	34 385	-	-	2 865	(2 865)	-100%	34 385
Provincial Government	-	-	-	-	-	-		-
District Municipality	1 600	1 600	-	-	133	(133)	-100%	1 600
Other transfers and grants	-	-	-	-	-	-		-
Transfers recognised - capital	35 985	35 985	-	-	2 999	(2 999)	-100%	35 985
Public contributions & donations	-	-	-	-	-	-		-
Borrowing	-	-	-	-	-	-		-
Internally generated funds	25 028	25 028	-	-	2 086	(2 086)	-100%	25 028
Total Capital Funding	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013

Currently, no capital expenditure as at 31 July 2021.

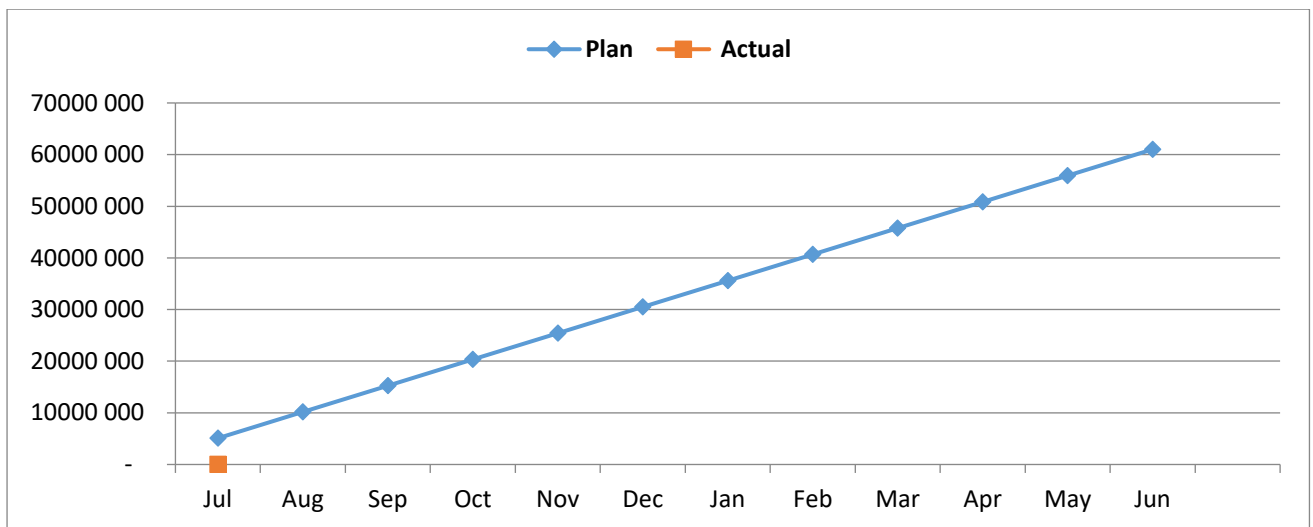
Capital budget by municipal vote for 2021/22

Vote Description	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
Multi-Year expenditure appropriation								
Vote 1 - EXECUTIVE COUNCIL	2 740	2 740	-	-	228	(228)	-100%	2 740
Vote 2 - FINANCIAL SERVICES	2 460	2 460	-	-	205	(205)	-100%	2 460
Vote 3 - CORPORATE SERVICES	1 923	1 923	-	-	160	(160)	-100%	1 923
Vote 4 - COMMUNITY SERVICES	7 490	7 490	-	-	624	(624)	-100%	7 490
Vote 5 - INFRASTRUCTURE AND ENGINEERING	45 230	45 230	-	-	3 769	(3 769)	-100%	45 230
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	1 170	1 170	-	-	98	(98)	-100%	1 170
Total Capital Multi-year expenditure	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013

Currently, no capital expenditure as at 31 July 2021.

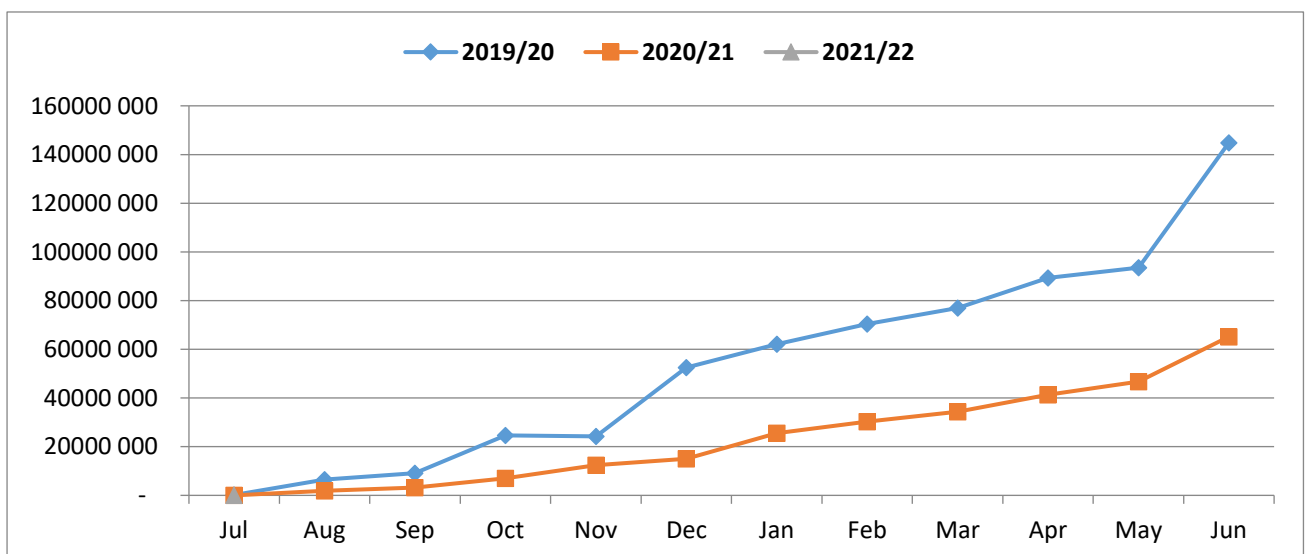
Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2021/22 current budget.



Capital expenditure trend over the current- and past two years

The graph below shows the municipality's capital expenditure trend for 2019/20, 2020/21 and 2021/22.



Status of capital programmes/projects in the Municipality.

DEPARTMENT	FUNDING	PROJECTS	Approved Budget 2021/22	YTD Planned Spend	YTD Actuals	YTD Variance
ASSET MANAGEMENT	Internal	Single Cap Bakkie for stock verification	300 000			
SCM	Internal	Machinery and Equipment	250 000			
ASSET MANAGEMENT	Internal	Office Equipment	7 000			
ASSET MANAGEMENT	Internal	Office Equipment	12 000			
REVENUE	Internal	2 Single Cab Bakkie	600 000			
EXPENDITURE	Internal	Big eye-line printer	200 000			
Planning & Development	Internal	Computer Software and Applications	220 000			
Corporate Services	Internal	Computer Software and Applications	237 000			
FIRE SERVICES	Distr	Fire Vehicle	1 600 000			
Electricity	Internal	Saffery Substation	1 000 000			
PARKS AND OPEN SPACES	Internal	5X Trailers	200 000			
Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay	350 000			
Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	310 000			
Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	700 000			
Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	205 000			
Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jbay	1 430 000			
Sewerage	Internal	Fencing Kruisfontein Waste Water Treatment Plant	1 500 000			
Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	600 000			
Sewerage	Internal	Piped Reticulation - St Francis Bay	500 000			
MAYOR	Internal	Vehicle	500 000			
Envornmental Management Fee	Internal	Kouga Skip Bins	200 000			
Water	Internal	Machinery & Equipment	180 000			
Protection Services	Internal	Machinery and Equipment (Security Cameras System)	1 200 000			
METERING & REVENUE	Internal	Bulk 66kv Overhead lines	1 400 000			

DEPARTMENT	FUNDING	PROJECTS	Approved Budget 2021/22	YTD Planned Spend	YTD Actuals	YTD Variance
METERING & REVENUE	Internal	High Mast Lights	600 000			
Sewerage	MIG	Upgrade Sanitation System Old Hankey	9 230 435			
METERING & REVENUE	INEP	Ocean View Electrification	6 782 609			
WATER	Internal	Fencing Sea Vista Reservoir	500 000			
Sewerage	Internal	Upgrade Loerie sewer pump station	850 000			
LAW ENFORCEMENT	Internal	Machinery and Equipment (Generator)	230 000			
Parks & Open Space	Internal	Machinery and Equipment	80 000			
LAW ENFORCEMENT	Internal	Machinery and Equipment (Radio communication) -	150 000			
Public Works	MIG	Upgrading of Gravel Roads in Humansdorp	14 234 651			
ROADS AND STORMWATER	Internal	Walk Behind Persestrian Roller	200 000			
LAW ENFORCEMENT	Internal	Roads Marking Machinery and Equipment	150 000			
Planning & Development	Internal	Furniture and equipment	300 000			
Sport & Recreation	Internal	Furniture and Equipment	200 000			
LAW ENFORCEMENT	Internal	Playdetactor (Machinery and Equipment)	200 000			
LAW ENFORCEMENT	Internal	Machinery and Equipment (Quardbike)	150 000			
Economic Development: Tourism	Internal	Restoration of Fisherman Grave Site	50 000			
Fire Services	Internal	Fencing Humansdorp Fire Station	600 000			
MAYOR	Internal	Furniture and Equipment - Municipal Court	100 000			
LAW ENFORCEMENT	Internal	Furniture and Equipment - Operations room	180 000			
SPORT & RECREATION	Internal	Fencing Sport and Recreational Facilities	1 500 000			
Corporate Services	Internal	Fencing of municipal building	605 883			
ADMINISTRATION SERVICES	Internal	Bio-metric System	800 000			
Finance: IT	Internal	Furniture and Equipment	141 005			
Council	Internal	Furniture and Equipment	100 000			
Corporate Services	Internal	Furniture and Equipment	150 000			

DEPARTMENT	FUNDING	PROJECTS	Approved Budget 2021/22	YTD Planned Spend	YTD Actuals	YTD Variance
Finance: IT	Internal	Cibex Software	600 000			
Council	Internal	Computer Equipment	120 000			
Corporate Services	Internal	Computer Equipment	100 000			
Finance: IT	Internal	WIFI Solution	100 000			
MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices	150 000			
MAYORAL COMMITTEE	Internal	Computer Equipment	130 000			
Beach	Internal	Upgrading of Pellsrus, Kabeljous, Cape St Francis	100 000			
LAND & PROPERTY ADMINISTRATIO	Internal	Furniture and equipment	200 000			
ADMINISTRATION SERVICES	Internal	Furniture and Equipment	30 000			
Finance: IT	Internal	Network Upgrade	250 000			
LAND & PROPERTY ADMINISTRATIO	Internal	Computer Equipment	100 000			
Mig Administration Unit	MIG	Upgrading of Sports Facilities	4 136 957			
MAYOR	Internal	Electronic and Computer Equipment	200 000			
SEWERAGE	Internal	Construct emergency overflow pond Koraal Sewer	520 000			
MUNICIPAL MANAGER	Internal	Computer Equipment	120 000			
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	80 000			
MAYOR	Internal	PA system/Data projector/Screens/Sound	70 000			
ENVIRONMENTAL MANAGEMENT	Internal	Machinery and Equipment	100 000			
LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre	300 000			
CEMETERIES	Internal	Ablution Facilities New	570 000			
WARD COUNCILLORS	Internal	Ward councilors Capital project	750 000			
WARD COUNCILLORS	Internal	Computer Equipment	500 000			

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2021/22 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 July 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 – M01 July 2021

Description	Ref	2020/21	Budget Year 2021/22							
		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		(545 688)	203 401	203 401	15 765	15 765	16 950	(1 185)	-7%	203 401
Service charges		(70 769)	500 464	500 464	50 549	50 549	41 705	8 844	21%	500 464
Other revenue		(33 622)	39 500	39 500	3 839	2 676	3 292	(616)	-19%	39 500
Government - operating		(152 544)	152 602	152 602	59 906	59 906	12 717	47 189	371%	152 602
Government - capital		(2 151)	40 256	40 256	7 230	7 230	3 355	3 875	116%	40 256
Interest		(779 456)	15 706	15 706	1 163	1 163	1 309	(146)	-11%	15 706
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(72 267)	(927 527)	(927 527)	(76 599)	(76 599)	(77 294)	(695)	1%	(927 527)
Finance charges		-	(716)	(716)	(56)	(56)	(60)	(3)	6%	(716)
Transfers and Grants		751	(650)	(650)	-	-	(54)	(54)	100%	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 655 745)	23 037	23 037	61 797	60 634	1 920	(58 715)	-3058%	23 037
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(61 013)	(61 013)	-	-	(5 084)	(5 084)	100%	(61 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(61 013)	(61 013)	-	-	(5 084)	(5 084)	100%	(61 013)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	(6 747)	(6 747)	(794)	(794)	(562)	231	-41%	(6 747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(6 747)	(6 747)	(794)	(794)	(562)	231	-41%	(6 747)
NET INCREASE/ (DECREASE) IN CASH HELD		(1 655 745)	(44 723)	(44 723)	61 004	59 841	(3 727)			(44 723)
Cash/cash equivalents at beginning:		141 033	90 062	90 062		53 367	90 062			53 367
Cash/cash equivalents at month/year end:		(1 514 712)	45 339	45 339		113 208	86 335			8 645

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 2021/22 budget performance for the period of July 2021 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M01 July 2021

Description	2020/21	Budget Year 2021/22							
	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	210 205	218 711	218 711	74 694	74 694	18 226	56 468	310%	218 711
Service charges	492 658	538 133	538 133	58 580	58 580	44 844	13 736	31%	538 133
Investment revenue	4 719	5 780	5 780	217	217	482	(265)	-55%	5 780
Transfers and subsidies	166 518	152 602	152 602	60 090	60 090	12 717	47 373	373%	152 602
Other own revenue	38 055	50 174	50 174	4 770	4 770	4 181	589	14%	50 174
Total Revenue (excluding capital transfers and contributions)	912 155	965 400	965 400	198 352	198 352	80 450	117 902	147%	965 400
Employee costs	314 353	378 677	378 677	24 373	24 373	30 195	(5 822)	-19%	378 677
Remuneration of Councillors	13 806	13 651	13 651	1 119	1 119	1 138	(19)	-2%	13 651
Depreciation & asset impairment	67 399	91 830	91 830	4 012	4 012	7 653	(3 641)	-48%	91 830
Finance charges	1 240	716	716	56	56	60	(3)	-6%	716
Materials and bulk purchases	280 647	356 261	356 261	35 051	35 051	29 688	5 363	18%	356 261
Transfers and subsidies	761	650	650	-	-	54	(54)	-100%	650
Other expenditure	260 112	232 664	232 664	8 998	8 998	19 388	(10 390)	-54%	232 664
Total Expenditure	938 318	1 074 449	1 074 449	73 610	73 610	88 176	(14 566)	-17%	1 074 449
Surplus/(Deficit)	(26 163)	(109 049)	(109 049)	124 743	124 743	(7 726)	132 469	-1715%	(109 049)
Transfers and subsidies - capital (monetary allocation)	46 371	40 256	40 256	-	-	3 355	(3 355)	-100%	40 256
Contributions & Contributed assets	-	0	0	-	-	-	-	-	0
Surplus/(Deficit) after capital transfers & contributions	20 208	(68 793)	(68 793)	124 743	124 743	(4 371)	129 114	-2954%	(68 793)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	20 208	(68 793)	(68 793)	124 743	124 743	(4 371)	129 114	-2954%	(68 793)
Capital expenditure & funds sources									
Capital expenditure	56 327	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013
Capital transfers recognised	42 326	35 985	35 985	-	-	2 999	(2 999)	-100%	35 985
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15 737	25 028	25 028	-	-	2 086	(2 086)	-100%	25 028
Total sources of capital funds	58 063	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013
Financial position									
Total current assets	274 289	170 054	170 054	-	218 567	-	-	-	170 054
Total non current assets	2 304 019	2 287 917	2 287 917	-	2 369 317	-	-	-	2 287 917
Total current liabilities	194 952	182 327	182 327	-	120 459	-	-	-	182 327
Total non current liabilities	153 981	163 445	163 445	-	158 572	-	-	-	163 445
Community wealth/Equity	2 229 375	2 112 199	2 112 199	-	2 308 852	-	-	-	2 112 199
Cash flows									
Net cash from (used) operating	(1 655 745)	23 037	23 037	61 797	60 634	1 920	(58 715)	-3058%	23 037
Net cash from (used) investing	-	(61 013)	(61 013)	-	-	(5 084)	(5 084)	100%	(61 013)
Net cash from (used) financing	-	(6 747)	(6 747)	(794)	(794)	(562)	231	-41%	(6 747)
Cash/cash equivalents at the month/year end	(1 514 712)	45 339	45 339	-	113 208	86 335	(26 873)	-31%	8 645
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	107 665	7 904	6 754	5 855	5 491	5 180	34 052	147 518	320 419
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Explanatory notes to Table C 1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M01 July 2021

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		325 847	334 164	334 164	135 136	135 136	27 847	107 289	385%	334 164
Executive and council		926	29	29	-	-	2	(2)	-100%	29
Finance and administration		324 921	334 135	334 135	135 136	135 136	27 845	107 292	385%	334 135
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		11 683	11 799	11 799	1 403	1 403	983	419	43%	11 799
Community and social services		2 160	2 516	2 516	27	27	210	(183)	-87%	2 516
Sport and recreation		5 485	6 302	6 302	1 370	1 370	525	845	161%	6 302
Public safety		1 332	735	735	2	2	61	(59)	-97%	735
Housing		-	-	-	-	-	-	-	-	-
Health		2 706	2 246	2 246	4	4	187	(183)	-98%	2 246
<i>Economic and environmental services</i>		25 730	27 734	27 734	2 102	2 102	2 311	(210)	-9%	27 734
Planning and development		7 676	6 870	6 870	565	565	572	(8)	-1%	6 870
Road transport		16 888	19 419	19 419	1 287	1 287	1 618	(331)	-20%	19 419
Environmental protection		1 167	1 446	1 446	250	250	120	130	108%	1 446
<i>Trading services</i>		595 266	631 958	631 958	59 712	59 712	52 663	7 049	13%	631 958
Energy sources		308 992	349 113	349 113	32 996	32 996	29 093	3 903	13%	349 113
Water management		112 139	109 904	109 904	13 852	13 852	9 159	4 693	51%	109 904
Waste water management		99 704	99 787	99 787	6 093	6 093	8 316	(2 223)	-27%	99 787
Waste management		74 430	73 154	73 154	6 771	6 771	6 096	675	11%	73 154
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	958 525	1 005 656	1 005 656	198 352	198 352	83 805	114 548	137%	1 005 656
Expenditure - Functional										
<i>Governance and administration</i>		195 224	243 963	243 963	12 285	12 285	19 877	(7 592)	-38%	243 963
Executive and council		50 297	50 592	50 592	2 818	2 818	4 178	(1 360)	-33%	50 592
Finance and administration		144 924	193 351	193 351	9 467	9 467	15 697	(6 230)	-40%	193 351
Internal audit		2	20	20	-	-	2	(2)	-100%	20
<i>Community and public safety</i>		95 693	107 514	107 514	6 298	6 298	8 632	(2 334)	-27%	107 514
Community and social services		9 618	11 186	11 186	630	630	896	(266)	-30%	11 186
Sport and recreation		49 116	54 230	54 230	3 071	3 071	4 364	(1 293)	-30%	54 230
Public safety		25 140	29 328	29 328	1 800	1 800	2 350	(550)	-23%	29 328
Housing		6 214	5 884	5 884	384	384	470	(86)	-18%	5 884
Health		5 604	6 886	6 886	413	413	552	(139)	-25%	6 886
<i>Economic and environmental services</i>		136 879	157 693	157 693	6 525	6 525	12 932	(6 407)	-50%	157 693
Planning and development		30 373	45 303	45 303	2 342	2 342	3 618	(1 276)	-35%	45 303
Road transport		101 472	109 560	109 560	4 042	4 042	9 081	(5 038)	-55%	109 560
Environmental protection		5 035	2 830	2 830	140	140	233	(93)	-40%	2 830
<i>Trading services</i>		509 396	561 444	561 444	48 502	48 502	46 416	2 086	4%	561 444
Energy sources		310 446	354 858	354 858	36 776	36 776	29 513	7 263	25%	354 858
Water management		61 285	86 287	86 287	3 511	3 511	7 106	(3 595)	-51%	86 287
Waste water management		72 488	59 888	59 888	5 021	5 021	4 913	108	2%	59 888
Waste management		65 177	60 412	60 412	3 194	3 194	4 884	(1 690)	-35%	60 412
<i>Other</i>		1 125	3 834	3 834	-	-	319	(319)	-100%	3 834
Total Expenditure - Functional	3	938 318	1 074 449	1 074 449	73 610	73 610	88 176	(14 566)	-17%	1 074 449
Surplus/ (Deficit) for the year		20 208	(68 793)	(68 793)	124 743	124 743	(4 371)	129 114	-2954%	(68 793)

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 – M01 July 2021

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	867	-	-	-	-	-	-	-	-
Vote 2 - FINANCIAL SERVICES		323 660	332 484	332 484	135 071	135 071	27 707	107 364	387.5%	332 484
Vote 3 - CORPORATE SERVICES		565	319	319	-	-	27	(27)	-100.0%	319
Vote 4 - COMMUNITY SERVICES		103 868	105 755	105 755	9 776	9 776	8 813	963	10.9%	105 755
Vote 5 - INFRASTRUCTURE AND ENGINEERING		524 958	563 015	563 015	53 103	53 103	46 918	6 185	13.2%	563 015
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		4 608	4 082	4 082	402	402	340	62	18.2%	4 082
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	958 525	1 005 656	1 005 656	198 352	198 352	83 805	114 548	136.7%	1 005 656
Expenditure by Vote										
Vote 1 - EXECUTIVE COUNCIL	1	51 238	52 647	52 647	2 778	2 778	4 334	(1 556)	-35.9%	52 647
Vote 2 - FINANCIAL SERVICES		68 103	107 877	107 877	4 832	4 832	8 771	(3 939)	-44.9%	107 877
Vote 3 - CORPORATE SERVICES		38 893	45 011	45 011	2 607	2 607	3 651	(1 045)	-28.6%	45 011
Vote 4 - COMMUNITY SERVICES		205 216	213 660	213 660	12 099	12 099	17 205	(5 105)	-29.7%	213 660
Vote 5 - INFRASTRUCTURE AND ENGINEERING		552 795	621 597	621 597	49 898	49 898	51 510	(1 612)	-3.1%	621 597
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		22 073	33 658	33 658	1 396	1 396	2 705	(1 309)	-48.4%	33 658
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	938 318	1 074 449	1 074 449	73 610	73 610	88 176	(14 566)	-16.5%	1 074 449
Surplus/ (Deficit) for the year	2	20 208	(68 793)	(68 793)	124 743	124 743	(4 371)	129 114	-2953.6%	(68 793)

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) – M01 July 2021

Description	Ref	2020/21	Budget Year 2021/22							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		210 205	218 711	218 711	74 694	74 694	18 226	56 468	310%	218 711
Service charges - electricity revenue		297 725	334 173	334 173	32 920	32 920	27 848	5 072	18%	334 173
Service charges - water revenue		84 639	89 581	89 581	13 530	13 530	7 465	6 065	81%	89 581
Service charges - sanitation revenue		55 546	58 635	58 635	5 939	5 939	4 886	1 053	22%	58 635
Service charges - refuse revenue		54 748	55 744	55 744	6 191	6 191	4 645	1 546	33%	55 744
Rental of facilities and equipment		2 412	1 169	1 169	76	76	97	(21)	-22%	1 169
Interest earned - external investments		4 719	5 780	5 780	217	217	482	(265)	-55%	5 780
Interest earned - outstanding debtors		9 982	10 674	10 674	931	931	889	42	5%	10 674
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		996	2 238	2 238	74	74	186	(113)	-60%	2 238
Licences and permits		21 254	25 746	25 746	2 881	2 881	2 145	735	34%	25 746
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		166 518	152 602	152 602	60 090	60 090	12 717	47 373	373%	152 602
Other revenue		3 411	10 348	10 348	808	808	862	(54)	-6%	10 348
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		912 155	965 400	965 400	198 352	198 352	80 450	117 902	147%	965 400
Expenditure By Type										
Employee related costs		314 353	378 677	378 677	24 373	24 373	30 195	(5 822)	-19%	378 677
Remuneration of councillors		13 806	13 651	13 651	1 119	1 119	1 138	(19)	-2%	13 651
Debt impairment		46 175	53 726	53 726	-	-	4 477	(4 477)	-100%	53 726
Depreciation & asset impairment		67 399	91 830	91 830	4 012	4 012	7 653	(3 641)	-48%	91 830
Finance charges		1 240	716	716	56	56	60	(3)	-6%	716
Bulk purchases - electricity		252 872	290 000	290 000	33 252	33 252	24 167	9 085	38%	290 000
Inventory consumed		27 775	66 261	66 261	1 799	1 799	5 522	(3 722)	-67%	66 261
Contracted services		97 764	78 598	78 598	2 835	2 835	6 550	(3 715)	-57%	78 598
Transfers and subsidies		761	650	650	-	-	54	(54)	-100%	650
Other expenditure		116 173	100 339	100 339	6 163	6 163	8 361	(2 198)	-26%	100 339
Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		938 318	1 074 449	1 074 449	73 610	73 610	88 176	(14 566)	-17%	1 074 449
Surplus/(Deficit)		(26 163)	(109 049)	(109 049)	124 743	124 743	(7 726)	132 469	(0)	(109 049)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		46 371	40 256	40 256	-	-	3 355	(3 355)	(0)	40 256
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	0	0	-	-	-	-	-	0
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		20 208	(68 793)	(68 793)	124 743	124 743	(4 371)			(68 793)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		20 208	(68 793)	(68 793)	124 743	124 743	(4 371)			(68 793)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		20 208	(68 793)	(68 793)	124 743	124 743	(4 371)			(68 793)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		20 208	(68 793)	(68 793)	124 743	124 743	(4 371)			(68 793)

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) – M01 July 2021

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		226	1 990	1 990	-	-	166	(166)	-100%	1 990
Vote 2 - FINANCIAL SERVICES		662	2 210	2 210	-	-	184	(184)	-100%	2 210
Vote 3 - CORPORATE SERVICES		1 875	1 923	1 923	-	-	160	(160)	-100%	1 923
Vote 4 - COMMUNITY SERVICES		6 146	6 110	6 110	-	-	509	(509)	-100%	6 110
Vote 5 - INFRASTRUCTURE AND ENGINEERING		38 796	45 230	45 230	-	-	3 769	(3 769)	-100%	45 230
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		345	670	670	-	-	56	(56)	-100%	670
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	48 049	58 133	58 133	-	-	4 844	(4 844)	-100%	58 133
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		133	750	750	-	-	63	(63)	-100%	750
Vote 2 - FINANCIAL SERVICES		4	250	250	-	-	21	(21)	-100%	250
Vote 3 - CORPORATE SERVICES		(1 589)	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES		1 191	1 380	1 380	-	-	115	(115)	-100%	1 380
Vote 5 - INFRASTRUCTURE AND ENGINEERING		8 261	-	-	-	-	-	-	-	-
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		278	500	500	-	-	42	(42)	-100%	500
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	8 278	2 880	2 880	-	-	240	(240)	-100%	2 880
Total Capital Expenditure	3	56 327	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013
Capital Expenditure - Functional Classification										
Governance and administration		1 674	8 963	8 963	-	-	747	(747)	-100%	8 963
Executive and council		359	2 240	2 240	-	-	187	(187)	-100%	2 240
Finance and administration		1 316	6 723	6 723	-	-	560	(560)	-100%	6 723
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		15 377	8 987	8 987	-	-	749	(749)	-100%	8 987
Community and social services		-	570	570	-	-	48	(48)	-100%	570
Sport and recreation		9 314	6 217	6 217	-	-	518	(518)	-100%	6 217
Public safety		5 820	2 200	2 200	-	-	183	(183)	-100%	2 200
Housing		340	-	-	-	-	-	-	-	-
Health		(96)	-	-	-	-	-	-	-	-
Economic and environmental services		1 077	15 555	15 555	-	-	1 296	(1 296)	-100%	15 555
Planning and development		756	1 120	1 120	-	-	93	(93)	-100%	1 120
Road transport		321	14 435	14 435	-	-	1 203	(1 203)	-100%	14 435
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		38 198	27 458	27 458	-	-	2 288	(2 288)	-100%	27 458
Energy sources		11 698	9 783	9 783	-	-	815	(815)	-100%	9 783
Water management		6 530	2 245	2 245	-	-	187	(187)	-100%	2 245
Waste water management		19 861	14 630	14 630	-	-	1 219	(1 219)	-100%	14 630
Waste management		108	800	800	-	-	67	(67)	-100%	800
Other		-	50	50	-	-	4	(4)	-100%	50
Total Capital Expenditure - Functional Classification	3	56 327	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013
Funded by:										
National Government		37 208	34 385	34 385	-	-	2 865	(2 865)	-100%	34 385
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		5 118	1 600	1 600	-	-	133	(133)	-100%	1 600
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		42 326	35 985	35 985	-	-	2 999	(2 999)	-100%	35 985
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		15 737	25 028	25 028	-	-	2 086	(2 086)	-100%	25 028
Total Capital Funding		58 063	61 013	61 013	-	-	5 084	(5 084)	-100%	61 013

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 – M01 July 2021

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		7 647	12 224	12 224	58 377	12 224
Call investment deposits		40 489	33 116	33 116	54 831	33 116
Consumer debtors		54 816	67 296	67 296	59 019	67 296
Other debtors		113 255	48 618	48 618	43 823	48 618
Current portion of long-term receivables		3	3	3	–	3
Inventory		58 078	8 798	8 798	2 517	8 798
Total current assets		274 289	170 054	170 054	218 567	170 054
Non current assets						
Long-term receivables		10	13	13	10	13
Investments		–	–	–	–	–
Investment property		242 552	242 552	242 552	242 552	242 552
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2 060 108	2 042 419	2 042 419	2 125 098	2 042 419
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		1 348	2 934	2 934	1 657	2 934
Other non-current assets		–	–	–	–	–
Total non current assets		2 304 019	2 287 917	2 287 917	2 369 317	2 287 917
TOTAL ASSETS		2 578 307	2 457 971	2 457 971	2 587 884	2 457 971
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		9 559	0	0	5 953	0
Consumer deposits		20 774	17 378	17 378	20 774	17 378
Trade and other payables		131 524	135 300	135 300	66 197	135 300
Provisions		33 095	29 649	29 649	27 534	29 649
Total current liabilities		194 952	182 327	182 327	120 459	182 327
Non current liabilities						
Borrowing		(4 592)	–	–	–	–
Provisions		158 572	163 445	163 445	158 572	163 445
Total non current liabilities		153 981	163 445	163 445	158 572	163 445
TOTAL LIABILITIES		348 932	345 772	345 772	279 031	345 772
NET ASSETS	2	2 229 375	2 112 199	2 112 199	2 308 852	2 112 199
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 229 375	2 112 199	2 112 199	2 308 852	2 112 199
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 229 375	2 112 199	2 112 199	2 308 852	2 112 199

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 – M01 July 2021

Description	Ref	2020/21	Budget Year 2021/22							
		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		(545 688)	203 401	203 401	15 765	15 765	16 950	(1 185)	-7%	203 401
Service charges		(70 769)	500 464	500 464	50 549	50 549	41 705	8 844	21%	500 464
Other revenue		(33 622)	39 500	39 500	3 839	2 676	3 292	(616)	-19%	39 500
Government - operating		(152 544)	152 602	152 602	59 906	59 906	12 717	47 189	371%	152 602
Government - capital		(2 151)	40 256	40 256	7 230	7 230	3 355	3 875	116%	40 256
Interest		(779 456)	15 706	15 706	1 163	1 163	1 309	(146)	-11%	15 706
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(72 267)	(927 527)	(927 527)	(76 599)	(76 599)	(77 294)	(695)	1%	(927 527)
Finance charges		-	(716)	(716)	(56)	(56)	(60)	(3)	6%	(716)
Transfers and Grants		751	(650)	(650)	-	-	(54)	(54)	100%	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(1 655 745)	23 037	23 037	61 797	60 634	1 920	(58 715)	-3058%	23 037
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(61 013)	(61 013)	-	-	(5 084)	(5 084)	100%	(61 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(61 013)	(61 013)	-	-	(5 084)	(5 084)	100%	(61 013)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	(6 747)	(6 747)	(794)	(794)	(562)	231	-41%	(6 747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(6 747)	(6 747)	(794)	(794)	(562)	231	-41%	(6 747)
NET INCREASE/ (DECREASE) IN CASH HELD		(1 655 745)	(44 723)	(44 723)	61 004	59 841	(3 727)			(44 723)
Cash/cash equivalents at beginning:		141 033	90 062	90 062		53 367	90 062			53 367
Cash/cash equivalents at month/year end:		(1 514 712)	45 339	45 339		113 208	86 335			8 645

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 2021, compared to the position as at 31 July 2021.

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2021

Description	Budget Year 2020/21									
	R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	8 991	2 241	1 945	1 830	1 723	1 656	10 008	39 230	67 624	
Trade and Other Receivables from Exchange Transactions - Electricity	18 074	1 630	1 144	982	882	789	3 435	8 300	35 237	
Receivables from Non-exchange Transactions - Property Rates	10 483	1 107	839	690	600	540	7 781	21 458	43 498	
Receivables from Exchange Transactions - Waste Water Management	5 510	1 152	982	919	863	803	4 609	17 228	32 067	
Receivables from Exchange Transactions - Waste Management	4 595	1 193	1 099	1 018	992	963	5 278	23 366	38 503	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	59	85	101	120	139	162	1 612	22 743	25 022	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	
Other	(14 397)	476	329	304	288	273	2 029	11 637	940	
Total By Income Source	33 316	7 885	6 439	5 863	5 488	5 186	34 751	143 963	242 891	
Debtors Age Analysis By Customer Group										
Organs of State	1 004	449	371	360	354	206	1 461	2 731	6 937	
Commercial	6 748	407	380	330	370	249	1 050	4 100	13 634	
Households	25 564	7 029	5 688	5 173	4 763	4 731	32 240	137 131	222 320	
Other	-	-	-	-	-	-	-	-	-	
Total By Customer Group	33 316	7 885	6 439	5 863	5 488	5 186	34 751	143 963	242 891	

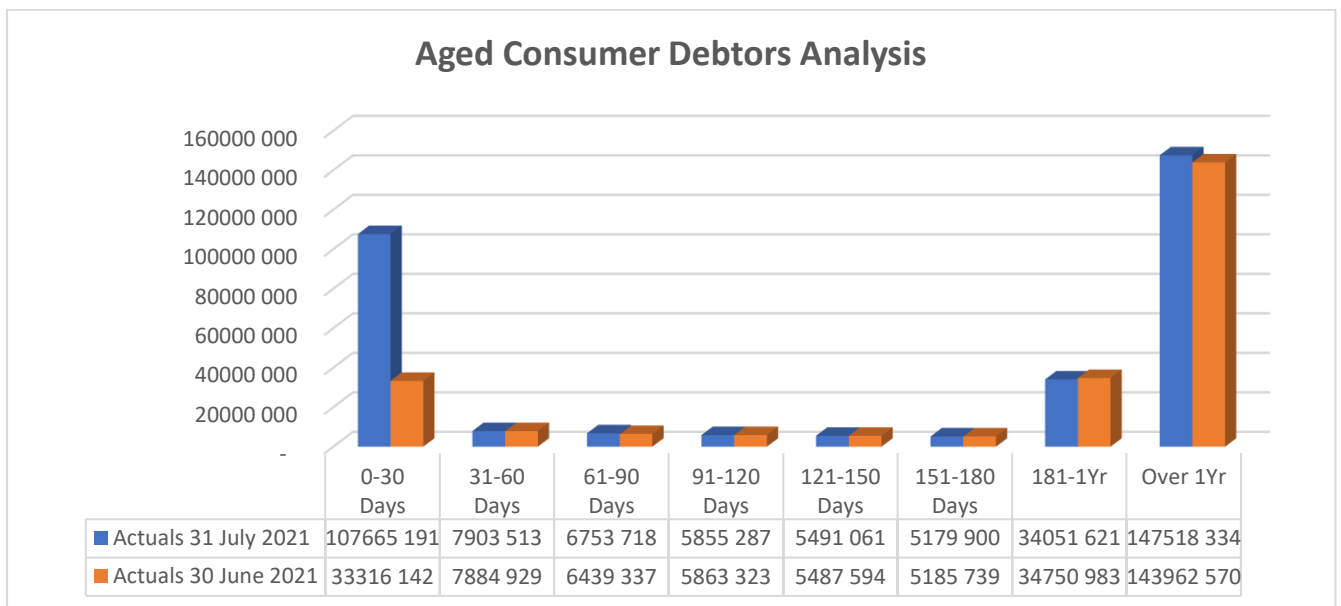
Debtors' Age Analysis (Inclusive of VAT) as at 31 July 2021.

Description	Budget Year 2021/22									
	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	17 007	2 395	1 979	1 790	1 738	1 643	9 402	40 937	76 891	
Trade and Other Receivables from Exchange Transactions - Electricity	27 524	1 570	1 273	978	860	770	3 652	8 307	44 935	
Receivables from Non-exchange Transactions - Property Rates	59 150	1 078	840	693	595	535	7 447	21 240	91 578	
Receivables from Exchange Transactions - Waste Water Management	7 175	1 113	1 022	918	881	829	4 573	17 829	34 340	
Receivables from Exchange Transactions - Waste Management	4 846	1 196	1 103	1 049	989	967	5 372	24 067	39 588	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	58	82	106	121	139	156	1 604	23 393	25 660	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	
Other	(8 095)	469	431	306	289	278	2 002	11 745	7 426	
Total By Income Source	107 665	7 904	6 754	5 855	5 491	5 180	34 052	147 518	320 419	
Debtors Age Analysis By Customer Group										
Organs of State	3 772	481	441	357	353	354	1 617	2 773	10 148	
Commercial	10 855	437	348	328	275	326	1 088	4 149	17 806	
Households	93 038	6 986	5 965	5 170	4 863	4 500	31 347	140 596	292 465	
Other	-	-	-	-	-	-	-	-	-	
Total By Customer Group	107 665	7 904	6 754	5 855	5 491	5 180	34 052	147 518	320 419	

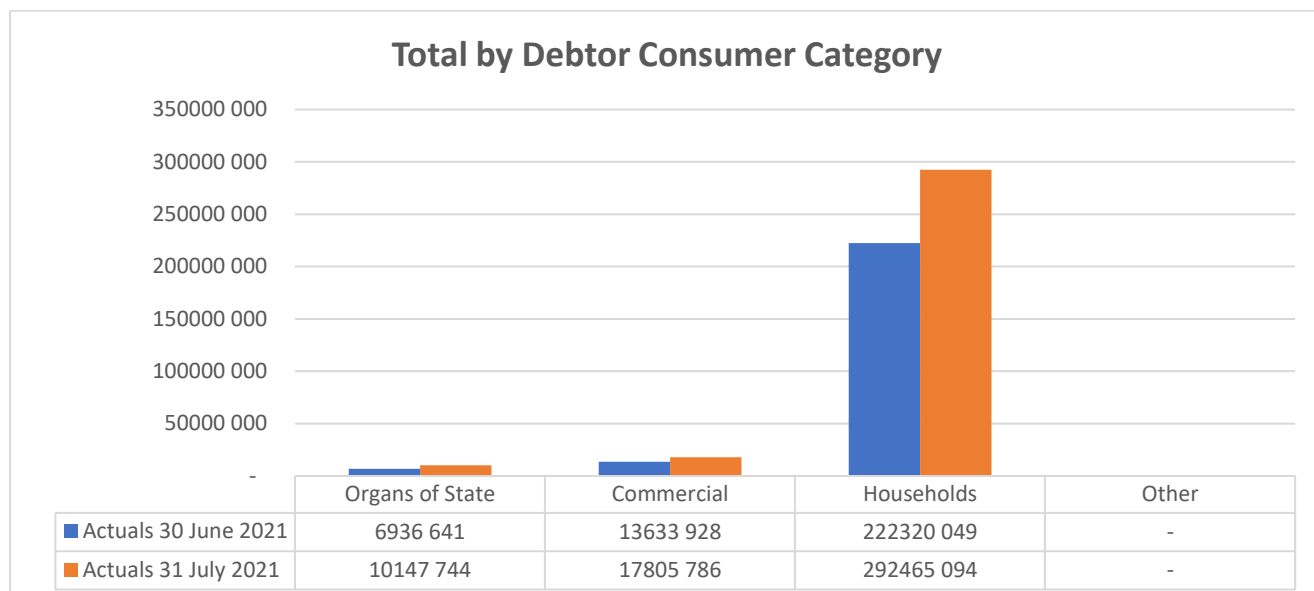
The aforementioned analysis indicates that from 30 June 2021 to 31 July 2021, the overdue debts have increased by R 3,179 million from R 209,574 million to R 212,753 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	30-Jun-21	31-Jul-21	DIFFERENCE
Trade and Other Receivables from Exchange Transactions - Water	58 633	59 884	1 251
Trade and Other Receivables from Exchange Transactions - Electricity	17 163	17 411	248
Receivables from Non-exchange Transactions - Property Rates	33 015	32 428	(586)
Receivables from Exchange Transactions - Waste Water Management	26 556	27 166	609
Receivables from Exchange Transactions - Waste Management	33 908	34 742	834
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	24 963	25 602	639
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15 337	15 520	184
Total By Income Source	209 574	212 753	3 179
Debtors Age Analysis By Customer Group			
Organs of State	5 932	6 376	444
Commercial	6 886	6 950	64
Households	196 756	199 427	2 671
Other	–	–	–
Total By Customer Group	209 574	212 753	3 179

Graphical Analysis of consumer debtors



Graphical Analysis of consumer debtors (total by Debtor Consumer Category)



2. Overview of Creditors position

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

Description	Budget Year 2021/22								
	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
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	38 133	0	(8)	-	-	-	-	-	38 125
Bulk Water	1 658		16	(48)					1 627
PAYE deductions	3 926	-	-	-	-	-	-	-	3 926
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	7 187	221	372	68	75	8	262	1 252	9 445
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total By Customer Type	50 903	221	381	21	75	8	262	1 252	53 123

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

Eskom	R 38,125 million
NMBM	R 1,627 million
PAYE	R 3,926 million
Other Creditors	<u>R 9,445 million</u>
Total	<u>R 53,123 million</u>

It is to be noted that the Eskom amount of R 38,125 million, represents the current account for July 2021, which will be fully paid on 23 August 2021.

The PAYE deductions represent employee related costs for the month of July 2021, with the amount only due on 5 August 2021.

3. Allocation and Grants receipts and expenditure for the 2021/2022 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M01 July 2021.

Description	Budget Year 2021/22							
	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:	148 588	148 588	60 090	60 090	12 382	47 708	385.3%	148 588
Operational Revenue: General Revenue: Equitable Share	143 774	143 774	59 906	59 906	11 981	47 925	400.0%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423	-	-	119	(119)	-100.0%	1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720	70	70	143	(74)	-51.3%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671	114	114	139	(25)	-17.8%	1 671
District Municipality:	4 014	4 014	-	-	335	(335)	-100.0%	4 014
All Grants	4 014	4 014	-	-	335	(335)	-100.0%	4 014
Total Operating Transfers and Grants	152 602	152 602	60 090	60 090	12 717	47 373	372.5%	152 602
Capital Transfers and Grants								
National Government:	39 542	39 542	-	-	3 295	(3 295)	-100.0%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800	-	-	650	(650)	-100.0%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742	-	-	2 645	(2 645)	-100.0%	31 742
Provincial Government:	714	714	-	-	59	(59)	-100.0%	714
Capacity Building and Other	714	714	-	-	59	(59)	-100.0%	714
Total Capital Transfers and Grants	40 256	40 256	-	-	3 355	(3 355)	-100.0%	40 256
TOTAL RECEIPTS OF TRANSFERS & GRANTS	192 858	192 858	60 090	60 090	16 071	44 019	273.9%	192 858

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M01 July 2021.

Description	Budget Year 2021/22							
	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:	148 588	148 588	60 090	60 090	12 382	47 708	385.3%	148 588
Operational Revenue: General Revenue: Equitable Share	143 774	143 774	59 906	59 906	11 981	47 925	400.0%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423	-	-	119	(119)	-100.0%	1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720	70	70	143	(74)	-51.3%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671	114	114	139	(25)	-17.8%	1 671
District Municipality:	4 014	4 014	-	-	335	(335)	-100.0%	4 014
All Grants	4 014	4 014	-	-	335	(335)	-100.0%	4 014
Total operating expenditure of Transfers and Grants:	152 602	152 602	60 090	60 090	12 717	47 373	372.5%	152 602
Capital expenditure of Transfers and Grants								
National Government:	39 542	39 542	-	-	3 295	(3 295)	-100.0%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800	-	-	650	(650)	-100.0%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742	-	-	2 645	(2 645)	-100.0%	31 742
Provincial Government:	714	714	-	-	59	(59)	-100.0%	714
Capacity Building and Other	714	714	-	-	59	(59)	-100.0%	714
Total capital expenditure of Transfers and Grants	40 256	40 256	-	-	3 355	(3 355)	-100.0%	40 256
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	192 858	192 858	60 090	60 090	16 071	44 019	273.9%	192 858

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 1,720,000
Amount of Grant Received:	R 0.00
Expenditure to date:	R 69,802
Overspent as at 31 July 2021:	-R 69,802

the FMG allocation will be received by the municipality in August 2021.

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 1,423,000
Amount of Grant Received:	R 0.00
Expenditure to date:	R 0.00
Unspent as at 31 July 2021:	R 0.00

The first instalment allocation for EPWP will be received by the municipality in August 2021.

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 33,413,000
Amount of Grant Received:	R 4,630,000
Expenditure to date:	R 114,596
Unspent as at 31 July 2021:	R 4,515,404

The spending of the grant amounted to 2.48% as at 31 July 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.

DORA Allocation:	R 7,800,000
Amount of Grant Received:	R 2,600,000
Expenditure to date:	R 0.00
Unspent as at 31 July 2021:	R 2,600,000

The spending of the grant amounted to 0% as at 31 July 2021, compared to the amount of the grant received.

4. Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M01 July 2021.

Summary of Employee and Councillor remuneration	Budget Year 2021/22							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	9 104	9 104	728	728	759	(30)	-4%	9 104
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	40	40	–	40	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	243	243	257	(14)	-5%	3 081
Cellphone Allowance	1 465	1 465	107	107	122	(15)	-12%	1 465
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Councillors	13 651	13 651	1 119	1 119	1 138	(19)	-2%	13 651
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	6 954	6 954	455	455	579	(124)	-21%	6 954
Pension and UIF Contributions	106	106	8	8	9	(0)	-5%	106
Medical Aid Contributions	31	31	4	4	3	2	73%	31
Overtime	–	–	–	–	–	–		–
Performance Bonus	23	23	–	–	–	–		23
Motor Vehicle Allowance	1 605	1 605	138	138	134	4	3%	1 605
Cellphone Allowance	10	10	1	1	1	(0)	-6%	10
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	1	1	0	0	0	(0)	-14%	1
Payments in lieu of leave	2 358	2 358	559	559	196	363	185%	2 358
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	11 088	11 088	1 166	1 166	922	244	26%	11 088
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	232 525	232 525	15 222	15 222	19 377	(4 155)	-21%	232 525
Pension and UIF Contributions	36 881	36 881	2 576	2 576	3 073	(498)	-16%	36 881
Medical Aid Contributions	23 684	23 684	1 353	1 353	1 974	(621)	-31%	23 684
Overtime	31 142	31 142	1 919	1 919	2 595	(676)	-26%	31 142
Performance Bonus	23	23	–	–	2	(2)	-100%	23
Motor Vehicle Allowance	9 871	9 871	733	733	823	(89)	-11%	9 871
Cellphone Allowance	85	85	7	7	7	(0)	-6%	85
Housing Allowances	1 787	1 787	80	80	149	(69)	-46%	1 787
Other benefits and allowances	29 863	29 863	1 168	1 168	1 130	38	3%	29 863
Payments in lieu of leave	25	25	144	144	2	142	6839%	25
Long service awards	1 702	1 702	7	7	142	(135)	-95%	1 702
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	367 590	367 590	23 208	23 208	29 273	(6 065)	-21%	367 590
Total Parent Municipality	392 328	392 328	25 492	25 492	31 333	(5 841)	-19%	392 328
TOTAL SALARY, ALLOWANCES & BENEFITS	392 328	392 328	25 492	25 492	31 333	(5 841)	-19%	392 328
TOTAL MANAGERS AND STAFF	378 677	378 677	24 373	24 373	30 195	(5 822)	-19%	378 677

6. Key performance indicators

The table below reflects the key performance indicators as per the 2021/22 Budget and the associated performance to date.

Borrowing Management		Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Approved Budget 2021/22	Actuals as at 31 July 2021
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.78%	1.29%	1.23%	1.15%	0.69%	1.15%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.02	0.01	0.01	0.01	0.01	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	0.97	1.58	1.44	0.87	0.9	2.35
Liquidity Ratio	Monetary assets / current liabilities	0.47	0.75	0.87	2.61	0.2	1.22
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Received Revenue	90.73%	97,62%	95.42%	94.41%	93%	102.9%

Other indicators		Actuals as at 30 June 2018	Actuals as at 30 June 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Approved Budget 2020/21	Actuals as at 31 July 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)	1.73	1.90	2.02	0.62	0.6	1.3
Employee Costs	Employee Costs / Total Operating Expenditure	33.21%	33.39%	35.87%	35.73%	35.24%	33.11%
Capital Expenditure	Capital Expenditure / Capital Budget	72.98%	44.59%	75.33%	76.92%	95%	0%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.82%	5.63%	5.99%	6.84%	4.54%	4.45%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.41%	2.29%	2.46%	2.93%	2.39%	0.15%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	80.22%	75.36%	83.61%	81.50%	84.19%	69.71%

The above table is discussed in detail below.

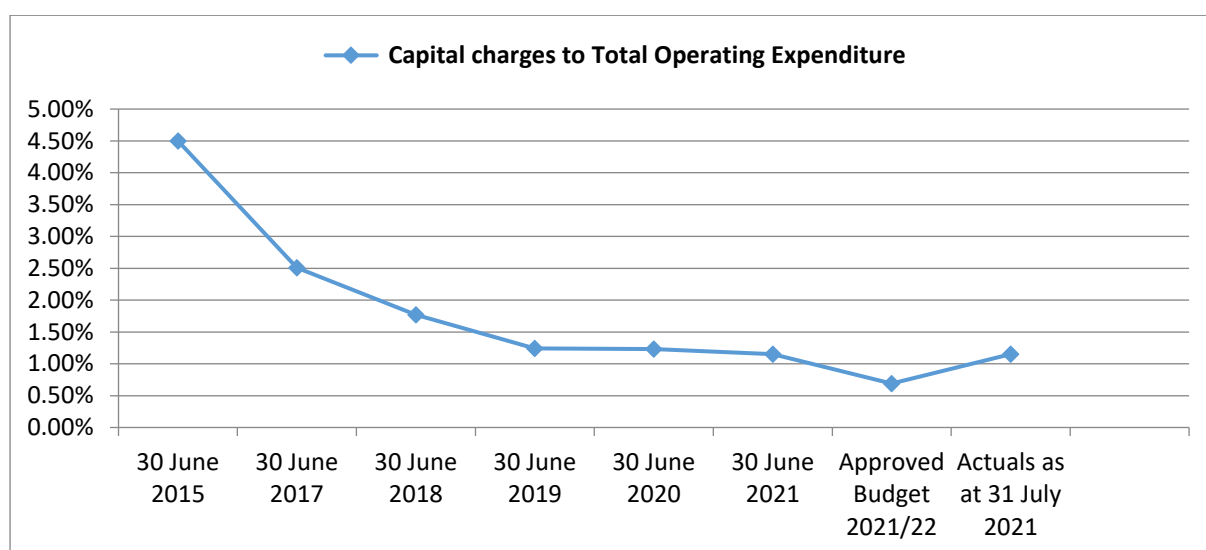
4.1. Borrowing Management

4.1.1. Capital charges to Operating Expenditure.

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

Capital charges/Total Operating Expenditure to date

The ratio indicates that 1.15% of the Total Operating Expenditure was utilised for capital charges as at 31 July 2021, compared to the approved budget ratio of 0.69%.



4.1.2. 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 2021/22 Operating Budget.

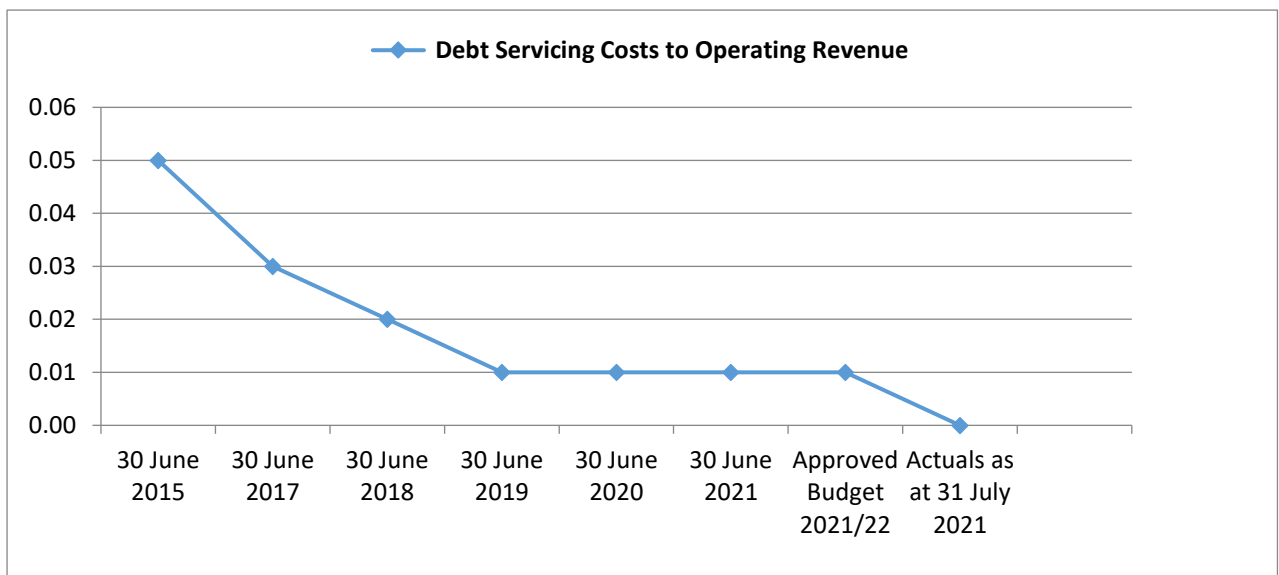
4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 July 2021, the ratio was 0.00:1, compared to the approved budget ratio of 0.01:1.



4.2. Liquidity

4.2.1. 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:

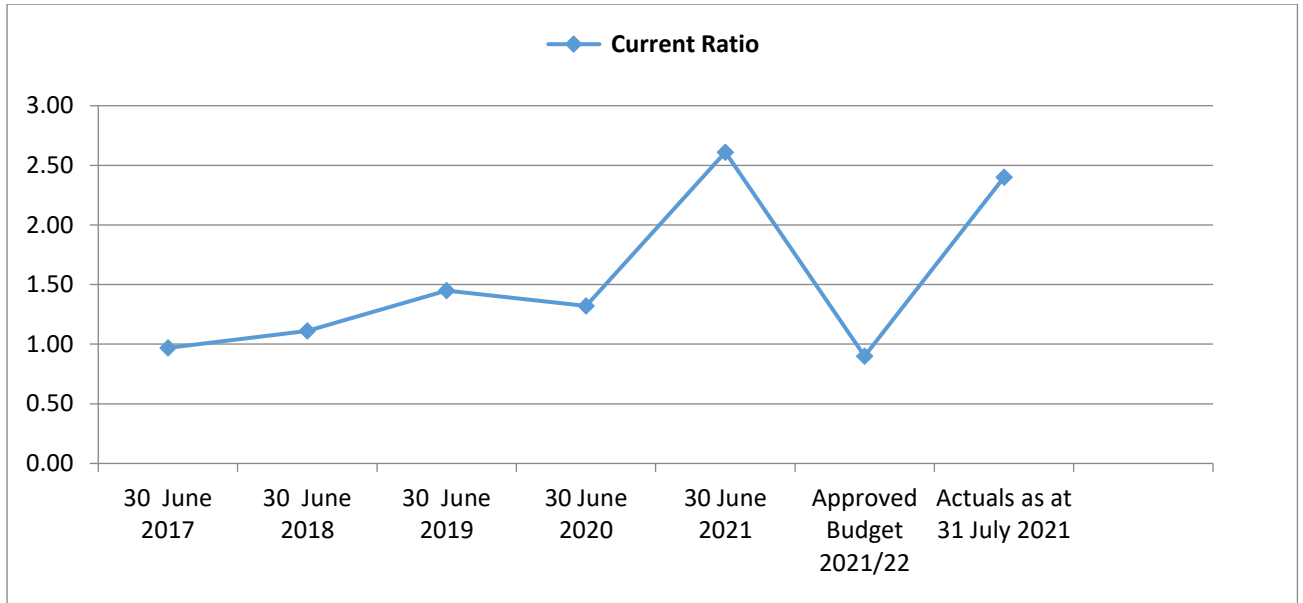
Current assets/Current liabilities

The ratio as at 31 July 2021 was 2.4:1, compared to the approved budget ratio of 0.9:1.

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.



4.2.2. Liquidity Ratio

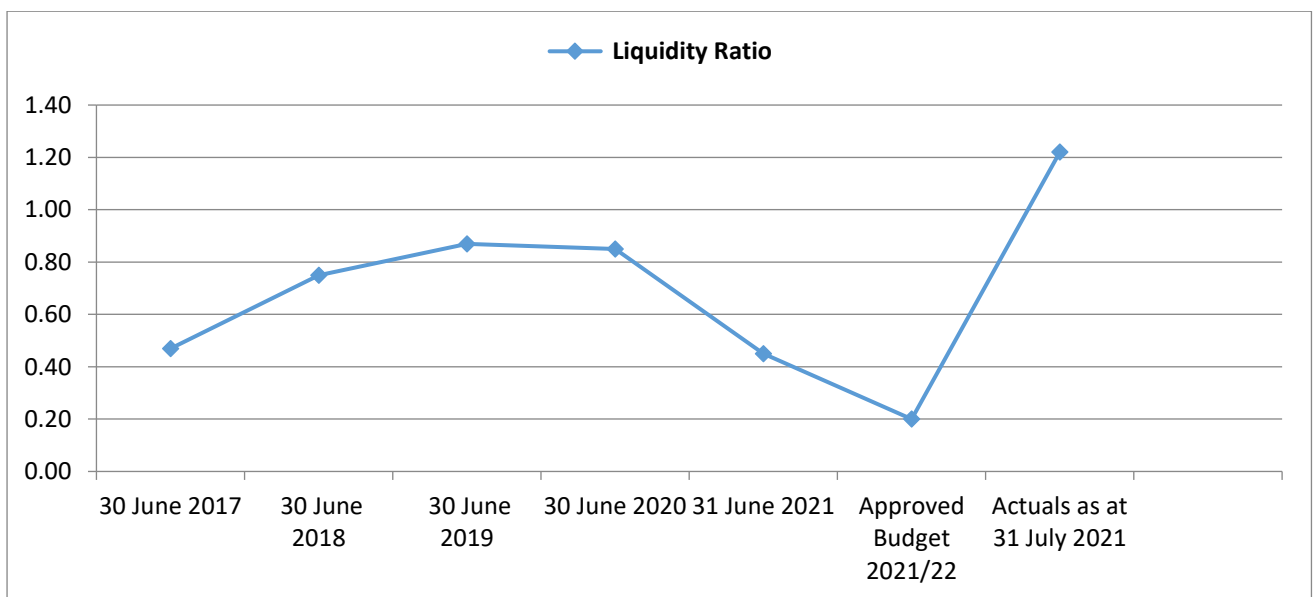
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

$$\text{Monetary assets/Current liabilities}$$

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 July 2021 was 1.22:1, compared to the approved budget ratio of 0.2:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



4.3. Revenue Management

4.3.1. Annual Debtors Collection Rate

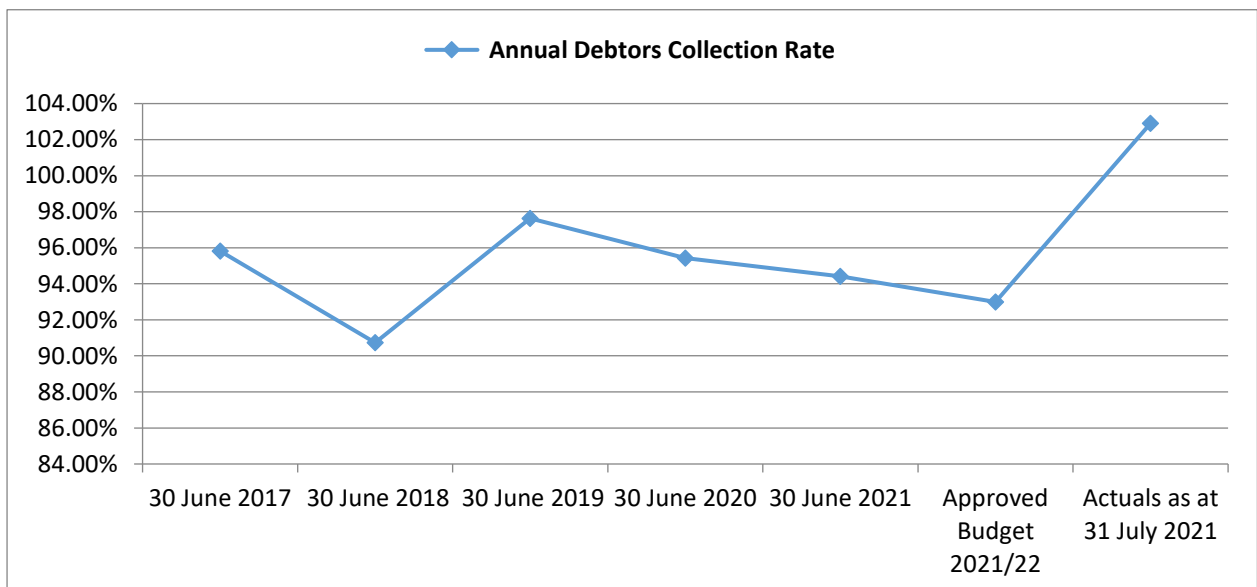
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 July 2021 was 102.9%, compared to the approved budget collection rate of 93%. The collection rates have been calculated, based on the revenue receipted, compared to the revenue billed on a month – to - month basis.



4.4. Other indicators

4.4.1. 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.

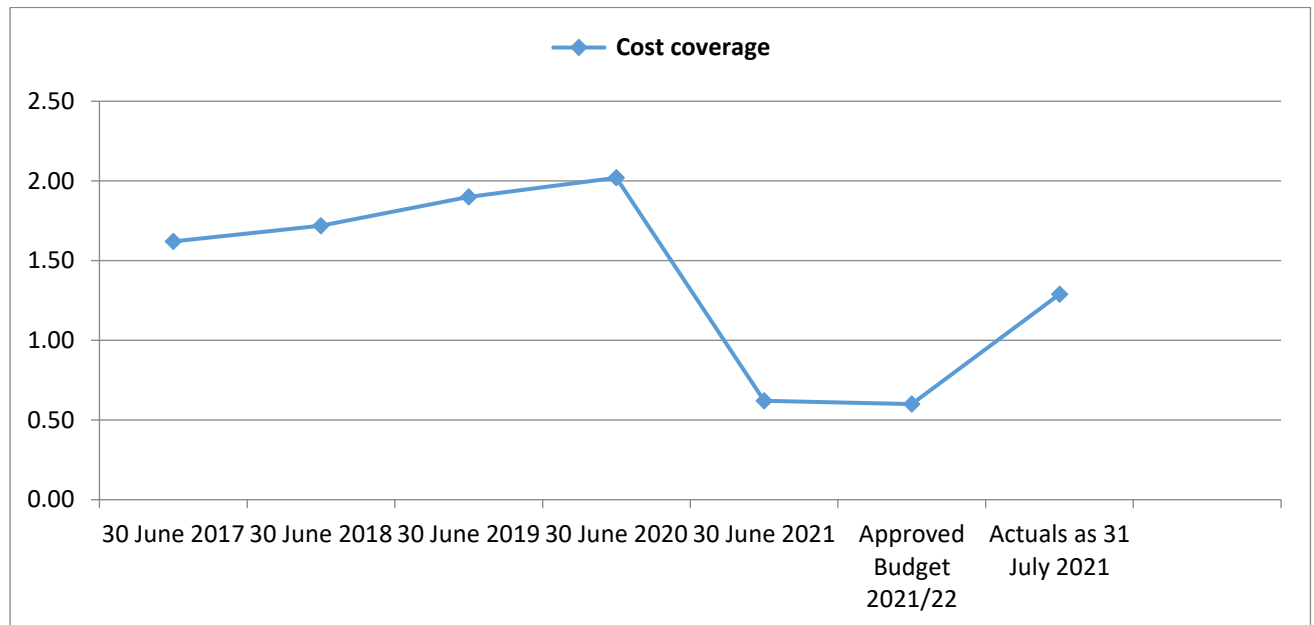
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 July 2021, the Ratio was 1.29 months, compared to the approved budget ratio of 0.6 months.

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



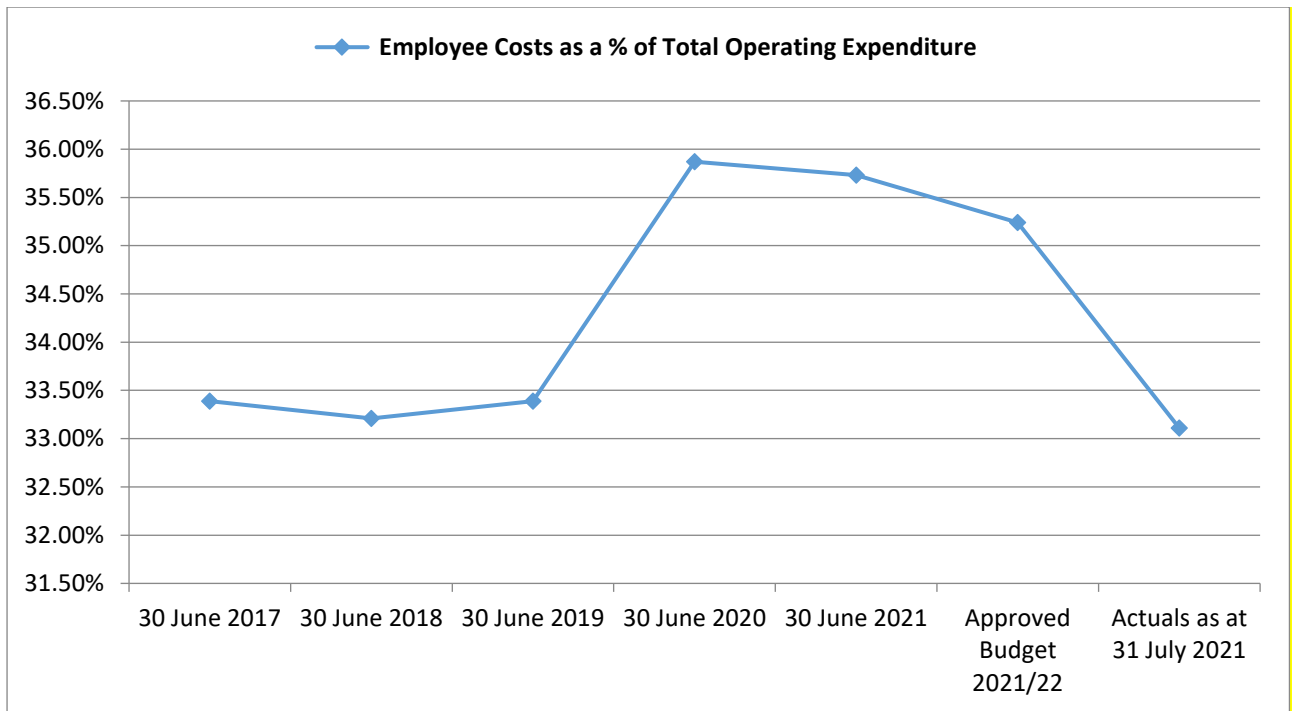
4.4.2. Employee costs as a % of Total Operating Expenditure

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 July 2021, Employee Related Costs constituted 33.11% of the Total Operating Expenditure compared to the approved budget ratio 35.24%.



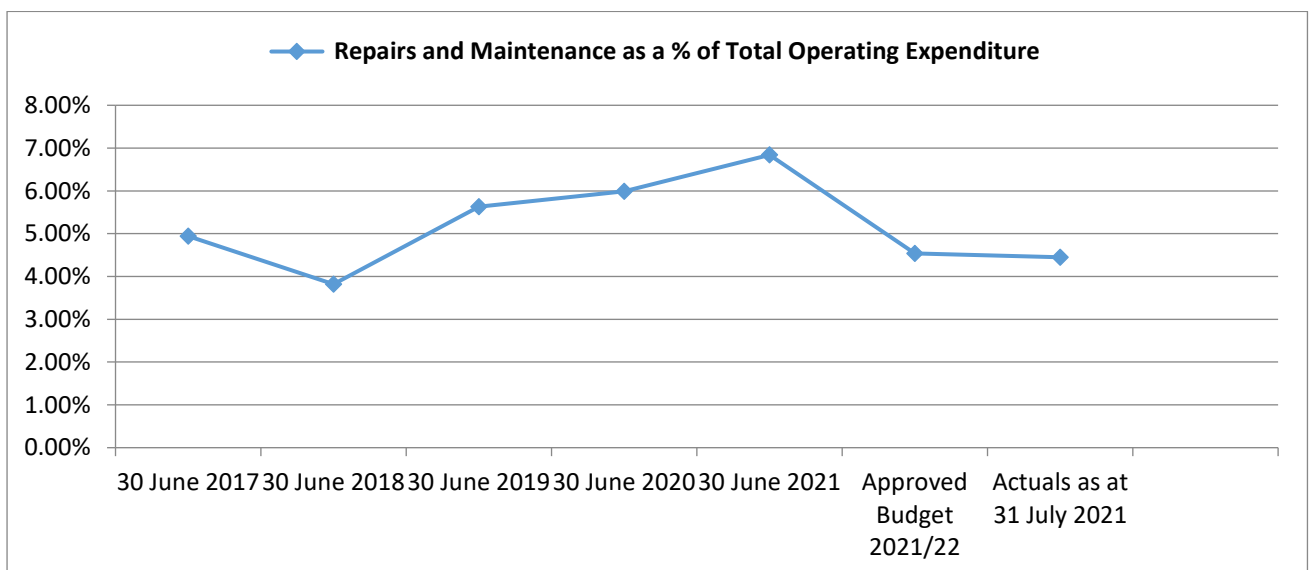
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 July 2021, the ratio was 4.45%, compared to the approved budget ratio of 4.54%.



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

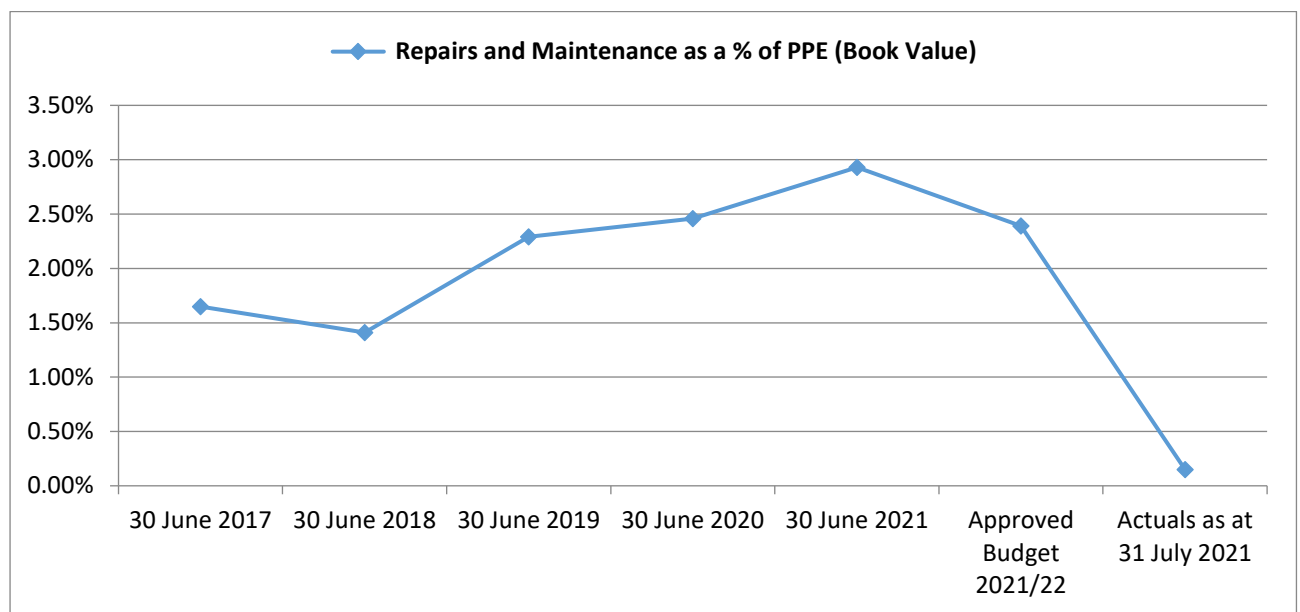
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 July 2021, repairs and maintenance expenditure constituted 0.15% of the book value of PPE, compared to the adjusted budget ratio of 2.39%.

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



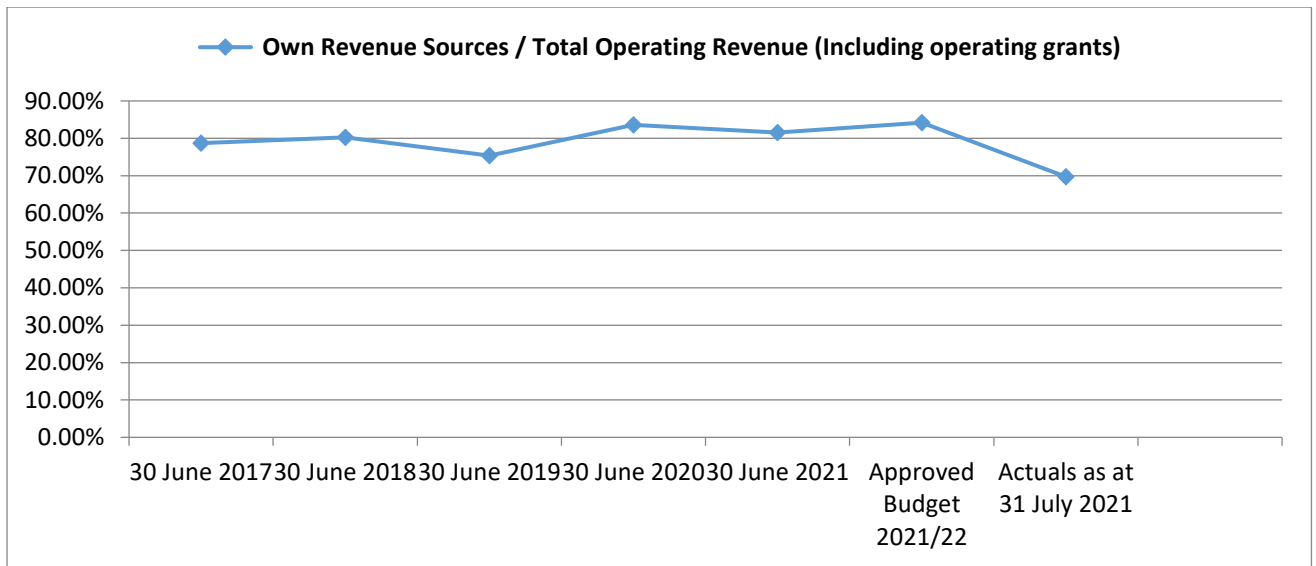
4.4.5. Own Revenue Generation

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 July 2021, the Municipality's own revenue sources constituted 69.71% of its total Operating Income, compared to the approved budget ratio of 84.19%.



4.4.6. 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 July 2021 amounted to 0% compared to the approved budget ratio of 95%.

