KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

……

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO AUGUST 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 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 August 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 244,372 million, whilst operating expenditure amounted to R 163,186 million, resulting in an operating surplus of R 81,186 million.
- Capital expenditure constituted 1.37% of the 2021/22 Capital Budget.
- Overdue consumer debts increased by R 7,459 million (3.56%) since June 2021.

- An amount of R 55,175 million is owing to creditors, of which R 54,285 million (98.39%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 72,610,035 (136.06%) since June 2021, from R 53,367,196 to R 125,977,231.

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

	Balance as at 30 June 2021	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 August 2021**
Standard Bank	11 424 167	-	64 128	-		11 488 294
ABSA	- 2 924 280	7 000 000	18 001	-	249	4 093 472
Nedbank	4 505 780	-	25 676	-		4 531 456
RMB	23 427 726	14 314 954	149 722	7 084 954		30 807 448
INVESTEC	4 055 992	-	23 804	-		4 079 796
Total	**40 489 385**	**21 314 954**	**281 330**	**7 084 954**	**249**	**55 000 466**
INVESTMENT	**Balance as at 30 June 2021**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 August 2021**
General Account	29 430 884	14 084 954	198 244	7 000 000	249	36 713 834
Conditional Grants	11 050 682	7 230 000	83 044	84 954	-	18 278 771
Housing Funds	7 819	-	42	-	-	7 861
Total	**40 489 385**	**21 314 954**	**281 330**	**7 084 954**	**249**	**55 000 466**
Bank	12 877 811	58 098 954				70 976 765
Total	**53 367 196**	**79 413 908**	**281 330**	**7 084 954**	**249**	**125 977 231**

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

Cash backed Reserves.

Bank Balances and Cash	R 70,976,765
Short-term Investment Deposits	R 55,000,466
	R125,977,231

Application of Cash

Unspent Conditional Grants	14,195,047
Internally Generated Funds (Capital commitments)	24,671,308
Outstanding Creditors Liability	55,175,143
	94,041,498
Reserves in excess of commitments	**31,935,733**

The cash backed reserves exceed the commitments at this stage by an amount of R 31,935,733. It should be noted that the excess of reserves over commitments as at 31 August 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 2019	Actuals as at 30 June 2020	Actuals as at 30 June 2021	Actuals as at 31 August 2020	Actuals as at 31 August 2021	Approved Budget 2021/22
Current Ratio	1.31:1	1.32:1	2.61:1	1.69:1	1.70:1	0.9:1
Liquidity Ratio	0.84:1	0.85:1	0.45:1	0.99:1	0.97:1	0.2:1
Cost Coverage (Excluding unspent conditional grants)	1.97 Months	2.02 Months	0.62 Months	1.42 Months	1.44 Months	0.6 Months
Debtors Collection Rate	97.62%	95.42%	94.41%	66.39%	77.54%	93%
Capital Expenditure	73.82%	75.33%	76.92%	3.19%	1.37%	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 August 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 Municipality

Signature:…… 

Date……14 September 2021……

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO AUGUST 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	46 019	244 372	160 900	83 472
Total Expenditure	1 074 449	1 074 449	89 576	163 186	176 352	(13 166)
Surplus/(Deficit)	(109 049)	(109 049)	(43 557)	81 186	(15 452)	96 638

the statement of financial performance reflects a surplus of R 81,186 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 2020/21		
	Original Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	218 711	87 175	39.86%
Service charges - electricity revenue	334 173	55 393	16.58%
Service charges - water revenue	89 581	11 053	12.34%
Service charges - sanitation revenue	58 635	10 460	17.84%
Service charges - refuse revenue	55 744	10 855	19.47%
Rental of facilities and equipment	1 169	167	14.26%
Interest earned - external investments	5 780	478	8.26%
Interest earned - outstanding debtors	10 674	1 942	18.19%
Fines, penalties and forfeits	2 238	133	5.93%
Licences and permits	25 746	4 954	19.24%
Transfers and subsidies	152 602	60 306	39.52%
Other revenue	10 348	1 456	14.07%
Total Revenue (excluding capital transfers and contributions)	**965 400**	**244 372**	**25.31%**

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

- **Property Rates**

  As at 31 August 2021, the Municipality has recognised 39.86% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2021.

- **Interest earned - external investments**

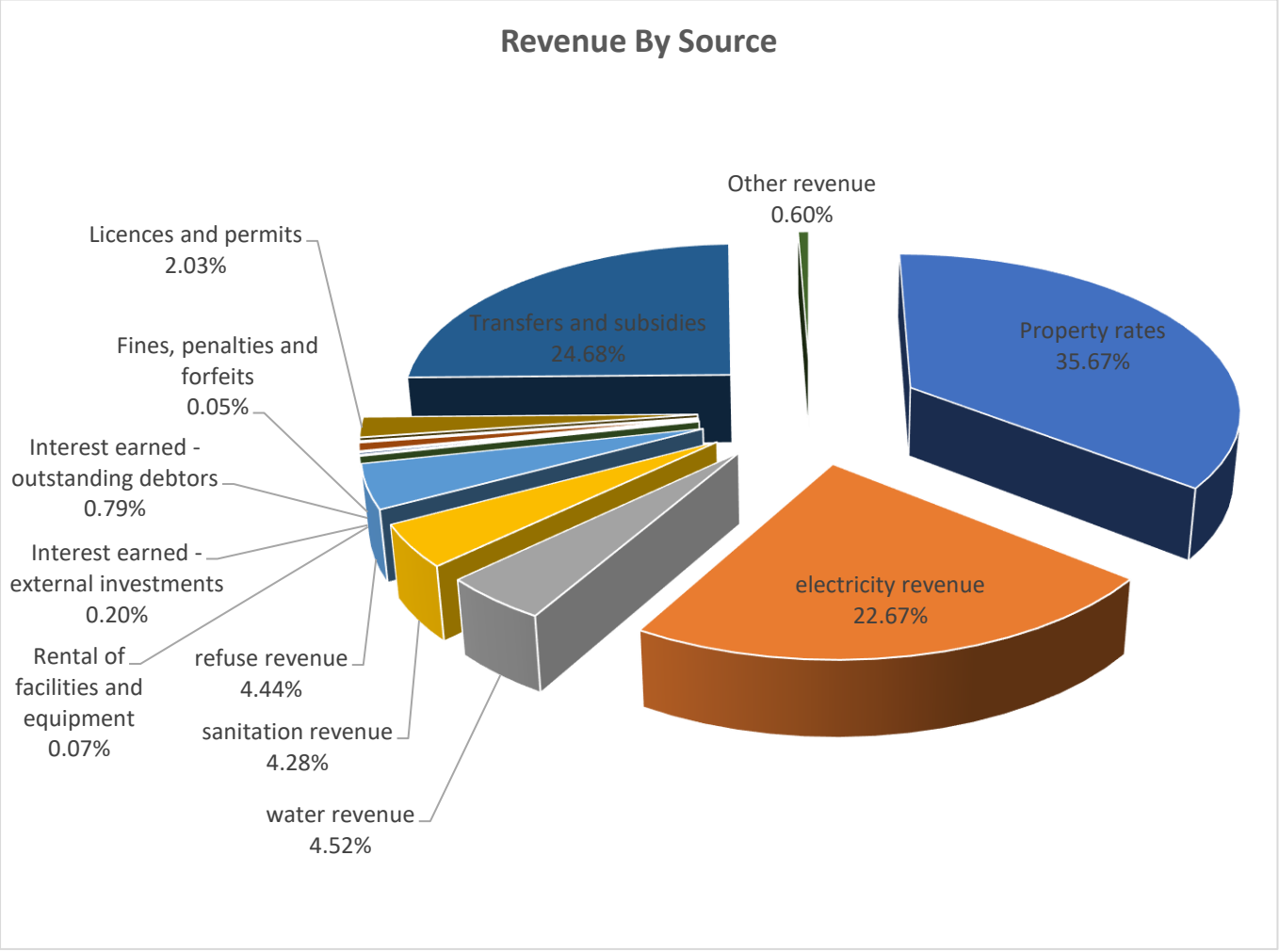
  Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 125,977 million.

- **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 2020/21		
	Original Budget	YearTD actual	%
R thousands			
Expenditure By Type			
Employee related costs	378 927	48 997	12.93%
Remuneration of councillors	13 651	2 207	16.17%
Debt impairment	53 726	–	0.00%
Depreciation & asset impairment	91 830	10 533	11.47%
Finance charges	716	109	15.17%
Bulk purchases	290 000	69 096	23.83%
Other materials	66 281	3 893	5.87%
Contracted services	78 268	11 214	14.33%
Transfers and subsidies	650	–	0.00%
Other expenditure	100 399	17 137	17.07%
Total Expenditure	**1 074 449**	**163 186**	**15.19%**

Reasons for major over-/under expenditure per type

- **Bad Debts**

  Bad debts are written off upon Council approval.

- **Other Materials**

  Other materials are largely influenced by bulk water purchases' journals not yet processed for the water consumption.

- **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	69 096 257	23.83%
	290 000 000	**69 096 257**	**23.83%**

- **Contracted Services**

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

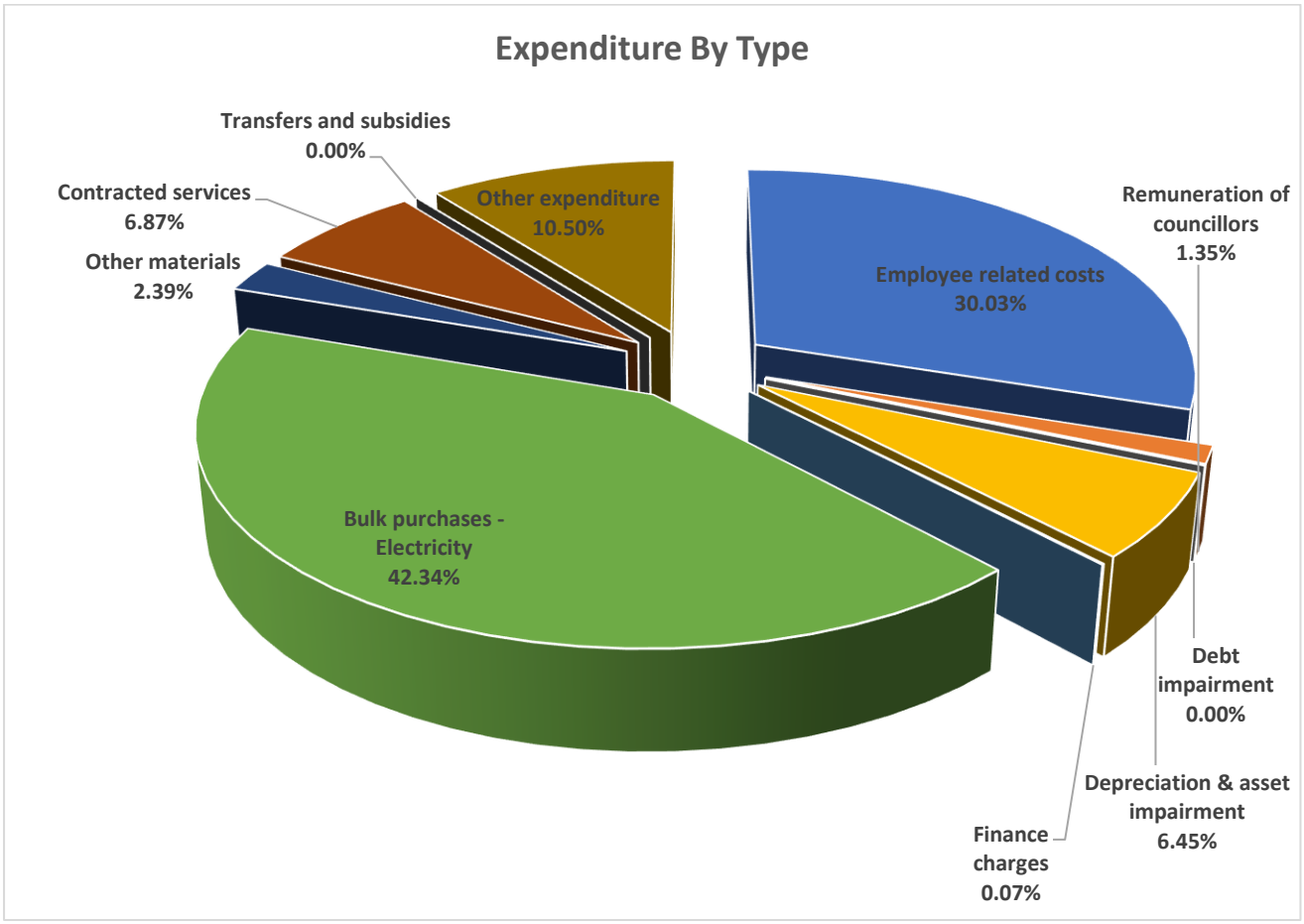
  Contracted services are broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 31 August 2021	%
Animal Care	476 575	-	0.00%
Burial Services	180 000	7 850	4.36%
Call Centre	250 000	-	0.00%
Catering Services	539 500	2 879	0.53%
Clearing and Grass Cutting Services	1 300 000	-	0.00%
Consultants and Professional Services	11 459 451	114 188	1.00%
Drivers Licence Cards	600 000	31 995	5.33%
Dune Stabilisation	3 300 000	-	0.00%
Employee Wellness	410 000	-	0.00%
Internal Auditors	400 000	-	0.00%
Laboratory Services:Water	625 000	-	0.00%
Legal Advice and Litigation	2 230 000	366 836	16.45%
Legal Cost:Collection	1 000 000	155 079	15.51%
Litter Picking and Street Cleaning	1 250 000	-	0.00%
Maintenance of Buildings and Facilities	6 565 000	75 318	1.15%
Maintenance of Electrical Infrastructure	2 526 839	57 666	2.28%
Maintenance of Equipment	841 450	24 889	2.96%
Maintenance of Sanitation Infrastructure	1 265 000	114 377	9.04%
Maintenance of Vehicles	7 918 373	772 707	9.76%
Maintenance of Water Infrastructure	1 420 000	276 461	19.47%
Medical Health Services & Support	1 000 000	101 202	10.12%
Occupational Health and Safety	71 000	-	0.00%
Other Contracted Services	2 315 000	53 601	2.32%
Personnel and Labour	6 665 870	211 572	3.17%
Professional Staff	307 000	-	0.00%
Qualification Verification	600 000	102 350	17.06%
Roads Maintenance	10 000 000	7 185 546	71.86%
Security Services	3 000 000	666 779	22.23%
Special Rating Area	7 500 000	893 019	11.91%
Transport Services	562 250	-	0.00%
Valuer	1 690 000	-	0.00%
Total	**78 268 308**	**11 214 314**	**14.33%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 31 August 2021	%
Accommodation	889 797	-	0.00%
Achievements and Awards	1 700 000	16 204	0.95%
Advertising, Publicity and Marketing	2 435 000	110 857	4.55%
Air Transport	373 609	-	0.00%
Bank Charges	700 000	111 176	15.88%
Bargaining Council	3 200 000	-	0.00%
Cellular Contract (Subscription and Calls)	1 735 364	117 244	6.76%
Claims paid to Third Parties	300 000	45 577	15.19%
External Audit Fees	4 500 000	-	0.00%
External Computer Service:Internet Charge	4 464 541	569 553	12.76%
Gifts and Promotional Items	135 000	-	0.00%
Hire Charges	21 019 100	2 746 107	13.06%
Insurance Claims	3 180 000	- 600	-0.02%
Insurance Underwriting:Premiums	3 087 456	2 796 389	90.57%
Leases:Furniture and Office Equipment	3 599 992	483 765	13.44%
Leases:Machinery and Equipment	60 000	-	0.00%
Leases:Other Assets	3 963 740	688 275	17.36%
Motor Vehicle Licence and Registrations	1 046 294	69 167	6.61%
Municipal Services	11 938 606	4 850 179	40.63%
Non-employees	575 926	67 403	11.70%
Other	1 334 281	85 027	6.37%
Own Transport	887 488	34 206	3.85%
Postage/Stamps/Franking Machines	1 462 500	191 605	13.10%
Printing, Publications and Books	1 408 000	120 774	8.58%
Registration Fees:Professional and Regulatory Bodies	1 078 140	-	0.00%
Registration Fees:Seminars, Conferences, Workshops	1 969 210	153 208	7.78%
Remuneration to Ward Committees	2 137 200	606 174	28.36%
Riparian Levies	3 280 241	1 104 149	33.66%
Signage	633 257	-	0.00%
Skills Development Fund Levy	3 861 814	481 265	12.46%
Software Licences	4 175 279	343 049	8.22%
Storage of Files (Archiving)	550 000	2 515	0.46%
Supplier Development Programme	100 000	-	0.00%
Tenders	715 000	-	0.00%
Third Party Vendors	1 490 102	549 587	36.88%
Uniform and Protective Clothing	4 121 886	402 009	9.75%
Vehicle Tracking	625 715	118 906	19.00%
Workmen''s Compensation Fund	1 664 930	273 265	16.41%
Total	**100 399 468**	**17 137 035**	**17.07%**


Expenditure By Type
Transfers and subsidies
0.00%
Contracted services
6.87%
Other materials
2.39%
Other expenditure
10.50%
Bulk purchases -
Electricity
42.34%
Employee related costs
30.03%
Remuneration of
councillors
1.35%
Debt
impairment
0.00%
Depreciation & asset
impairment
6.45%
Finance
charges
0.07%

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 August 2021	%
Maintenance of Equipment	922 381	55 649	6.03%
Maintenance of Vehicles	9 515 882	1 033 996	10.87%
Maintenance of Buildings and Facilities	7 681 360	171 568	2.23%
Maintenance of Water Infrastructure	4 426 000	551 442	12.46%
Roads Maintenance	11 600 000	7 304 925	62.97%
Consultants and Professional Services	60 000	-	0.00%
Sport and Recreation Facilities	343 559	1 070	0.31%
Maintenance of Electrical Infrastructure	7 051 839	639 360	9.07%
Maintenance of Sanitation Infrastructure	2 434 600	292 538	12.02%
Hire Charges	4 425 000	903 755	20.42%
Other Contracted Services	340 000	1 201	0.35%
Total	**48 800 621**	**10 955 505**	**22.45%**

It is to be noted that actual repairs and maintenance expenditure constituted 22.45% 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	481	481	5 731	(5 250)	-92%	34 385
Provincial Government	–	–	–	–	–	–		–
District Municipality	1 600	1 600	–	–	267	(267)	-100%	1 600
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**35 985**	**35 985**	**481**	**481**	**5 997**	**(5 517)**	**-92%**	**35 985**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	25 028	25 028	357	357	4 171	(3 815)	-91%	25 028
Total Capital Funding	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**

The capital expenditure as at 31 August 2021, constituted 1.37% of approved capital budget and the funding is broken down as follows:

- Grant funding is 1.34% of approved grant funding budget.
- Internally generated funds are 1.42% of approved internal funds budget.

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	115	115	457	(342)	-75%	2 740
Vote 2 - FINANCIAL SERVICES	2 460	2 460	46	46	410	(364)	-89%	2 460
Vote 3 - CORPORATE SERVICES	1 923	1 923	–	–	320	(320)	-100%	1 923
Vote 4 - COMMUNITY SERVICES	7 490	7 490	26	26	1 248	(1 222)	-98%	7 490
Vote 5 - INFRASTRUCTURE AND ENGINEERING	45 230	45 230	610	610	7 538	(6 928)	-92%	45 230
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	1 170	1 170	41	41	195	(154)	-79%	1 170
Total Capital Multi-year expenditure	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**

The capital expenditure as at 31 August 2021, constituted 1.37% of approved capital budget.

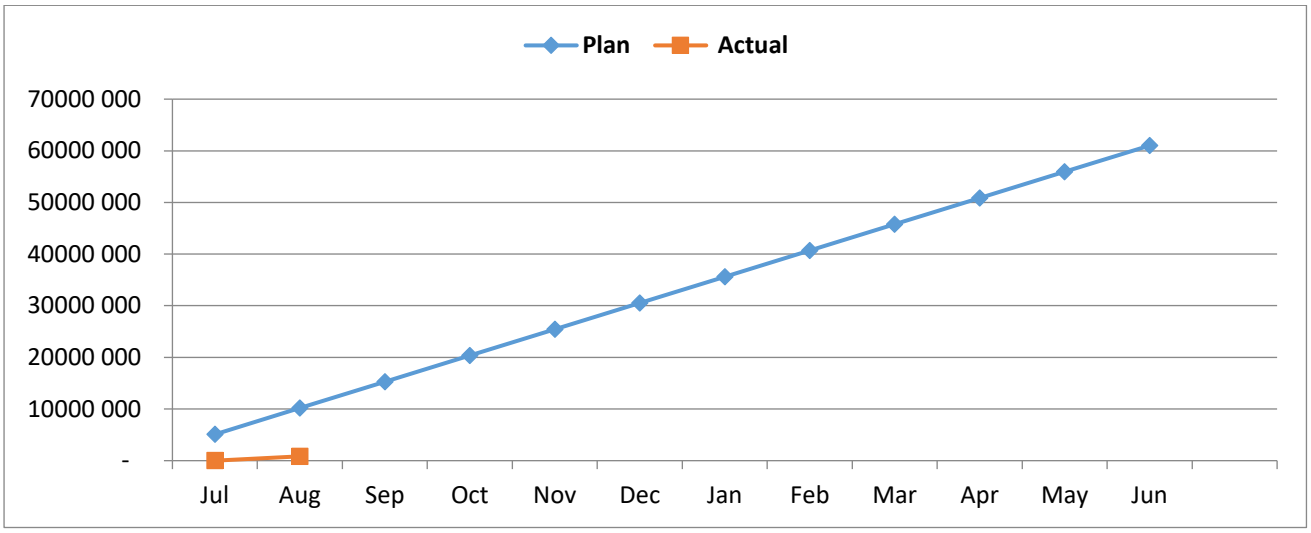
The capital expenditure is broken down per directorate as follows:

- Executive & Council is 4.19% of budget (R2,740 million)
- Financial Services is 1.88% of budget (R 2,460 million)

- Corporate Services is 0.00% of budget (R 1,923 million)
- Community Services is 0.35% of budget (R 7,490 million)
- Infrastructure & Engineering is 1.35% of budget (R 45,230 million)
- Planning, Development and Tourism is 3.47% of budget (R 1,170 million)

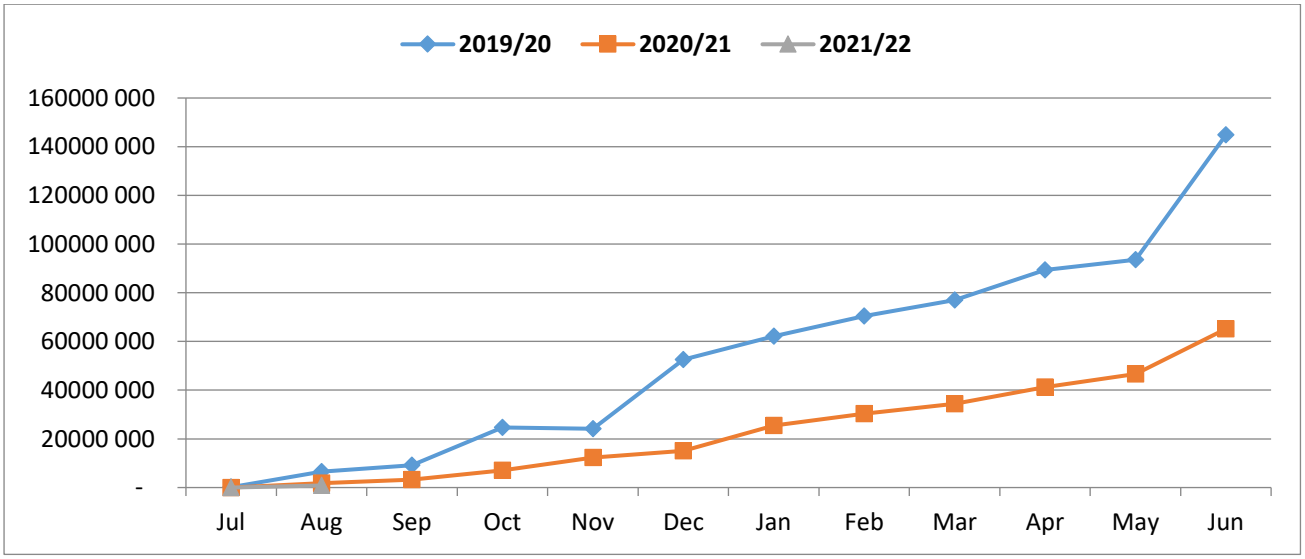
Monthly capital expenditure

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		40 550	
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 Trailes	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		32 425	
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		53 418	
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		43 355	
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		157 085	
METERING & REVENUE	INEP	Ocean View Electrification	6 782 609		302 920	
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		20 738	
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		46 141	
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		25 944	
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		114 749	
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 August 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 – M02 August 2021

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		187 021	203 401	203 401	45 849	61 614	(33 900)	95 514	-282%	(203 401)
Service charges		435 205	500 464	500 464	58 279	107 665	(83 411)	191 076	-229%	(500 464)
Other revenue		48 944	39 500	39 500	2 871	6 710	6 583	126	2%	39 500
Government - operating		166 705	152 602	152 602	1 720	61 821	23 829	37 992	159%	142 975
Government - capital		37 164	40 256	40 256	–	6 999	(6 471)	13 470	-208%	(38 829)
Interest		14 780	15 706	15 706	1 222	2 404	(691)	3 095	-448%	(4 147)
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(843 870)	(927 527)	(927 527)	(95 503)	(172 065)	(154 588)	17 478	-11%	(927 527)
Finance charges		(1 388)	(716)	(716)	(52)	(109)	(119)	(11)	9%	(716)
Transfers and Grants		(761)	(650)	(650)		–	(108)	(108)	100%	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**43 801**	**23 037**	**23 037**	**14 385**	**75 039**	**(248 876)**	**(323 915)**	**130%**	**(1 493 258)**
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		(85 164)	(61 013)	(61 013)	(837)	(837)	–	837	0%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(85 164)**	**(61 013)**	**(61 013)**	**(837)**	**(837)**	**–**	**837**	**0%**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(9 608)	(6 747)	(6 747)	(798)	(1 591)	–	1 591	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(9 608)**	**(6 747)**	**(6 747)**	**(798)**	**(1 591)**	**–**	**1 591**	**0%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(50 970)**	**(44 723)**	**(44 723)**	**12 750**	**72 610**	**(248 876)**			**(1 493 258)**
Cash/cash equivalents at beginning:		141 033	90 062	90 062		53 367	90 062			53 367
Cash/cash equivalents at month/year end:		90 063	45 339	45 339		125 977	(158 815)			(1 439 891)

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

Table C1 Monthly Budget Statement Summary – M02 August 2021

Description	2020/21	Budget Year 2021/22							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	210 205	218 711	218 711	12 481	87 175	36 452	50 724	139%	218 711
Service charges	494 172	538 133	538 133	29 180	87 761	89 689	(1 928)	-2%	538 133
Investment revenue	4 719	5 780	5 780	261	478	963	(486)	-50%	5 780
Transfers and subsidies	166 624	152 602	152 602	216	60 306	25 434	34 872	137%	152 602
Other own revenue	36 543	50 174	50 174	3 882	8 652	8 362	290	3%	50 174
Total Revenue (excluding capital transfers and contributions)	**912 263**	**965 400**	**965 400**	**46 019**	**244 372**	**160 900**	**83 472**	**52%**	**965 400**
Employee costs	335 334	378 677	378 927	24 623	48 997	60 432	(11 436)	-19%	378 927
Remuneration of Councillors	12 780	13 651	13 651	1 088	2 207	2 275	(68)	-3%	13 651
Depreciation & asset impairment	80 852	91 830	91 830	6 521	10 533	15 305	(4 772)	-31%	91 830
Finance charges	3 094	716	716	52	109	119	(11)	-9%	716
Materials and bulk purchases	325 733	356 261	356 281	37 938	72 989	59 380	13 609	23%	356 281
Transfers and subsidies	761	650	650	–	–	108	(108)	-100%	650
Other expenditure	244 676	232 664	232 394	19 353	28 351	38 732	(10 380)	-27%	232 394
Total Expenditure	**1 003 231**	**1 074 449**	**1 074 449**	**89 576**	**163 186**	**176 352**	**(13 166)**	**-7%**	**1 074 449**
Surplus/(Deficit)	**(90 967)**	**(109 049)**	**(109 049)**	**(43 557)**	**81 186**	**(15 452)**	**96 638**	**-625%**	**(109 049)**
Transfers and subsidies - capital (monetary alloc	46 589	40 256	40 256	553	553	6 709	(6 156)	-92%	40 256
Contributions & Contributed assets	–	0	0	–	–	–	–		0
Surplus/(Deficit) after capital transfers & contributions	**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**	**90 481**	**-1035%**	**(68 793)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**	**90 481**	**-1035%**	**(68 793)**
Capital expenditure & funds sources									
Capital expenditure	**25 728**	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**
Capital transfers recognised	41 388	35 985	35 985	481	481	5 997	(5 517)	-92%	35 985
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(7 061)**	**25 028**	**25 028**	**357**	**357**	**4 171**	**(3 815)**	**-91%**	**25 028**
Total sources of capital funds	**34 327**	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**
Financial position									
Total current assets	287 737	170 054	170 034		221 598				170 034
Total non current assets	2 315 624	2 287 917	2 287 917		2 318 642				2 287 917
Total current liabilities	240 468	182 327	182 307		130 150				182 307
Total non current liabilities	175 631	163 445	163 445		175 609				163 445
Community wealth/Equity	**2 231 641**	**2 112 199**	**2 112 199**		**2 234 481**				**2 112 199**
Cash flows									
Net cash from (used) operating	43 801	23 037	23 037	14 385	75 039	(248 876)	(323 915)	130%	(1 493 258)
Net cash from (used) investing	(85 164)	(61 013)	(61 013)	(837)	(837)	–	837	#DIV/0!	–
Net cash from (used) financing	(9 608)	(6 747)	(6 747)	(798)	(1 591)	–	1 591	#DIV/0!	–
Cash/cash equivalents at the month/year end	**90 063**	**45 339**	**45 339**	**–**	**125 977**	**(158 815)**	**(284 792)**	**179%**	**(1 439 891)**
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	72 428	8 674	6 896	6 164	5 466	5 234	26 492	158 108	289 462
Creditors Age Analysis									
Total Creditors	54 285	452	(1 383)	382	(48)	75	160	1 252	55 175

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) – M02 August 2021

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**334 012**	**334 164**	**334 164**	**13 284**	**148 420**	**55 694**	92 726	166%	**334 164**
Executive and council		926	29	29	26	26	5	21	434%	29
Finance and administration		333 086	334 135	334 135	13 258	148 394	55 689	92 705	166%	334 135
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**12 063**	**11 799**	**11 799**	**440**	**1 843**	**1 967**	(124)	-6%	**11 799**
Community and social services		2 160	2 516	2 516	30	57	419	(362)	-86%	2 516
Sport and recreation		5 800	6 302	6 302	403	1 772	1 050	722	69%	6 302
Public safety		1 332	735	735	2	3	122	(119)	-97%	735
Housing		–	–	–	–	–	–	–		–
Health		2 772	2 246	2 246	6	10	374	(365)	-97%	2 246
Economic and environmental services		**15 708**	**27 734**	**27 734**	**2 256**	**4 358**	**4 622**	(264)	-6%	**27 734**
Planning and development		7 589	6 870	6 870	516	1 081	1 145	(64)	-6%	6 870
Road transport		6 952	19 419	19 419	1 647	2 934	3 236	(303)	-9%	19 419
Environmental protection		1 167	1 446	1 446	94	344	241	103	43%	1 446
Trading services		**597 069**	**631 958**	**631 958**	**30 592**	**90 303**	**105 326**	(15 023)	-14%	**631 958**
Energy sources		311 310	349 113	349 113	22 910	55 906	58 185	(2 279)	-4%	349 113
Water management		111 941	109 904	109 904	(2 144)	11 708	18 317	(6 610)	-36%	109 904
Waste water management		99 437	99 787	99 787	4 888	10 981	16 631	(5 650)	-34%	99 787
Waste management		74 381	73 154	73 154	4 937	11 708	12 192	(484)	-4%	73 154
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**958 852**	**1 005 656**	**1 005 656**	**46 572**	**244 924**	**167 609**	**77 315**	**46%**	**1 005 656**
Expenditure - Functional										
Governance and administration		**222 313**	**243 963**	**243 969**	**14 993**	**27 277**	**39 754**	(12 477)	-31%	**243 969**
Executive and council		50 007	50 592	50 618	3 118	5 936	8 360	(2 424)	-29%	50 618
Finance and administration		172 304	193 351	193 332	11 875	21 341	31 391	(10 049)	-32%	193 332
Internal audit		2	20	20	–	–	3	(3)	-100%	20
Community and public safety		**93 963**	**107 514**	**107 574**	**7 192**	**13 490**	**17 274**	(3 784)	-22%	**107 574**
Community and social services		9 090	11 186	11 186	738	1 369	1 792	(424)	-24%	11 186
Sport and recreation		49 442	54 230	54 230	3 323	6 394	8 728	(2 334)	-27%	54 230
Public safety		23 565	29 328	29 328	2 262	4 063	4 701	(638)	-14%	29 328
Housing		6 238	5 884	5 944	449	833	950	(117)	-12%	5 944
Health		5 628	6 886	6 886	419	832	1 104	(271)	-25%	6 886
Economic and environmental services		**141 490**	**157 693**	**157 627**	**13 943**	**20 468**	**25 853**	(5 385)	-21%	**157 627**
Planning and development		34 140	45 303	45 237	2 451	4 793	7 226	(2 433)	-34%	45 237
Road transport		103 535	109 560	109 560	11 349	15 391	18 161	(2 770)	-15%	109 560
Environmental protection		3 815	2 830	2 830	143	284	466	(182)	-39%	2 830
Trading services		**544 339**	**561 444**	**561 444**	**53 449**	**101 951**	**92 832**	9 119	10%	**561 444**
Energy sources		308 105	354 858	354 858	40 299	77 075	59 025	18 049	31%	354 858
Water management		99 126	86 287	86 287	3 836	7 346	14 212	(6 865)	-48%	86 287
Waste water management		74 483	59 888	59 888	5 162	10 184	9 827	357	4%	59 888
Waste management		62 626	60 412	60 412	4 152	7 346	9 768	(2 422)	-25%	60 412
Other		**1 125**	**3 834**	**3 834**	**–**	**–**	**639**	**(639)**	**-100%**	**3 834**
Total Expenditure - Functional	3	**1 003 231**	**1 074 449**	**1 074 449**	**89 576**	**163 186**	**176 352**	**(13 166)**	**-7%**	**1 074 449**
Surplus/ (Deficit) for the year		**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**	**90 481**	**-1035%**	**(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 – M02 August 2021

Vote Description	Ref	2020/21	Budget Year 2021/22							
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		867	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		329 514	332 484	332 484	13 204	148 275	55 414	92 861	167.6%	332 484
Vote 3 - CORPORATE SERVICES		565	319	319	26	26	53	(27)	-50.8%	319
Vote 4 - COMMUNITY SERVICES		96 575	105 755	105 755	7 137	16 913	17 626	(713)	-4.0%	105 755
Vote 5 - INFRASTRUCTURE AND ENGINEERING		526 745	563 015	563 015	25 851	78 954	93 836	(14 882)	-15.9%	563 015
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		4 586	4 082	4 082	354	756	680	76	11.1%	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	**958 852**	**1 005 656**	**1 005 656**	**46 572**	**244 924**	**167 609**	**77 315**	**46.1%**	**1 005 656**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		51 232	52 647	52 647	3 490	6 268	8 668	(2 400)	-27.7%	52 647
Vote 2 - FINANCIAL SERVICES		80 189	107 877	107 877	5 639	10 471	17 542	(7 071)	-40.3%	107 877
Vote 3 - CORPORATE SERVICES		56 843	45 011	45 011	2 940	5 547	7 303	(1 756)	-24.0%	45 011
Vote 4 - COMMUNITY SERVICES		196 624	213 660	213 660	14 800	26 899	34 410	(7 510)	-21.8%	213 660
Vote 5 - INFRASTRUCTURE AND ENGINEERING		596 140	621 597	621 597	61 229	111 128	103 020	8 108	7.9%	621 597
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		22 202	33 658	33 658	1 477	2 873	5 409	(2 536)	-46.9%	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	**1 003 231**	**1 074 449**	**1 074 449**	**89 576**	**163 186**	**176 352**	**(13 166)**	**-7.5%**	**1 074 449**
Surplus/ (Deficit) for the year	2	**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**	**90 481**	**-1034.9%**	**(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) – M02 August 2021

Description R thousands	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
Revenue By Source										
Property rates		210 205	218 711	218 711	12 481	87 175	36 452	50 724	139%	218 711
Service charges - electricity revenue		299 519	334 173	334 173	22 473	55 393	55 695	(303)	-1%	334 173
Service charges - water revenue		84 384	89 581	89 581	(2 477)	11 053	14 930	(3 877)	-26%	89 581
Service charges - sanitation revenue		55 545	58 635	58 635	4 521	10 460	9 773	688	7%	58 635
Service charges - refuse revenue		54 725	55 744	55 744	4 664	10 855	9 291	1 564	17%	55 744
Rental of facilities and equipment		2 347	1 169	1 169	90	167	195	(28)	-14%	1 169
Interest earned - external investments		4 719	5 780	5 780	261	478	963	(486)	-50%	5 780
Interest earned - outstanding debtors		9 982	10 674	10 674	1 011	1 942	1 779	163	9%	10 674
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		3 308	2 238	2 238	59	133	373	(240)	-64%	2 238
Licences and permits		11 639	25 746	25 746	2 073	4 954	4 291	663	15%	25 746
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		166 624	152 602	152 602	216	60 306	25 434	34 872	137%	152 602
Other revenue		9 211	10 348	10 348	648	1 456	1 725	(268)	-16%	10 348
Gains		57	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**912 263**	**965 400**	**965 400**	**46 019**	**244 372**	**160 900**	**83 472**	**52%**	**965 400**
Expenditure By Type										
Employee related costs		335 334	378 677	378 927	24 623	48 997	60 432	(11 436)	-19%	378 927
Remuneration of councillors		12 780	13 651	13 651	1 088	2 207	2 275	(68)	-3%	13 651
Debt impairment		31 535	53 726	53 726	–	–	8 954	(8 954)	-100%	53 726
Depreciation & asset impairment		80 852	91 830	91 830	6 521	10 533	15 305	(4 772)	-31%	91 830
Finance charges		3 094	716	716	52	109	119	(11)	-9%	716
Bulk purchases - electricity		221 040	290 000	290 000	35 844	69 096	48 333	20 763	43%	290 000
Inventory consumed		104 693	66 261	66 281	2 094	3 893	11 047	(7 153)	-65%	66 281
Contracted services		95 785	78 598	78 268	8 379	11 214	13 045	(1 830)	-14%	78 268
Transfers and subsidies		761	650	650	–	–	108	(108)	-100%	650
Other expenditure		115 349	100 339	100 399	10 974	17 137	16 733	404	2%	100 399
Losses		2 007	–	–	–	–	–	–		–
Total Expenditure		**1 003 231**	**1 074 449**	**1 074 449**	**89 576**	**163 186**	**176 352**	**(13 166)**	**-7%**	**1 074 449**
Surplus/(Deficit)		**(90 967)**	**(109 049)**	**(109 049)**	**(43 557)**	**81 186**	**(15 452)**	**96 638**	**(0)**	**(109 049)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		46 589	40 256	40 256	553	553	6 709	(6 156)	**(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		**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**			**(68 793)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**			**(68 793)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**			**(68 793)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(44 379)**	**(68 793)**	**(68 793)**	**(43 004)**	**81 738**	**(8 743)**			**(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) – M02 August 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		182	1 990	1 990	–	–	332	(332)	-100%	1 990
Vote 2 - FINANCIAL SERVICES		49 578	2 210	2 210	46	46	368	(322)	-87%	2 210
Vote 3 - CORPORATE SERVICES		2 308	1 923	1 923	–	–	320	(320)	-100%	1 923
Vote 4 - COMMUNITY SERVICES		(2 458)	6 110	6 110	–	–	1 018	(1 018)	-100%	6 110
Vote 5 - INFRASTRUCTURE AND ENGINEERING		38 142	45 230	45 230	610	610	7 538	(6 928)	-92%	45 230
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		340	670	670	41	41	112	(71)	-64%	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	**88 093**	**58 133**	**58 133**	**697**	**697**	**9 689**	**(8 992)**	**-93%**	**58 133**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		91	750	750	115	115	125	(10)	-8%	750
Vote 2 - FINANCIAL SERVICES		(57 971)	250	250	–	–	42	(42)	-100%	250
Vote 3 - CORPORATE SERVICES		22 363	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		681	1 380	1 380	26	26	230	(204)	-89%	1 380
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(28 215)	–	–	–	–	–	–		–
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		686	500	500	–	–	83	(83)	-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	(62 364)	2 880	2 880	141	141	480	**(339)**	**-71%**	2 880
Total Capital Expenditure	**3**	**25 728**	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**
Capital Expenditure - Functional Classification										
Governance and administration		**16 925**	**8 963**	**8 963**	**161**	**161**	**1 494**	(1 333)	-89%	**8 963**
Executive and council		274	2 240	2 240	115	115	373	(259)	-69%	2 240
Finance and administration		16 651	6 723	6 723	46	46	1 120	(1 074)	-96%	6 723
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**6 630**	**8 987**	**8 987**	**–**	**–**	**1 498**	(1 498)	-100%	**8 987**
Community and social services		–	570	570	–	–	95	(95)	-100%	570
Sport and recreation		243	6 217	6 217	–	–	1 036	(1 036)	-100%	6 217
Public safety		6 338	2 200	2 200	–	–	367	(367)	-100%	2 200
Housing		340	–	–	–	–	–	–		–
Health		(290)	–	–	–	–	–	–		–
Economic and environmental services		**(37 205)**	**15 555**	**15 555**	**61**	**61**	**2 592**	(2 531)	-98%	**15 555**
Planning and development		1 115	1 120	1 120	41	41	187	(146)	-78%	1 120
Road transport		(38 320)	14 435	14 435	21	21	2 406	(2 385)	-99%	14 435
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**39 378**	**27 458**	**27 458**	**615**	**615**	**4 576**	(3 961)	-87%	**27 458**
Energy sources		12 588	9 783	9 783	303	303	1 630	(1 328)	-81%	9 783
Water management		7 172	2 245	2 245	76	76	374	(298)	-80%	2 245
Waste water management		19 881	14 630	14 630	211	211	2 438	(2 228)	-91%	14 630
Waste management		(263)	800	800	26	26	133	(107)	-81%	800
Other		–	50	50	–	–	8	(8)	-100%	50
Total Capital Expenditure - Functional Classification	3	**25 728**	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**61 013**
Funded by:										
National Government		35 675	34 385	34 385	481	481	5 731	(5 250)	-92%	34 385
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		5 713	1 600	1 600	–	–	267	(267)	-100%	1 600
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**41 388**	**35 985**	**35 985**	**481**	**481**	**5 997**	**(5 517)**	**-92%**	**35 985**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(7 061)	25 028	25 028	357	357	4 171	(3 815)	-91%	25 028
Total Capital Funding		**34 327**	**61 013**	**61 013**	**837**	**837**	**10 169**	**(9 331)**	**-92%**	**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 – M02 August 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		12 905	12 224	12 224	70 977	12 224
Call investment deposits		40 490	33 116	33 116	55 000	33 116
Consumer debtors		79 760	67 296	67 296	56 278	67 296
Other debtors		142 012	48 618	48 618	30 854	48 618
Current portion of long-term receivables		–	3	3	–	3
Inventory		12 570	8 798	8 778	8 489	8 778
Total current assets		**287 737**	**170 054**	**170 034**	**221 598**	**170 034**
Non current assets						
Long-term receivables		–	13	13	–	13
Investments		–	–	–	–	–
Investment property		242 552	242 552	242 552	262 645	242 552
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2 071 777	2 042 419	2 042 419	2 054 702	2 042 419
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		1 295	2 934	2 934	1 295	2 934
Other non-current assets		–	–	–	–	–
Total non current assets		**2 315 624**	**2 287 917**	**2 287 917**	**2 318 642**	**2 287 917**
TOTAL ASSETS		**2 603 361**	**2 457 971**	**2 457 951**	**2 540 240**	**2 457 951**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–		–
Borrowing		6 747	0	0	4 537	0
Consumer deposits		20 774	17 378	17 378	20 774	17 378
Trade and other payables		177 499	135 300	135 280	69 370	135 280
Provisions		35 447	29 649	29 649	35 468	29 649
Total current liabilities		**240 468**	**182 327**	**182 307**	**130 150**	**182 307**
Non current liabilities						
Borrowing		(0)	–	–		–
Provisions		175 631	163 445	163 445	175 609	163 445
Total non current liabilities		**175 631**	**163 445**	**163 445**	**175 609**	**163 445**
TOTAL LIABILITIES		**416 098**	**345 772**	**345 752**	**305 759**	**345 752**
NET ASSETS	2	**2 187 263**	**2 112 199**	**2 112 199**	**2 234 481**	**2 112 199**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 231 641	2 112 199	2 112 199	2 234 481	2 112 199
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 231 641**	**2 112 199**	**2 112 199**	**2 234 481**	**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 – M02 August 2021

Description	Ref	2020/21	Budget Year 2021/22							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		187 021	203 401	203 401	45 849	61 614	(33 900)	95 514	-282%	(203 401)
Service charges		435 205	500 464	500 464	58 279	107 665	(83 411)	191 076	-229%	(500 464)
Other revenue		48 944	39 500	39 500	2 871	6 710	6 583	126	2%	39 500
Government - operating		166 705	152 602	152 602	1 720	61 821	23 829	37 992	159%	142 975
Government - capital		37 164	40 256	40 256	–	6 999	(6 471)	13 470	-208%	(38 829)
Interest		14 780	15 706	15 706	1 222	2 404	(691)	3 095	-448%	(4 147)
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(843 870)	(927 527)	(927 527)	(95 503)	(172 065)	(154 588)	17 478	-11%	(927 527)
Finance charges		(1 388)	(716)	(716)	(52)	(109)	(119)	(11)	9%	(716)
Transfers and Grants		(761)	(650)	(650)		–	(108)	(108)	100%	(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**43 801**	**23 037**	**23 037**	**14 385**	**75 039**	**(248 876)**	**(323 915)**	**130%**	**(1 493 258)**
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		(85 164)	(61 013)	(61 013)	(837)	(837)	–	837	0%	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(85 164)**	**(61 013)**	**(61 013)**	**(837)**	**(837)**	**–**	**837**	**0%**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(9 608)	(6 747)	(6 747)	(798)	(1 591)	–	1 591	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(9 608)**	**(6 747)**	**(6 747)**	**(798)**	**(1 591)**	**–**	**1 591**	**0%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(50 970)**	**(44 723)**	**(44 723)**	**12 750**	**72 610**	**(248 876)**			**(1 493 258)**
Cash/cash equivalents at beginning:		141 033	90 062	90 062		53 367	90 062			53 367
Cash/cash equivalents at month/year end:		90 063	45 339	45 339		125 977	(158 815)			(1 439 891)

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 August 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**

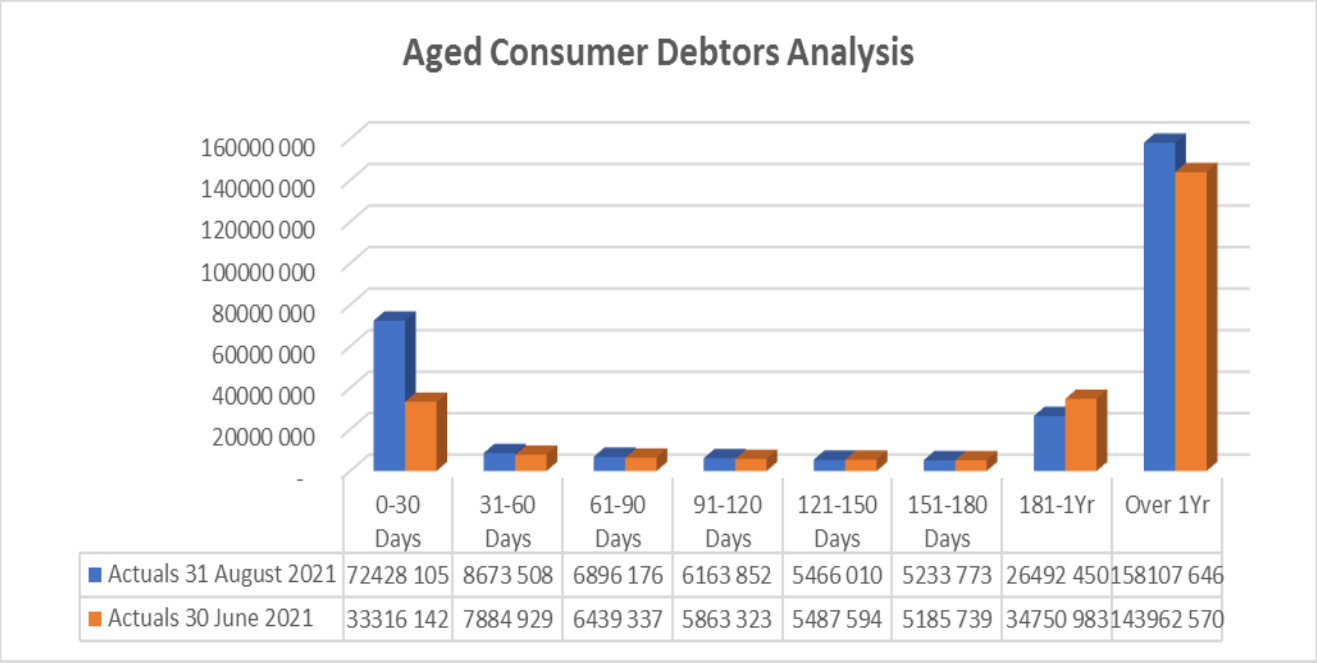
Debtors' Age Analysis (Inclusive of VAT) as at 31 August 2021.

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	12 197	1 982	2 202	1 864	1 709	1 681	8 929	42 602	73 166
Trade and Other Receivables from Exchange Transactions - Electricity	28 820	1 399	1 219	1 047	836	745	2 647	9 329	46 042
Receivables from Non-exchange Transactions - Property Rates	32 283	1 133	841	705	609	552	2 414	25 939	64 476
Receivables from Exchange Transactions - Waste Water Management	6 755	1 055	997	964	867	855	4 357	18 651	34 501
Receivables from Exchange Transactions - Waste Management	4 990	1 210	1 104	1 051	1 016	966	5 401	24 853	40 592
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	207	85	106	127	141	158	1 284	24 349	26 457
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(12 824)	1 810	426	406	288	277	1 459	12 385	4 227
Total By Income Source	**72 428**	**8 674**	**6 896**	**6 164**	**5 466**	**5 234**	**26 492**	**158 108**	**289 462**
									–
Debtors Age Analysis By Customer Group									
Organs of State	4 286	457	449	426	350	351	986	4 426	11 731
Commercial	10 586	361	355	298	294	270	1 088	4 355	17 608
Households	57 556	7 855	6 092	5 440	4 822	4 613	24 418	149 326	260 122
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**72 428**	**8 674**	**6 896**	**6 164**	**5 466**	**5 234**	**26 492**	**158 108**	**289 462**

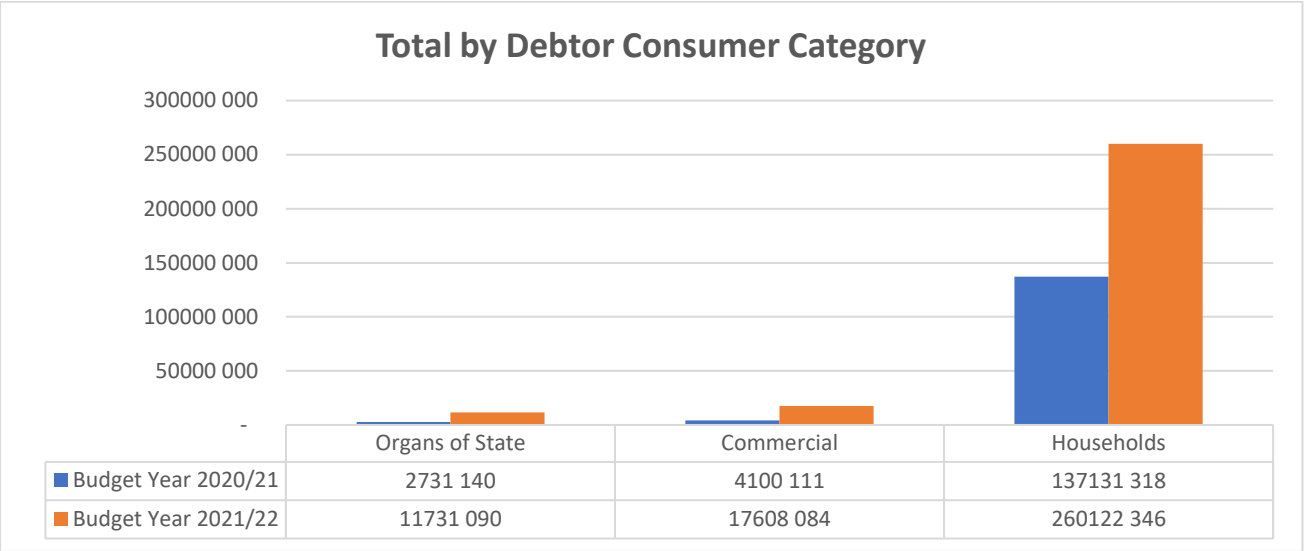
The aforementioned analysis indicates that from 30 June 2021 to 31 August 2021, the overdue debts have increased by R 7,459 million from R 209,574 million to R 217,033 million, as follows:

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	60 969	2 337
Trade and Other Receivables from Exchange Transactions - Electricity	17 163	17 222	59
Receivables from Non-exchange Transactions - Property Rates	33 015	32 193	(822)
Receivables from Exchange Transactions - Waste Water Management	26 556	27 746	1 190
Receivables from Exchange Transactions - Waste Management	33 908	35 602	1 693
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	24 963	26 250	1 287
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15 337	17 052	1 715
Total By Income Source	**209 574**	**217 033**	**7 459**
Debtors Age Analysis By Customer Group			
Organs of State	5 932	7 445	1 513
Commercial	6 886	7 022	136
Households	196 756	202 566	5 810
Other	–	–	–
Total By Customer Group	**209 574**	**217 033**	**7 459**

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								
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	41 047	112	–	(7)	–	–	–	–	**41 152**
Bulk Water	3 482	(9)	(1 740)	16	(48)	–	–	–	**1 701**
PAYE deductions	–	–	–	–	–	–	–	–	**–**
VAT (output less input)	–	–	–	–	–	–	–	–	**–**
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**
Loan repayments	–	–	–	–	–	–	–	–	**–**
Trade Creditors	9 757	349	357	372	–	75	160	1 252	**12 321**
Auditor General	–	–	–	–	–	–	–	–	**–**
Other	–	–	–	–	–	–	–	–	**–**
Total By Customer Type	**54 285**	**452**	**(1 383)**	**382**	**(48)**	**75**	**160**	**1 252**	**55 175**

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

Eskom	R 41,152 million
NMBM	R 1,701 million
Other Creditors	R 12,321 million
Total	**R 55,175 million**

It is to be noted that the Eskom amount of R 41,152 million, represents the current account for August 2021, which will be fully paid on 23 September 2021.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M02 August 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	1 720	61 858	61 858	–	0.0%	148 588
Operational Revenue:General Revenue:Equitable Share	143 774	143 774		59 906	59 906	–	0.0%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423			–	–		1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720	1 720	1 720	1 720	–	0.0%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671		232	232	–	0.0%	1 671
District Municipality:	1 964	1 964	–	–	–	–		1 964
Enviromental Health Subsidy	1 964	1 964			–	–		1 964
Provincial Government:	2 050	2 050	–	–	–	–		2 050
Sport and Recreation	2 050	2 050			–	–		2 050
Total Operating Transfers and Grants	152 602	152 602	1 720	61 858	61 858	–	0.0%	152 602
Capital Transfers and Grants								–
National Government:	39 542	39 542	–	6 999	6 999	–	0.0%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800		2 600	2 600	–	0.0%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742		4 399	4 399	–	0.0%	31 742
District Municipality:	714	714	–	–	–	–		714
Fire Services Subsidy	714	714			–	–		714
Total Capital Transfers and Grants	40 256	40 256	–	6 999	6 999	–	0.0%	40 256
TOTAL RECEIPTS OF TRANSFERS & GRANTS	192 858	192 858	1 720	68 856	68 856	–	0.0%	192 858

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 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	6 297	11 944	24 765	(12 821)	-51.8%	148 588
Operational Revenue:General Revenue:Equitable Share	143 774	143 774	6 076	11 538	23 962	(12 424)	-51.8%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423	41	41	237	(197)	-82.9%	1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720	70	140	287	(147)	-51.3%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671	111	226	278	(53)	-18.9%	1 671
District Municipality:	1 964	1 964	–	–	–	–		1 964
Enviromental Health Subsidy	1 964	1 964			–	–		1 964
Provincial Government:	2 050	2 050	–	–	–	–		2 050
Sport and Recreation	2 050	2 050			–	–		2 050
Total operating expenditure of Transfers and Grants:	152 602	152 602	6 297	11 944	24 765	(12 821)	-51.8%	152 602
Capital expenditure of Transfers and Grants								–
National Government:	39 542	39 542	348	348	1 300	(952)	-73.2%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800	348	348	1 300	(952)	-73.2%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742			–	–		31 742
District Municipality:	714	714	–	–	–	–		714
Fire Services Subsidy	714	714			–	–		714
Total capital expenditure of Transfers and Grants	40 256	40 256	348	348	1 300	(952)	-73.2%	40 256
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	192 858	192 858	6 646	12 292	26 065	(13 772)	-52.8%	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 1,720,000
Expenditure to date:	R 139,603
Unspent as at 31 August 2021:	R 1,580,397

The spending of the grant amounted to 8.12% as at 31 August 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 1,423,000
Amount of Grant Received:	R 0.00
Expenditure to date:	R 40,531
Overspent as at 31 August 2021:	R -40,531

The first instalment allocation for EPWP will be received by the municipality in September 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 225,690
Unspent as at 31 August 2021:	R 4,404,310

The spending of the grant amounted to 4.87% as at 31 August 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 348,358
Unspent as at 31 August 2021:	R 2,251,642

The spending of the grant amounted to 13.40% as at 31 August 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 – M02 August 2021.

Summary of Employee and Councillor remuneration	Budget Year 2020/21							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	9 104	9 104	724	1 452	1 517	(66)	-4%	9 104
Pension and UIF Contributions	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	14	54	–	54	#DIV/0!	–
Motor Vehicle Allowance	3 081	3 081	243	485	514	(28)	-5%	3 081
Cellphone Allowance	1 465	1 465	108	216	244	(29)	-12%	1 465
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–		–
Sub Total - Councillors	**13 651**	**13 651**	**1 088**	**2 207**	**2 275**	**(68)**	**-3%**	**13 651**
Senior Managers of the Municipality								
Basic Salaries and Wages	6 954	6 954	554	1 009	1 159	(150)	-13%	6 954
Pension and UIF Contributions	106	106	9	17	18	(1)	-4%	106
Medical Aid Contributions	31	31	4	9	5	4	73%	31
Overtime	–	–	–	–	–	–		–
Performance Bonus	23	23	–	–	–	–		23
Motor Vehicle Allowance	1 605	1 605	68	206	267	(62)	-23%	1 605
Cellphone Allowance	10	10	1	2	2	(0)	-6%	10
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	1	1	0	0	0	(0)	-7%	1
Payments in lieu of leave	2 358	2 358	75	634	393	241	61%	2 358
Long service awards	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**11 088**	**11 088**	**711**	**1 876**	**1 844**	**32**	**2%**	**11 088**
Other Municipal Staff								
Basic Salaries and Wages	232 525	232 775	15 956	31 178	38 796	(7 618)	-20%	232 775
Pension and UIF Contributions	36 881	36 881	2 592	5 168	6 147	(979)	-16%	36 881
Medical Aid Contributions	23 684	23 684	1 362	2 714	3 947	(1 233)	-31%	23 684
Overtime	31 142	31 142	1 868	3 787	5 190	(1 403)	-27%	31 142
Performance Bonus	23	23	–	–	4	(4)	-100%	23
Motor Vehicle Allowance	9 871	9 871	838	1 571	1 645	(74)	-5%	9 871
Cellphone Allowance	85	85	3	10	14	(4)	-29%	85
Housing Allowances	1 787	1 787	80	160	298	(137)	-46%	1 787
Other benefits and allowances	29 863	29 863	1 060	2 227	2 259	(32)	-1%	29 863
Payments in lieu of leave	25	25	–	144	4	140	3369%	25
Long service awards	1 702	1 702	153	160	284	(124)	-44%	1 702
Post-retirement benefit obligations	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**367 590**	**367 840**	**23 912**	**47 120**	**58 588**	**(11 468)**	**-20%**	**367 840**
Total Parent Municipality	**392 328**	**392 578**	**25 712**	**51 204**	**62 708**	**(11 504)**	**-18%**	**392 578**
TOTAL SALARY, ALLOWANCES & BENEFITS	**392 328**	**392 578**	**25 712**	**51 204**	**62 708**	**(11 504)**	**-18%**	**392 578**
TOTAL MANAGERS AND STAFF	**378 677**	**378 927**	**24 623**	**48 997**	**60 432**	**(11 436)**	**-19%**	**378 927**

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 August 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.78%	1.29%	1.23%	1.15%	0.69%	1.04%
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	1.70
Liquidity Ratio	Monetary assets / current liabilities	0.47	0.75	0.87	2.61	0.2	0.97
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	90.73%	97,62%	95.42%	94.41%	93%	77.54%

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 August 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	1.44
Employee Costs	Employee Costs / Total Operating Expenditure	33.21%	33.39%	35.87%	35.73%	35.24%	30.03%
Capital Expenditure	Capital Expenditure / Capital Budget	72.98%	44.59%	75.33%	76.92%	95%	1.37%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.82%	5.63%	5.99%	6.84%	4.54%	6.71%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.41%	2.29%	2.46%	2.93%	2.39%	0.53%
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%	75.32%

The above table is discussed in detail below.

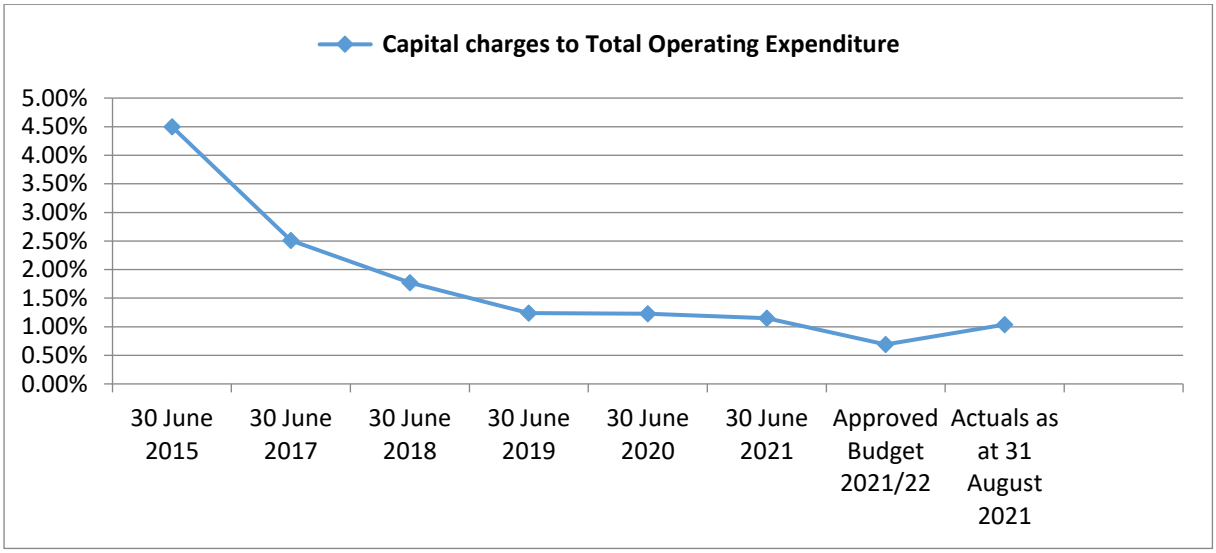
4.1. Borrowing Management

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 1.04% of the Total Operating Expenditure was utilised for capital charges as at 31 August 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.

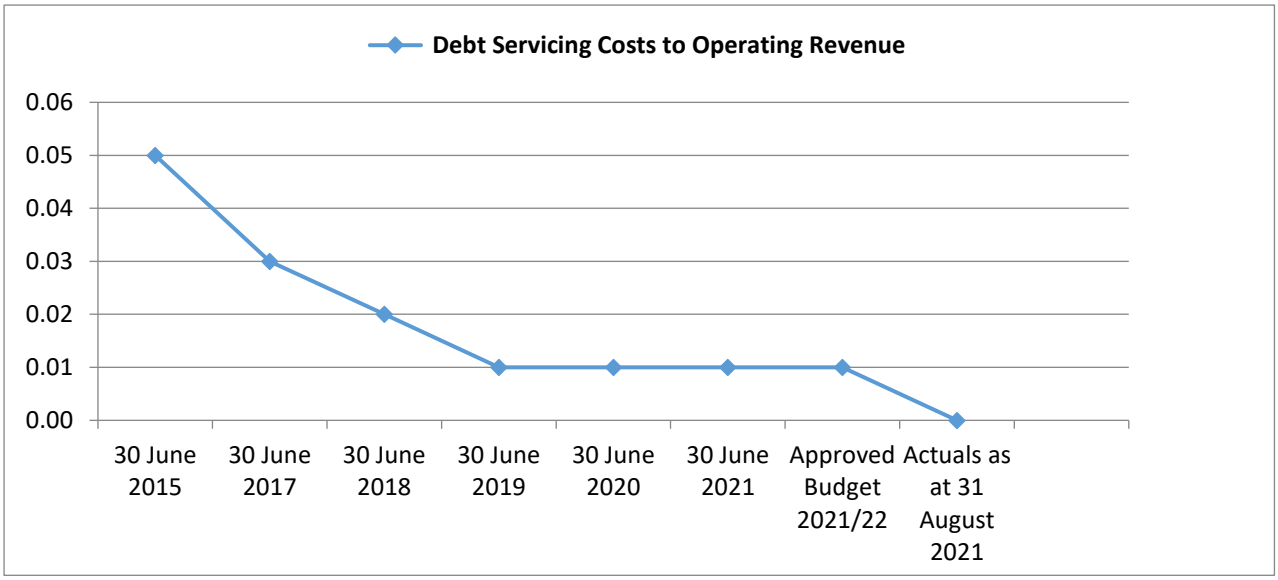
4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 August 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:

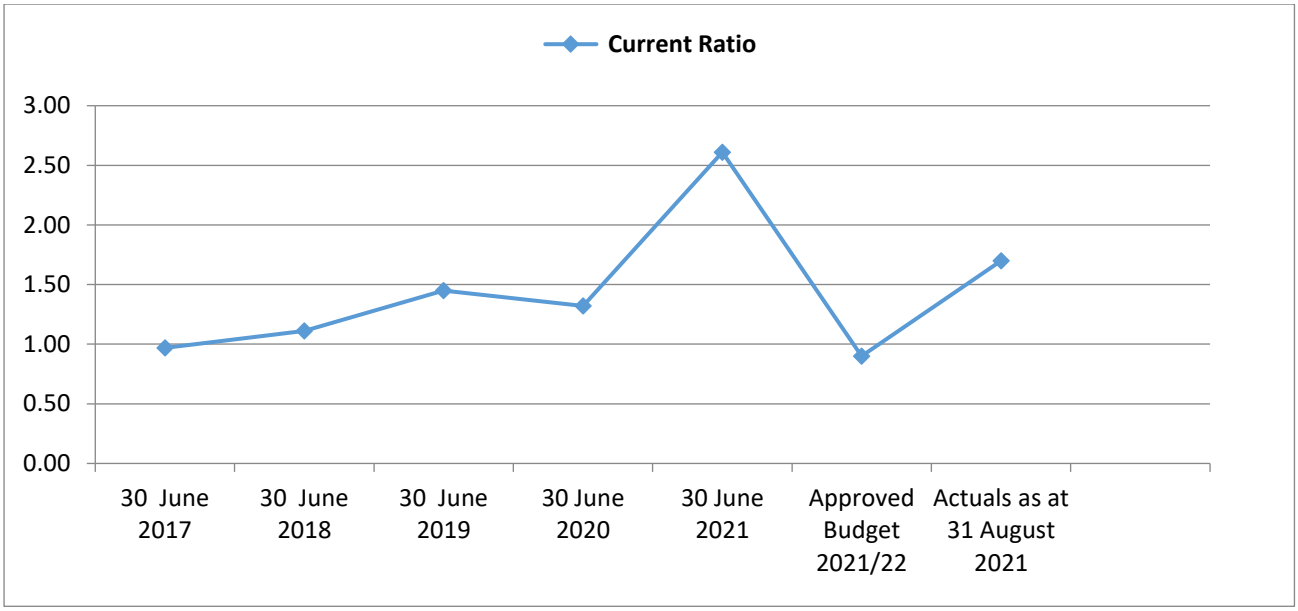
Current assets/Current liabilities

The ratio as at 31 August 2021 was 1.70:1, 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

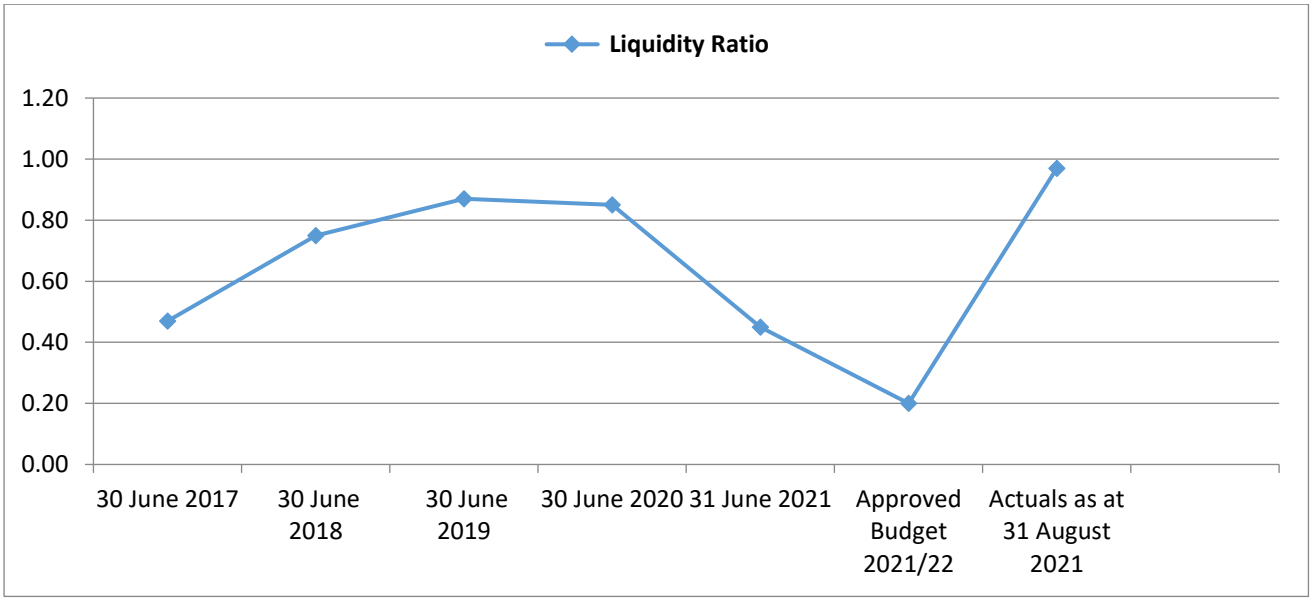
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

The ratio is determined as follows:

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 August 2021 was 0.97:1, 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

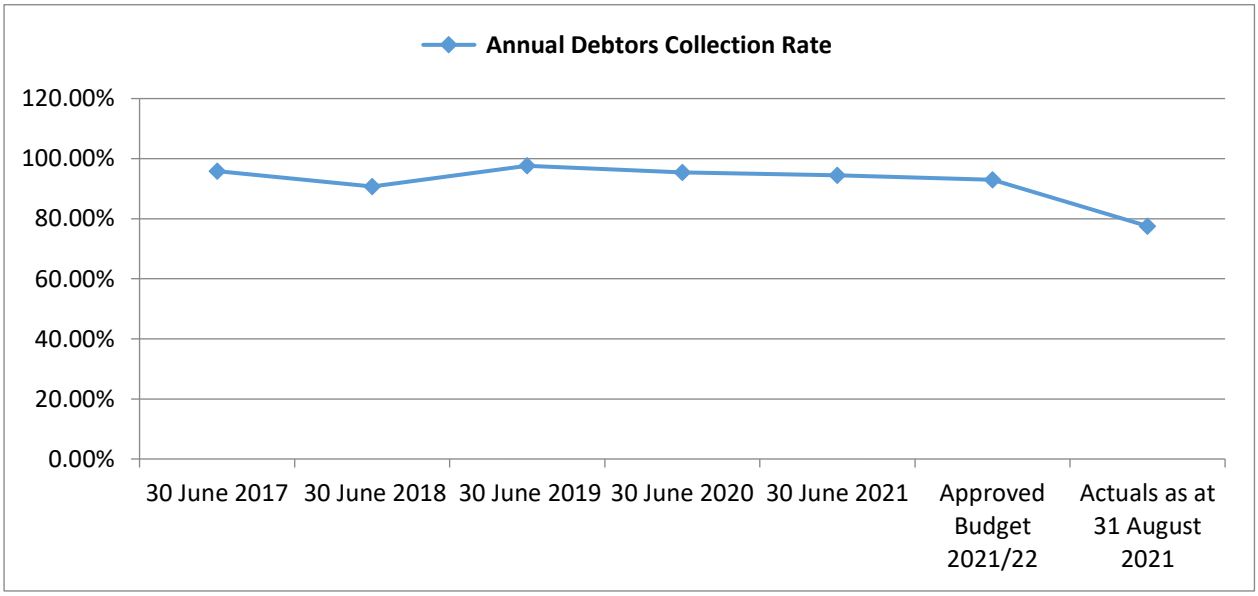
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 August 2021 was 77.54%, compared to the approved budget collection rate of 93%. The actual collection rate for August is 67.83%. 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.

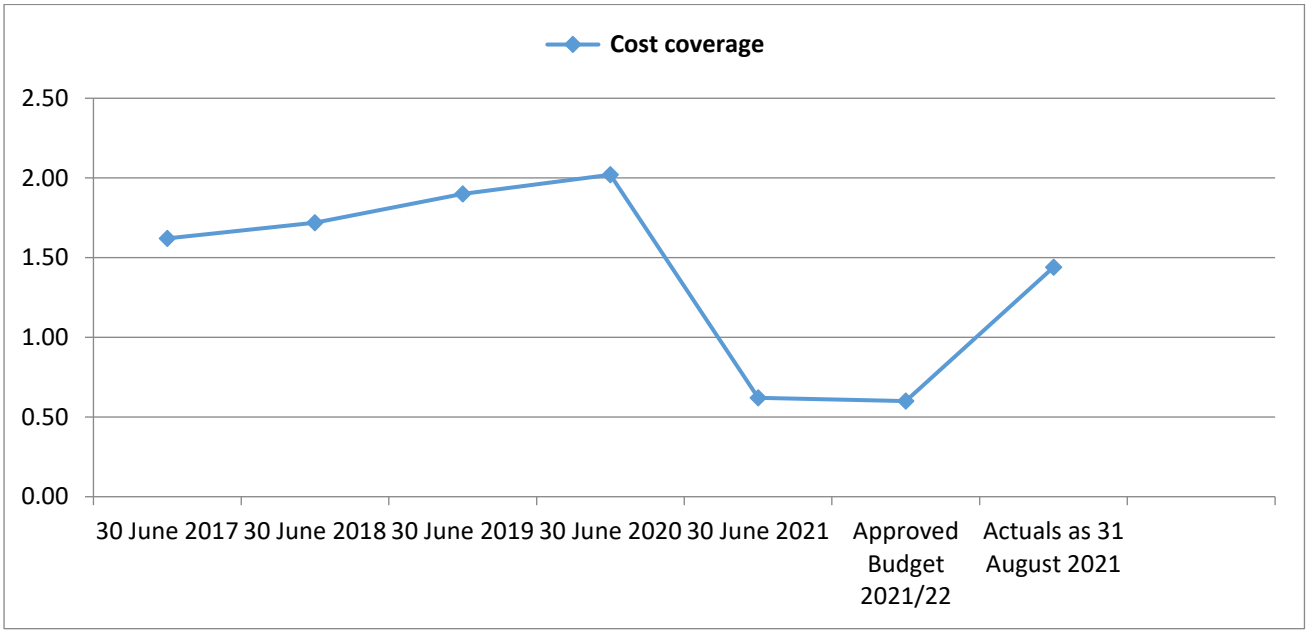
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 August 2021, the Ratio was 1.44 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.



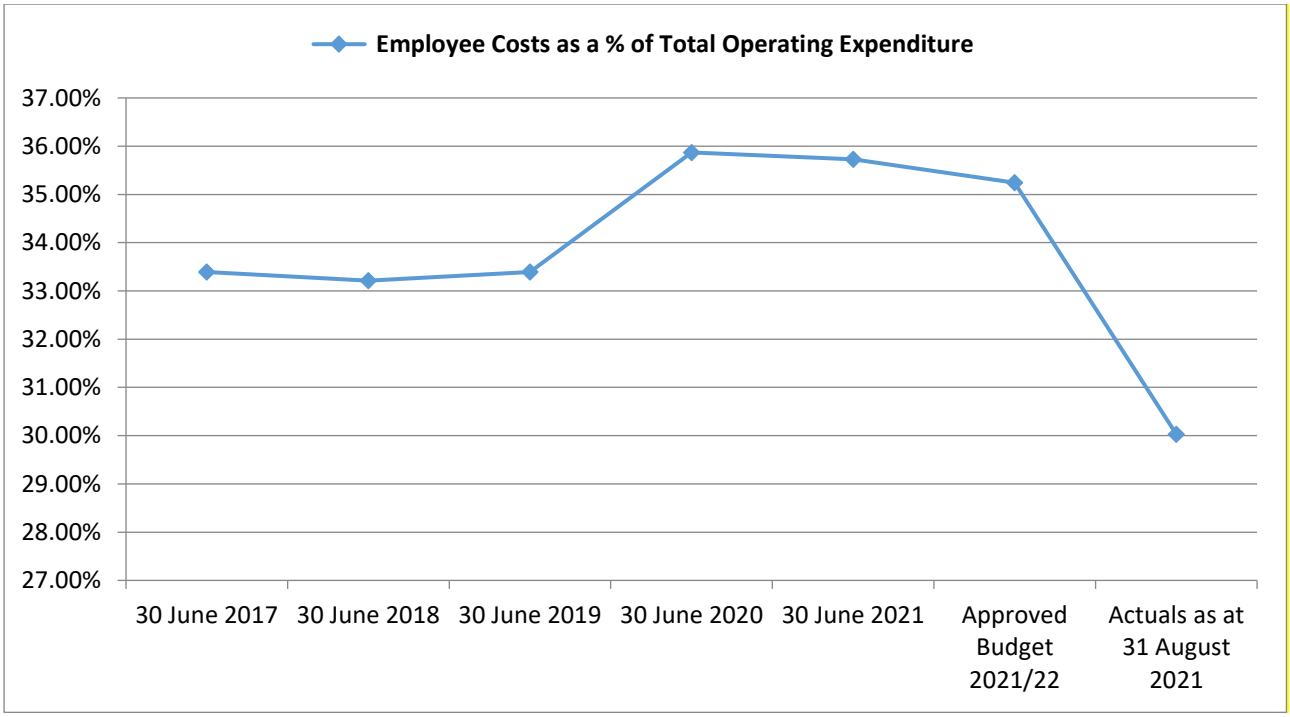
4.4.2. Employee costs as a % of Total Operating Expenditure

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 August 2021, Employee Related Costs constituted 30.03% of the Total Operating Expenditure compared to the approved budget ratio 35.24%.



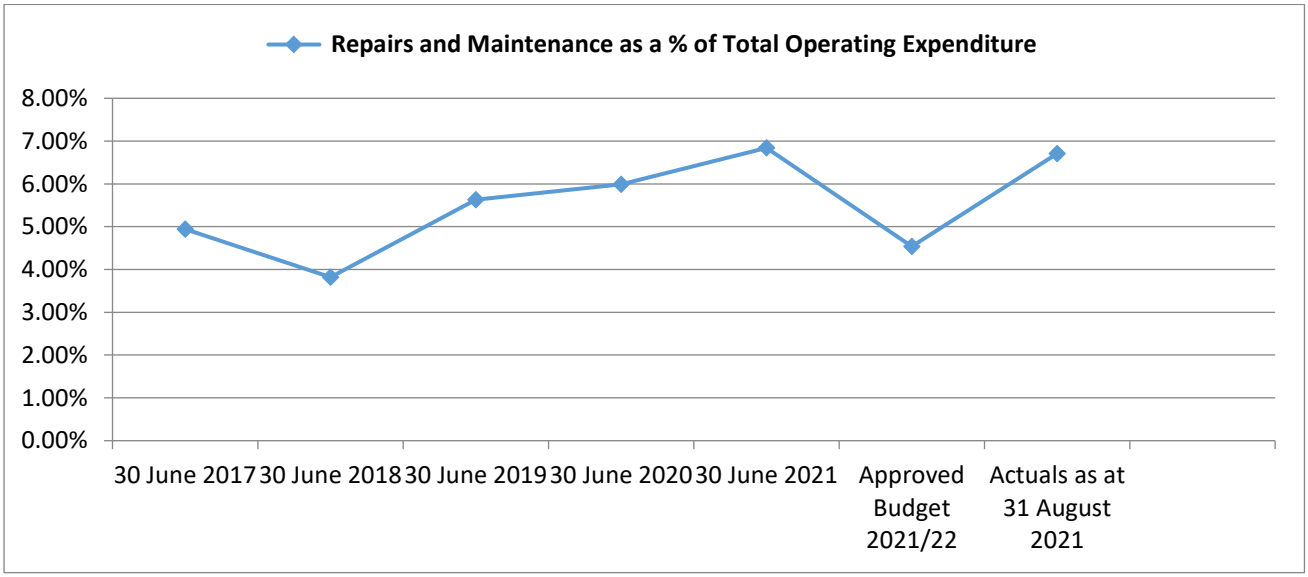
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 August 2021, the ratio was 6.71%, 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)

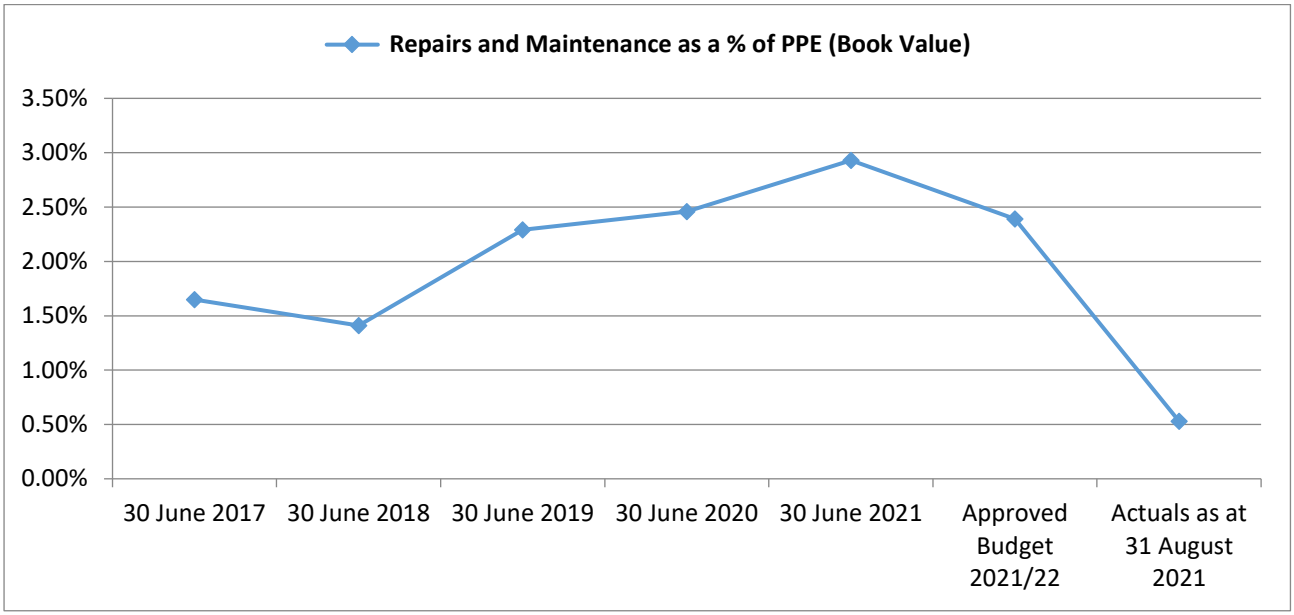
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 August 2021, repairs and maintenance expenditure constituted 0.53% 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%.



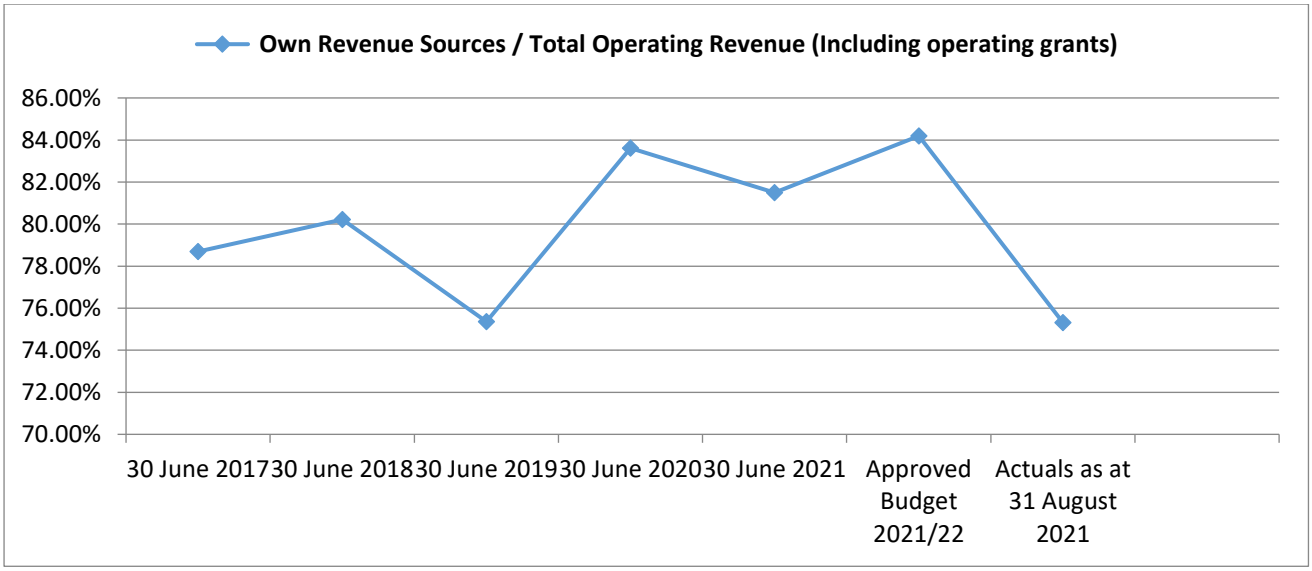
4.4.5. Own Revenue Generation

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 August 2021, the Municipality's own revenue sources constituted 75.32% 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 August 2021 amounted to 1.37% compared to the approved budget ratio of 95%.

