KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

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MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO DECEMBER 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 2021 (2021/22 FINANCIAL YEAR)

1. Purpose

This report is submitted in compliance with Sections 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 December 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 557,476 million, whilst operating expenditure amounted to R 504,882 million, resulting in an operating surplus of R 52,594 million.
- Capital expenditure constituted 33.0% of the 2021/22 Adjusted Capital Budget.
- Overdue consumer debts increased by R 36,455 million (17.39%) since June 2021.

- An amount of R 31,489 million is owing to creditors, of which R 29,561 million (93.88%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 51,110,851 (95.77%) since June 2021, from R 53,367,196 to R 104,478,047.

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

	Balance as at 30 June 2021	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 December 2021
Standard Bank	11 424 167	-	194 702	-		11 618 869
ABSA	- 2 924 280	7 000 000	61 431	-	20 672	4 116 479
Nedbank	4 505 780	-	77 975	-		4 583 756
RMB	23 427 726	36 596 996	498 940	25 132 029		35 391 633
INVESTEC	4 055 992	-	71 781	-		4 127 774
Total	**40 489 385**	**43 596 996**	**904 830**	- **25 132 029**	- **20 672**	**59 838 510**
INVESTMENT	**Balance as at 30 June 2021**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 December 2021**
General Account	29 430 884	14 297 996	609 986	7 000 000	20 672	37 318 195
Conditional Grants	11 050 682	29 299 000	294 744	18 124 127	-	22 520 299
Housing Funds	7 819	-	99	7 902	-	16
Total	**40 489 385**	**43 596 996**	**904 830**	- **25 132 029**	- **20 672**	**59 838 510**
Bank	12 877 811	31 761 726				44 639 537
Total	**53 367 196**	**75 358 722**	**904 830**	- **25 132 029**	- **20 672**	**104 478 047**

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

Cash backed Reserves.

Bank Balances and Cash	R 44,639,537
Short-term Investment Deposits	R 59,838,510
	R104,478,047

Application of Cash

Unspent Conditional Grants	6,821,993
Internally Generated Funds (Capital commitments)	29,229,100
Outstanding Creditors Liability	31,488,870
	67,539,963
Reserves in excess of commitments	**36,938,084**

The cash backed reserves exceed the commitments at this stage by an amount of R 36,938,084. It should be noted that the excess of reserves over commitments as at December 2021, is mainly due to an amount of R 47,925 million in respect of the Equitable share allocation received on 21 December 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 December 2020	Actuals as at 31 December 2021	Approved Budget 2021/22
Current Ratio	1.31:1	1.32:1	2.61:1	1.99:1	1.92:1	0.9:1
Liquidity Ratio	0.84:1	0.85:1	0.45:1	1.24:1	1.09:1	0.2:1
Cost Coverage (Excluding unspent conditional grants)	1.97 Months	2.02 Months	0.62 Months	2.08 Months	1.25 Months	0.6 Months
Debtors Collection Rate	97.62%	95.42%	94.41%	91.33%	91.51%	93%
Capital Expenditure	73.82%	75.33%	76.92%	19.40%	33.0%	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 December 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 January 2022……………………………

Annexure "A1"

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO DECEMBER 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	976 647	109 465	557 476	488 323	69 153
Total Expenditure	1 074 449	1 076 316	78 066	504 882	546 320	(41 438)
Surplus/(Deficit)	(109 049)	(99 669)	31 399	52 594	(57 997)	110 591

the statement of financial performance reflects a surplus of R 52,594 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		
	Adjusted Budget	YearTD actual	%
R thousands			
Revenue By Source			
Property rates	218 711	141 708	64.79%
Service charges - electricity revenue	334 173	171 056	51.19%
Service charges - water revenue	89 581	38 887	43.41%
Service charges - sanitation revenue	58 635	29 248	49.88%
Service charges - refuse revenue	55 744	29 617	53.13%
Rental of facilities and equipment	1 169	1 551	132.77%
Interest earned - external investments	5 780	1 443	24.96%
Interest earned - outstanding debtors	10 674	6 120	57.33%
Fines, penalties and forfeits	2 238	397	17.75%
Licences and permits	25 746	6 909	26.84%
Transfers and subsidies	153 324	113 335	73.92%
Other revenue	20 873	17 206	82.43%
Total Revenue (excluding capital transfers and contributions)	**976 647**	**557 476**	**57.08%**

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

- **Property Rates**

  As at 31 December 2021, the Municipality has recognised 64.79% of its property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2021.

- **Rental of facilities and equipment**

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

- **Interest earned - external investments**

  Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 104,478 million.

- **Fines, penalties and forfeits**

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

- **Licences and permits**

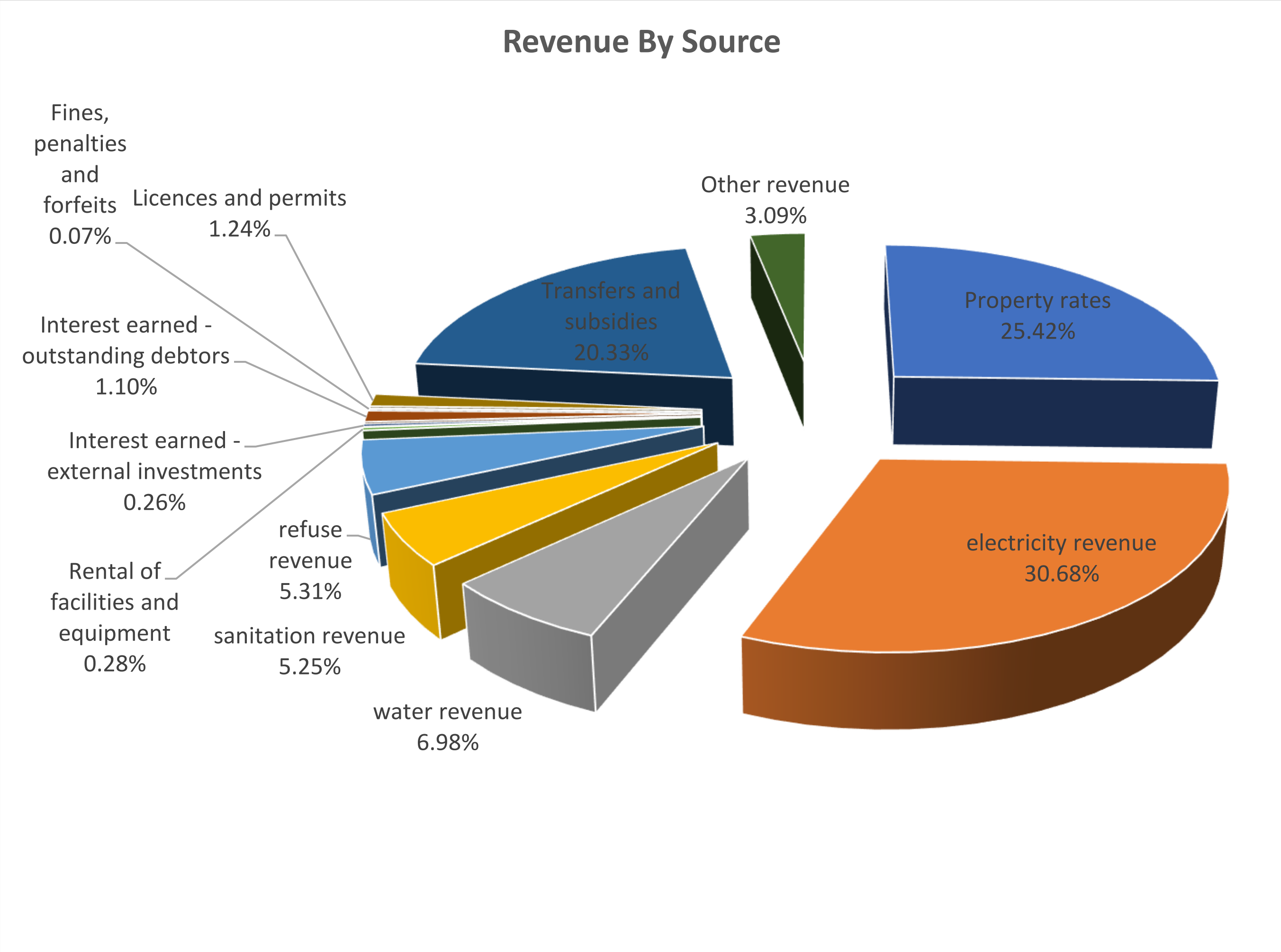
  Licences and permits mostly relate to motor registrations and is influenced by the extent of vehicle registrations.

- **Transfers and subsidies**

  Transfers and subsidies are largely influenced by the second instalment of Equitable share allocation received on 12 December 2021 amounting to R 47,925 million.

- **Other revenue**

  The other revenue is largely influenced by the land sale revenue, amounting to R 10,525 million received.



Expenditure

Main expenditure types for 2021/22

Description	Budget Year 2020/21		
	Adjusted Budget	YearTD actual	%
R thousands			
Expenditure By Type			
Employee related costs	378 927	171 557	45.27%
Remuneration of councillors	13 651	6 657	48.77%
Debt impairment	53 726	–	0.00%
Depreciation & asset impairment	91 830	36 616	39.87%
Finance charges	716	232	32.37%
Bulk purchases	290 000	161 058	55.54%
Other materials	66 229	36 165	54.61%
Contracted services	80 353	39 143	48.71%
Transfers and subsidies	650	–	0.00%
Other expenditure	100 233	53 453	53.33%
Total Expenditure	**1 076 316**	**504 882**	**46.91%**

Reasons for major over-/under expenditure per type

- **Bad Debts**

  Bad debts are written off upon Council approval.

- **Finance charges**

  Finance charges relate to interest on Development Bank of South Africa (DBSA) outstanding loan and is recognised in line with the approved amortisation schedule.

- **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	161 057 956	55.54%
	290 000 000	**161 057 956**	**55.54%**

- **Contracted Services**

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

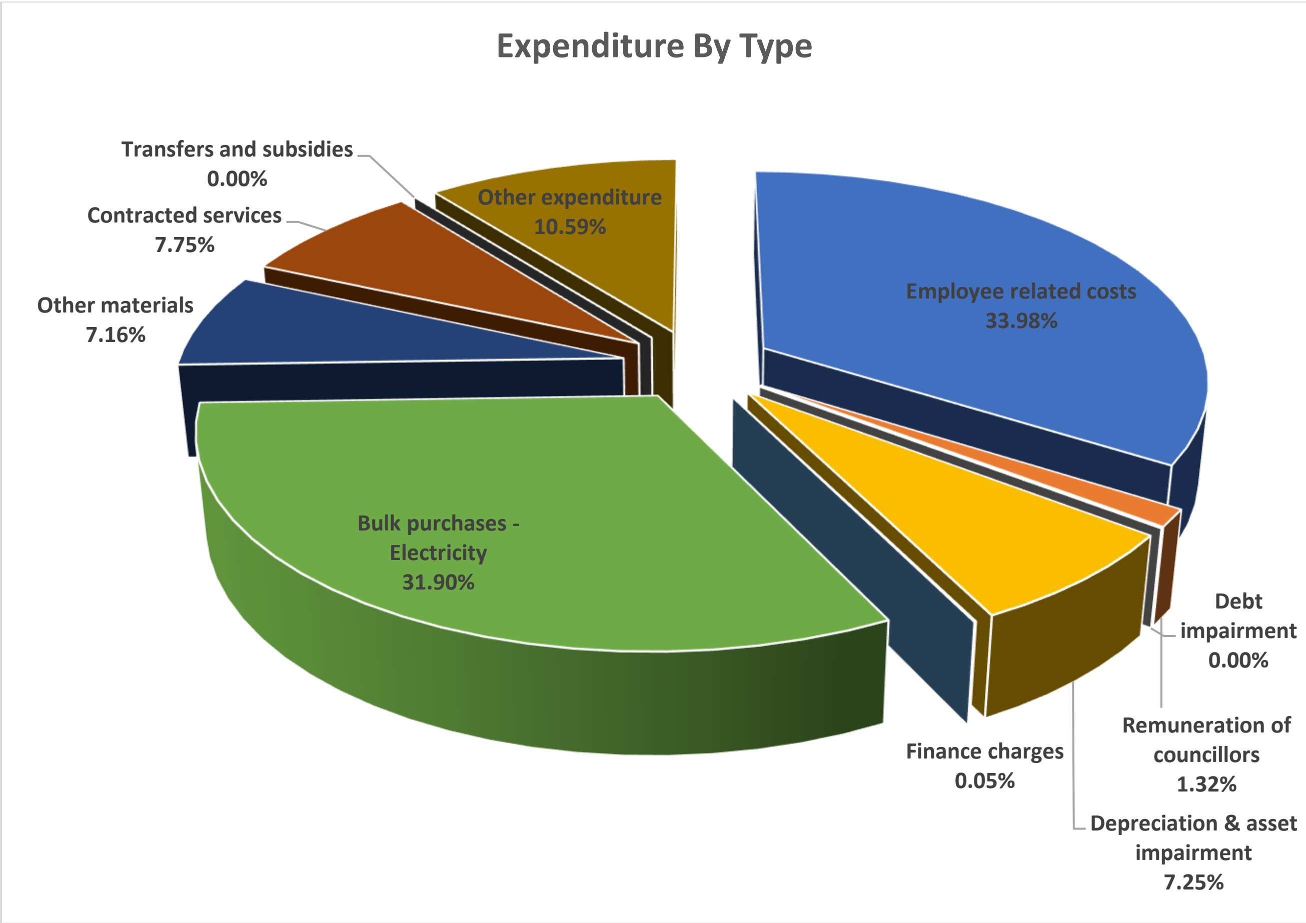
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 31 December 2021	%
Animal Care	476 575	20 000	4.20%
Burial Services	180 000	7 850	4.36%
Call Centre	250 000	-	0.00%
Catering Services	534 500	127 967	23.94%
Clearing and Grass Cutting Services	1 300 000	861 263	66.25%
Consultants and Professional Services	12 927 451	2 099 657	16.24%
Drivers Licence Cards	600 000	154 366	25.73%
Dune Stabilisation	3 300 000	2 438 374	73.89%
Employee Wellness	410 000	121 938	29.74%
Event Promoters	100 000	89 468	89.47%
Internal Auditors	400 000	132 650	33.16%
Laboratory Services:Water	625 000	193 752	31.00%
Legal Advice and Litigation	2 230 000	1 215 748	54.52%
Legal Cost:Collection	1 000 000	332 559	33.26%
LED Strategic Plan	322 000	50 000	15.53%
Litter Picking and Street Cleaning	1 250 000	580 991	46.48%
Maintenance of Buildings and Facilities	6 760 000	2 588 471	38.29%
Maintenance of Electrical Infrastructure	2 526 839	809 239	32.03%
Maintenance of Equipment	841 450	86 217	10.25%
Maintenance of Sanitation Infrastructure	1 265 000	726 887	57.46%
Maintenance of Vehicles	7 918 373	3 709 281	46.84%
Maintenance of Water Infrastructure	1 420 000	673 066	47.40%
Medical Health Services & Support	900 000	315 416	35.05%
Occupational Health and Safety	21 000	-	0.00%
Other Contracted Services	2 315 000	444 003	19.18%
Personnel and Labour	6 665 870	3 846 166	57.70%
Professional Staff	457 000	273 790	59.91%
Qualification Verification	700 000	369 215	52.75%
Roads Maintenance	10 000 000	9 850 312	98.50%
Security Services	3 000 000	2 317 769	77.26%
Special Rating Area	7 500 000	4 697 808	62.64%
Transport Services	467 250	9 100	1.95%
Valuer	1 690 000	-	0.00%
Total	**80 353 308**	**39 143 321**	**48.71%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 31 December 2021	%
Accommodation	1 013 297	374 881	37.00%
Achievements and Awards	1 700 000	601 525	35.38%
Advertising, Publicity and Marketing	2 435 000	397 608	16.33%
Air Transport	353 609	11 192	3.17%
Bank Charges	700 000	441 108	63.02%
Bargaining Council	3 200 000	-	0.00%
Cellular Contract (Subscription and Calls)	1 755 364	1 081 621	61.62%
Claims paid to Third Parties	300 000	54 147	18.05%
External Audit Fees	4 500 000	2 605 753	57.91%
External Computer Service:Internet Charge	4 464 541	2 139 804	47.93%
Gifts and Promotional Items	165 000	74 715	45.28%
Hire Charges	20 815 100	9 855 203	47.35%
Insurance Claims	3 180 000	69 526	2.19%
Insurance Underwriting:Premiums	3 087 456	2 796 389	90.57%
Leases:Furniture and Office Equipment	3 599 992	1 462 783	40.63%
Leases:Machinery and Equipment	60 000	-	0.00%
Leases:Other Assets	3 963 740	2 020 574	50.98%
Motor Vehicle Licence and Registrations	1 046 294	454 482	43.44%
Municipal Services	11 938 606	15 956 921	133.66%
Non-employees	575 926	210 940	36.63%
Other	1 291 781	221 744	17.17%
Own Transport	896 488	140 462	15.67%
Postage/Stamps/Franking Machines	1 462 500	588 155	40.22%
Printing, Publications and Books	1 393 000	395 734	28.41%
Registration Fees:Professional and Regulatory Bodies	1 078 140	58 198	5.40%
Registration Fees:Seminars, Conferences, Workshops	2 012 210	311 823	15.50%
Remuneration to Ward Committees	2 137 200	1 207 668	56.51%
Riparian Levies	3 280 241	3 098 400	94.46%
Signage	623 257	200 957	32.24%
Skills Development Fund Levy	3 861 814	1 705 375	44.16%
Software Licences	4 075 279	463 750	11.38%
Storage of Files (Archiving)	550 000	27 594	5.02%
Supplier Development Programme	100 000	-	0.00%
Tenders	715 000	483 216	67.58%
Third Party Vendors	1 490 102	911 707	61.18%
Uniform and Protective Clothing	4 121 886	1 727 985	41.92%
Vehicle Tracking	625 715	358 468	57.29%
Workmen''s Compensation Fund	1 664 930	942 945	56.64%
Total	**100 233 468**	**53 453 355**	**53.33%**



Expenditure By Type
Transfers and subsidies 0.00%
Contracted services 7.75%
Other materials 7.16%
Other expenditure 10.59%
Employee related costs 33.98%
Bulk purchases - Electricity 31.90%
Debt impairment 0.00%
Remuneration of councillors 1.32%
Finance charges 0.05%
Depreciation & asset impairment 7.25%

Repairs and Maintenance

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

Item Description	Budget Year 2021/22		
	Adjusted Budget	Actuals as at 31 December 2021	%
Maintenance of Equipment	957 381	168 253	17.57%
Maintenance of Vehicles	9 515 882	4 614 587	48.49%
Maintenance of Buildings and Facilities	7 776 360	2 837 614	36.49%
Maintenance of Water Infrastructure	4 426 000	1 658 846	37.48%
Roads Maintenance	12 100 000	11 283 633	93.25%
Sport and Recreation Facilities	343 559	165 848	48.27%
Maintenance of Electrical Infrastructure	7 051 839	3 185 132	45.17%
Maintenance of Sanitation Infrastructure	2 434 600	1 065 036	43.75%
Hire Charges	3 925 000	2 958 109	75.37%
Other Contracted Services	400 000	223 908	55.98%
Total	**48 930 621**	**28 160 967**	**57.55%**

It is to be noted that actual repairs and maintenance expenditure constituted 57.55% 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	40 348	2 948	16 302	20 174	(3 871)	-19%	40 348
Provincial Government	–	–	–	–	–	–		–
District Municipality	1 600	1 600	–	1 299	800	499	62%	1 600
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**35 985**	**41 948**	**2 948**	**17 601**	**20 974**	**(3 372)**	**-16%**	**41 948**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	25 028	38 011	1 450	8 782	19 006	(10 22)	-54%	38 011
Total Capital Funding	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**

The capital expenditure as at 31 December 2021, constituted 33.0% of approved capital budget and the funding is broken down as follows:

- Grant funding is 41.96% of approved grant funding budget.
- Internally generated funds are 23.10% 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	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	2 740	3 440	150	847	24.62%
Vote 2 - FINANCIAL SERVICES	2 460	3 374	(1)	726	21.53%
Vote 3 - CORPORATE SERVICES	1 923	2 147	198	550	25.62%
Vote 4 - COMMUNITY SERVICES	7 490	8 055	546	2 667	33.12%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	45 230	61 038	3 393	21 206	34.74%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	1 170	1 905	111	387	20.32%
Total Capital Multi-year expenditure	**61 013**	**79 959**	**4 398**	**26 384**	**33.00%**

The capital expenditure as at 31 December 2021, constituted 33.0% of approved adjusted capital budget.

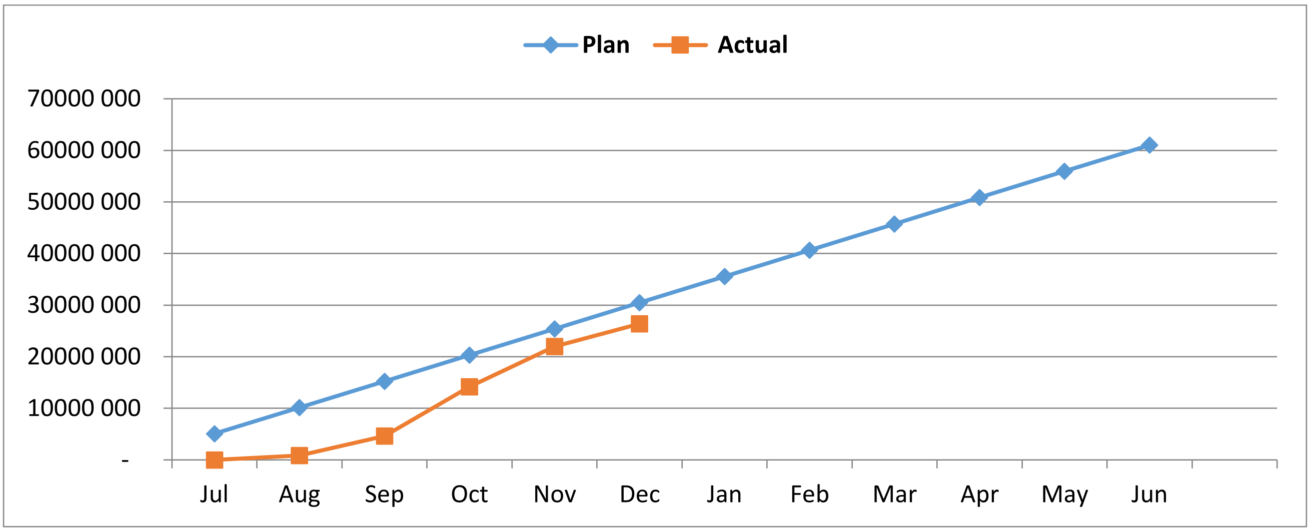
The capital expenditure is broken down per directorate as follows:

- Executive & Council is 24.62% of R 3,440 million budget.

- Financial Services is 21.53% of R 3,374 million budget.
- Corporate Services is 25.62% of R 2,147 million budget.
- Community Services is 33.12% of R 8,055 million budget.
- Infrastructure & Engineering is 34.74% of R 61,038 million budget.
- Planning, Development and Tourism is 20.32% of R 1,905 million budget.

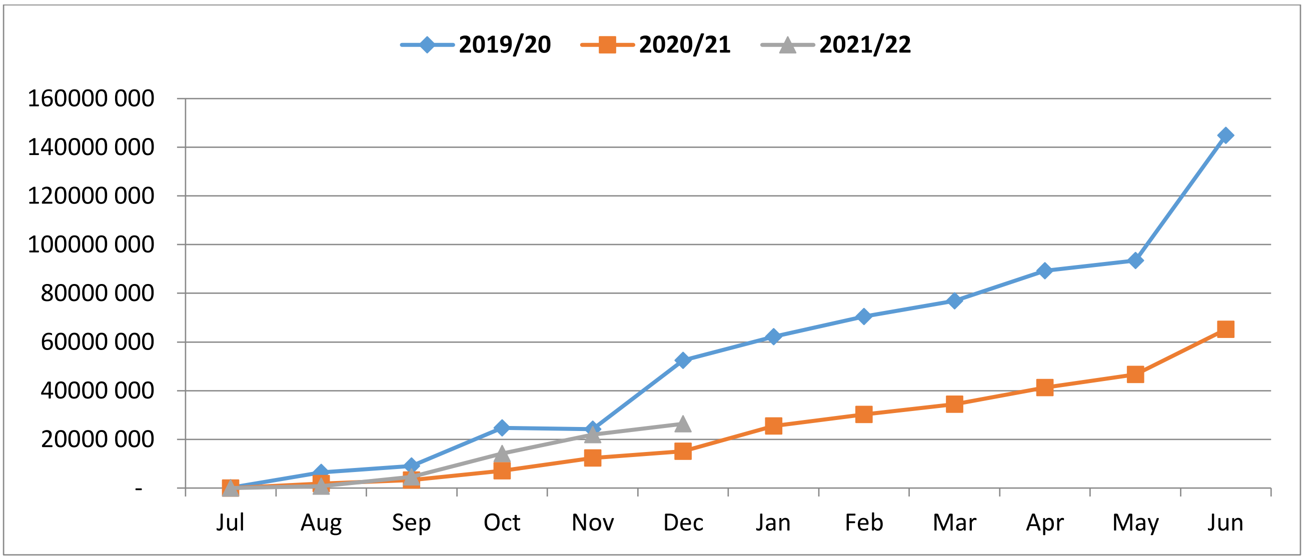
Monthly capital expenditure

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	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Planned Spend	YTD Actuals
FIRE SERVICES	Distr	Fire Vehicle	FT911	1 600 000		1 298 946
PARKS AND OPEN SPACES	Internal	5X Trailes	101782	200 000		-
Envornmental Management Fee	Internal	Kouga Skip Bins	CP4_EMF	200 000		-
Protection Services	Internal	Machinery and Equipment (Security Cameras System)	PC_1004	1 200 000		203 691
LAW ENFORCEMENT	Internal	Machinery and Equipment (Generator)	1011113	230 000		-
Parks & Open Space	Internal	Machinery and Equipment	PC_1003	80 000		17 565
LAW ENFORCEMENT	Internal	Machinery and Equipment (Radio communication) -	1011115	150 000		-
LAW ENFORCEMENT	Internal	Roads Marking Machinery and Equipment	1011117	150 000		-
Sport & Recreation	Internal	Furniture and Equipment	CP_9	200 000		-
LAW ENFORCEMENT	Internal	Playdetactor (Machinery and Equipment)	1011111	200 000		155 000
LAW ENFORCEMENT	Internal	Machinery and Equipment (Quardbike)	1011114	150 000		95 598
Fire Services	Internal	Fencing Humansdorp Fire Station	CP1_FS	600 000		467 754
LAW ENFORCEMENT	Internal	Furniture and Equipment - Operations room	1011112	180 000		17 197
SPORT & RECREATION	Internal	Fencing Sport and Recreational Facilities	1011118	1 500 000		354 609
Fire Services	Internal	Vehicle	CP_23	565 000		-
Beach	Internal	Upgrading of Pellsrus, Kabeljous, Cape St Francis	PC_A001	100 000		-
LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	1011116	80 000		23 400
ENVIRONMENTAL MANAGEMENT	Internal	Machinery and Equipment	PC_1002	99 999		33 689
CEMETERIES	Internal	Ablution Facilities New	1011104	570 000		-
Corporate Services	Internal	Computer Software and Applications	CP_60	237 000		-
Corporate Services	Internal	Fencing of municipal building	PC_1023	629 206		419 400
ADMINISTRATION SERVICES	Internal	Bio-metric System	CP_CPS1	800 000		-
Corporate Services	Internal	EDMS	PC_201	166 954		-
Corporate Services	Internal	Furniture and Equipment	CP_9	150 000		21 498
Skills Development	Internal	Computer Equipment	CP_4	33 343		21 501
Corporate Services	Internal	Computer Equipment	CP_4	100 000		87 477
ADMINISTRATION SERVICES	Internal	Furniture and Equipment	CP_9	30 000		-

DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Planned Spend	YTD Actuals
MAYOR	Internal	Furniture and Equipment - Municipal Court	0803217	100 000		-
Council	Internal	Furniture and Equipment	CP_9	100 000		54 475
Council	Internal	Computer Equipment	CP_4	120 000		-
MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices	1011101	150 000		-
MAYORAL COMMITTEE	Internal	Computer Equipment	CP_4	130 000		-
MAYOR	Internal	Electronic and Computer Equipment	1011120	200 000		-
MAYOR	Internal	Vehicle	CP_23	1 200 000		500 000
MUNICIPAL MANAGER	Internal	Computer Equipment	CP_4	120 000		61 607
MAYOR	Internal	PA system/Data projector/Screens/Sound	1011102	70 000		-
WARD COUNCILLORS	Internal	Ward councilors Capital project	PC_65	750 000		125 056
WARD COUNCILLORS	Internal	Computer Equipment	CP_4	500 000		105 627
ASSET MANAGEMENT	Internal	Single Cap Bakkie for stock verification	101773	300 000		-
SCM	Internal	Machinery and Equipment	PC_1003	250 000		12 700
ASSET MANAGEMENT	Internal	Office Equipment	101771	7 000		5 998
ASSET MANAGEMENT	Internal	Office Equipment	101772	12 000		-
REVENUE	Internal	2 Single Cab Bakkie	0803219	600 000		451 382
EXPENDITURE	Internal	Big eye-line printer	101774	200 000		-
Finance: IT	Internal	Furniture and Equipment	CP_9	141 005		67 572
Finance: IT	Internal	Cibex Software	CP_075	600 000		-
Finance: IT	Internal	Computer Equipment	CP_4	914 244		142 625
Finance: IT	Internal	WIFI Solution	PC_017	100 000		46 141
Finance: IT	Internal	Network Upgrade	CP_2241	250 000		-

DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	YTD Planned Spend	YTD Actuals
Electricity	Internal	Saffery Substation	CP7_ELC	1 000 000		860 401
Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay	CP7_WAT	163 000		51 536
Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	CP_4WAT	310 000		55 132
Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	CP5_WAT	295 000		123 777
Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	CP6_WAT	104 000		53 803
Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jbay	CP5_SW	992 000		91 472
Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	CP4_SW	326 000		67 139
WATER	Internal	Connect 4 x drilled boreholes to treatment works	I&E002	11 356 000		2 233 986
WATER	Internal	Connect up 3 x boreholes Soetkloof Hankey	I&E001	2 875 000		-
Sewerage	Internal	Piped Reticulation - St Francis Bay	CP7_SEW	295 000		104 848
Water	Internal	Machinery & Equipment	CP_10SW	180 000		-
METERING & REVENUE	Internal	Bulk 66kv Overhead lines	CP66KV	2 147 319		984 985
Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	15 298 845		3 780 942
METERING & REVENUE	INEP	Ocean View Electrification	ELEC711	6 782 609		5 079 012
Sewerage	Internal	Upgrade Loerie sewer pump station	CP_2SW	147 000		26 964
Public Works	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	14 234 651		7 442 433
PROJECT MANAGEMENT UNIT (PMU)	MIG	Mini Fresh Food and Craft Markets in Jbay & Hankey		838 062		-
PROJECT MANAGEMENT UNIT (PMU)	Internal	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	400 000		249 526
Mig Administration Unit	MIG	Upgrading of Sports Facilities	CP_74	3 193 400		-
SEWERAGE	Internal	Construct emergency overflow pond Koraal Sewer	CP_3SW	100 000		-
Planning & Development	Internal	Computer Software and Applications	CP_60	220 000		145 698
Planning & Development	Internal	Furniture and equipment	CP_54	300 000		-
LOCAL ECONOMIC DEVELOPMENT		Computer Equipment	CP_4	83 898		77 971
Economic Development: Tourism	Internal	Restoration of Fisherman Grave Site	CP2_EDT	150 000		-
LAND & PROPERTY ADMINISTRATION	Internal	Furniture and equipment	CP_54	451 528		163 598
LAND & PROPERTY ADMINISTRATION	Internal	Computer Equipment	CP_4	100 000		-
LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre	CP1_EDB	600 000		-
				79 959 063	**-**	**26 383 730**

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2021/22 FINANCIAL YEAR

Projected Cash Flow Statement as at 31 December 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 – M06 December 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		545 688	203 401	203 401	16 135	132 465	67 800	64 664	95%	203 401
Service charges		70 769	500 464	500 464	52 361	320 015	166 821	153 194	92%	500 464
Other revenue		33 622	39 500	39 500	1 642	16 957	13 167	3 791	29%	39 500
Government - operating		152 544	152 602	152 602	48 647	114 747	65 460	49 287	75%	152 602
Government - capital		2 151	40 256	40 256		18 230	15 630	2 600	17%	40 256
Interest		782 820	15 706	15 706	1 272	6 445	5 235	1 209	23%	15 706
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		3 758	(927 527)	(927 527)	(84 362)	(523 862)	(309 176)	214 686	-69%	(927 527)
Finance charges		–	(716)	(716)	(20)	(227)	(239)	(11)	5%	(716)
Transfers and Grants		–	(650)	(650)		–	–	–		(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 591 350	23 037	23 037	35 676	84 770	24 699	(60 070)	-243%	23 037
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	(13)					–		
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		27 043	(61 013)	(61 013)	(5 057)	(30 341)	(20 338)	10 004	-49%	(61 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		27 043	(61 026)	(61 013)	(5 057)	(30 341)	(20 338)	10 004	-49%	(61 013)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(20 774)						–		
Payments										
Repayment of borrowing		–	(6 747)	(6 747)	(830)	(4 873)	(2 249)	2 624	-117%	(6 747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(20 774)	(6 747)	(6 747)	(830)	(4 873)	(2 249)	2 624	-117%	(6 747)
NET INCREASE/ (DECREASE) IN CASH HELD		1 597 619	(44 736)	(44 723)	29 789	49 556	2 113			(44 723)
Cash/cash equivalents at beginning:		141 033	90 062	90 062		54 923	90 062			54 923
Cash/cash equivalents at month/year end:		1 738 652	45 326	45 339		104 478	92 175			10 200

Annexure "A4"

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2021/22 budget performance for the period of December 2021 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M06 December 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	13 624	141 708	109 355	32 352	30%	218 711
Service charges	494 172	538 133	538 133	43 789	268 807	269 067	(260)	-0%	538 133
Investment revenue	4 719	5 780	5 780	228	1 443	2 890	(1 447)	-50%	5 780
Transfers and subsidies	166 624	152 602	153 324	49 066	113 335	76 662	36 673	48%	153 324
Other own revenue	36 543	50 174	60 699	2 758	32 184	30 349	1 835	6%	60 699
Total Revenue (excluding capital transfers and contributions)	**912 263**	**965 400**	**976 647**	**109 465**	**557 476**	**488 323**	**69 153**	**14%**	**976 647**
Employee costs	335 334	378 677	378 927	26 043	171 557	197 628	(26 070)	-13%	378 927
Remuneration of Councillors	12 780	13 651	13 651	1 158	6 657	6 825	(168)	-2%	13 651
Depreciation & asset impairment	80 852	91 830	91 830	6 521	36 616	45 915	(9 299)	-20%	91 830
Finance charges	3 094	716	716	20	232	358	(126)	-35%	716
Materials and bulk purchases	325 733	356 261	355 429	29 922	197 222	177 714	19 509	11%	355 429
Transfers and subsidies	761	650	650	–	–	325	(325)	-100%	650
Other expenditure	244 676	232 664	235 113	14 402	92 597	117 555	(24 958)	-21%	235 113
Total Expenditure	**1 003 231**	**1 074 449**	**1 076 316**	**78 066**	**504 882**	**546 320**	**(41 438)**	**-8%**	**1 076 316**
Surplus/(Deficit)	**(90 967)**	**(109 049)**	**(99 669)**	**31 399**	**52 594**	**(57 997)**	**110 591**	**-191%**	**(99 669)**
Transfers and subsidies - capital (monetary alloc	46 589	40 256	40 256	3 428	19 513	20 128	(615)	-3%	40 256
Contributions & Contributed assets	–	0	0	–	–	–	–		0
Surplus/(Deficit) after capital transfers & contributions	**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**	**109 976**	**-290%**	**(59 414)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**	**109 976**	**-290%**	**(59 414)**
Capital expenditure & funds sources									
Capital expenditure	**25 728**	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**
Capital transfers recognised	41 388	35 985	41 948	2 948	17 601	20 974	(3 372)	-16%	41 948
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(7 061)**	**25 028**	**38 011**	**1 450**	**8 782**	**19 006**	**(10 223)**	**-54%**	**38 011**
Total sources of capital funds	**34 327**	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**
Financial position									
Total current assets	287 737	170 054	170 054		184 384				170 054
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	182 327		95 814				182 327
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**		**2 231 603**				**2 112 199**
Cash flows									
Net cash from (used) operating	1 591 350	23 037	23 037	35 676	84 770	24 699	(60 070)	-243%	23 037
Net cash from (used) investing	27 043	(61 013)	(61 013)	(5 057)	(30 341)	(20 338)	10 004	-49%	(61 013)
Net cash from (used) financing	(20 774)	(6 747)	(6 747)	(830)	(4 873)	(2 249)	2 624	-117%	(6 747)
Cash/cash equivalents at the month/year end	**1 738 652**	**45 339**	**45 339**	**–**	**104 478**	**92 175**	**(12 304)**	**-13%**	**10 200**
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	35 911	9 575	7 095	6 524	18 758	7 286	27 136	169 656	281 940
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) – M06 December 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**	**344 689**	**62 246**	**266 965**	**172 344**	94 621	55%	**344 689**
Executive and council		926	29	29	11	75	15	60	408%	29
Finance and administration		333 086	334 135	344 659	62 235	266 890	172 330	94 561	55%	344 659
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**12 063**	**11 799**	**11 799**	**1 362**	**8 360**	**5 900**	2 460	42%	**11 799**
Community and social services		2 160	2 516	2 516	37	2 261	1 258	1 003	80%	2 516
Sport and recreation		5 800	6 302	6 302	596	4 135	3 151	984	31%	6 302
Public safety		1 332	735	735	1	480	367	113	31%	735
Housing		–	–	–	–	–	–	–		–
Health		2 772	2 246	2 246	728	1 483	1 123	360	32%	2 246
Economic and environmental services		**15 708**	**27 734**	**28 056**	**1 119**	**8 275**	**14 028**	(5 753)	-41%	**28 056**
Planning and development		7 589	6 870	7 192	561	3 561	3 596	(35)	-1%	7 192
Road transport		6 952	19 419	19 419	411	3 845	9 709	(5 864)	-60%	19 419
Environmental protection		1 167	1 446	1 446	147	869	723	146	20%	1 446
Trading services		**597 069**	**631 958**	**632 358**	**48 166**	**293 389**	**316 179**	(22 790)	-7%	**632 358**
Energy sources		311 310	349 113	349 113	30 694	177 501	174 556	2 944	2%	349 113
Water management		111 941	109 904	110 304	7 506	40 973	55 152	(14 180)	-26%	110 304
Waste water management		99 437	99 787	99 787	4 967	43 348	49 893	(6 546)	-13%	99 787
Waste management		74 381	73 154	73 154	4 999	31 568	36 577	(5 009)	-14%	73 154
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**958 852**	**1 005 656**	**1 016 903**	**112 893**	**576 989**	**508 451**	**68 538**	**13%**	**1 016 903**
Expenditure - Functional										
Governance and administration		**222 313**	**243 963**	**243 819**	**16 366**	**96 976**	**124 629**	(27 653)	-22%	**243 819**
Executive and council		50 007	50 592	50 728	4 152	22 388	25 591	(3 203)	-13%	50 728
Finance and administration		172 304	193 351	193 072	12 209	74 583	99 028	(24 445)	-25%	193 072
Internal audit		2	20	20	6	6	10	(4)	-45%	20
Community and public safety		**93 963**	**107 514**	**107 594**	**8 577**	**49 138**	**55 761**	(6 622)	-12%	**107 594**
Community and social services		9 090	11 186	11 096	711	4 775	5 764	(989)	-17%	11 096
Sport and recreation		49 442	54 230	54 400	5 288	25 933	28 130	(2 198)	-8%	54 400
Public safety		23 565	29 328	29 328	1 802	12 850	15 226	(2 377)	-16%	29 328
Housing		6 238	5 884	5 944	373	2 881	3 095	(215)	-7%	5 944
Health		5 628	6 886	6 826	404	2 701	3 545	(844)	-24%	6 826
Economic and environmental services		**141 490**	**157 693**	**158 179**	**8 956**	**62 383**	**80 344**	(17 960)	-22%	**158 179**
Planning and development		34 140	45 303	45 809	2 404	15 510	23 845	(8 334)	-35%	45 809
Road transport		103 535	109 560	109 560	6 161	45 227	55 075	(9 848)	-18%	109 560
Environmental protection		3 815	2 830	2 810	391	1 645	1 424	222	16%	2 810
Trading services		**544 339**	**561 444**	**562 889**	**44 116**	**295 946**	**283 670**	12 276	4%	**562 889**
Energy sources		308 105	354 858	354 858	27 634	187 945	177 782	10 163	6%	354 858
Water management		99 126	86 287	87 832	7 592	45 748	44 424	1 324	3%	87 832
Waste water management		74 483	59 888	59 638	5 244	34 171	30 282	3 889	13%	59 638
Waste management		62 626	60 412	60 562	3 646	28 082	31 181	(3 100)	-10%	60 562
Other		**1 125**	**3 834**	**3 834**	**83**	**468**	**1 917**	**(1 448)**	**-76%**	**3 834**
Total Expenditure - Functional	3	**1 003 231**	**1 074 449**	**1 076 316**	**78 099**	**504 911**	**546 320**	**(41 408)**	**-8%**	**1 076 316**
Surplus/ (Deficit) for the year		**(44 379)**	**(68 793)**	**(59 414)**	**34 795**	**72 077**	**(37 869)**	**109 946**	**-290%**	**(59 414)**

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 – M06 December 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		0	–	–	–	–	–	–		–
Vote 2 - FINANCIAL SERVICES		329 514	332 484	343 009	62 162	266 114	171 504	94 609	55.2%	343 009
Vote 3 - CORPORATE SERVICES		565	319	319	11	376	160	216	135.5%	319
Vote 4 - COMMUNITY SERVICES		96 575	105 755	105 755	6 761	44 265	52 878	(8 613)	-16.3%	105 755
Vote 5 - INFRASTRUCTURE AND ENGINEERING		526 745	563 015	563 415	43 583	263 838	281 707	(17 869)	-6.3%	563 415
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		4 586	4 082	4 404	377	2 396	2 202	194	8.8%	4 404
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	**957 985**	**1 005 656**	**1 016 903**	**112 893**	**576 989**	**508 451**	**68 538**	**13.5%**	**1 016 903**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		51 232	52 647	52 647	4 790	23 501	26 641	(3 140)	-11.8%	52 647
Vote 2 - FINANCIAL SERVICES		80 189	107 877	107 877	5 289	36 099	55 249	(19 150)	-34.7%	107 877
Vote 3 - CORPORATE SERVICES		56 843	45 011	45 011	3 633	19 705	23 102	(3 396)	-14.7%	45 011
Vote 4 - COMMUNITY SERVICES		196 624	213 660	213 660	15 526	98 787	110 429	(11 642)	-10.5%	213 660
Vote 5 - INFRASTRUCTURE AND ENGINEERING		596 140	621 597	623 142	47 223	315 917	313 308	2 609	0.8%	623 142
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		22 202	33 658	33 980	1 637	10 902	17 590	(6 689)	-38.0%	33 980
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**	**1 076 316**	**78 099**	**504 911**	**546 320**	**(41 408)**	**-7.6%**	**1 076 316**
Surplus/ (Deficit) for the year	2	**(45 246)**	**(68 793)**	**(59 414)**	**34 795**	**72 077**	**(37 869)**	**109 946**	**-290.3%**	**(59 414)**

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) – M06 December 2021

Description R thousands	Ref	2020/21 Audited Outcome	Budget Year 2021/22 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	13 624	141 708	109 355	32 352	30%	218 711
Service charges - electricity revenue		299 519	334 173	334 173	27 212	171 056	167 086	3 969	2%	334 173
Service charges - water revenue		84 384	89 581	89 581	7 127	38 887	44 791	(5 904)	-13%	89 581
Service charges - sanitation revenue		55 545	58 635	58 635	4 751	29 248	29 318	(70)	0%	58 635
Service charges - refuse revenue		54 725	55 744	55 744	4 699	29 617	27 872	1 745	6%	55 744
Rental of facilities and equipment		2 347	1 169	1 169	521	1 551	584	967	166%	1 169
Interest earned - external investments		4 719	5 780	5 780	228	1 443	2 890	(1 447)	-50%	5 780
Interest earned - outstanding debtors		9 982	10 674	10 674	1 117	6 120	5 337	783	15%	10 674
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		3 308	2 238	2 238	53	397	1 119	(722)	-65%	2 238
Licences and permits		11 639	25 746	25 746	463	6 909	12 873	(5 963)	-46%	25 746
Agency services		–	–	–	–	–	–	–		–
Transfers and subsidies		166 624	152 602	153 324	49 066	113 335	76 662	36 673	48%	153 324
Other revenue		9 211	10 348	20 873	605	17 206	10 436	6 770	65%	20 873
Gains		57	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**912 263**	**965 400**	**976 647**	**109 465**	**557 476**	**488 323**	**69 153**	**14%**	**976 647**
Expenditure By Type										
Employee related costs		335 334	378 677	378 927	26 043	171 557	197 628	(26 070)	-13%	378 927
Remuneration of councillors		12 780	13 651	13 651	1 158	6 657	6 825	(168)	-2%	13 651
Debt impairment		31 535	53 726	53 726	–	–	26 863	(26 863)	-100%	53 726
Depreciation & asset impairment		80 852	91 830	91 830	6 521	36 616	45 915	(9 299)	-20%	91 830
Finance charges		3 094	716	716	20	232	358	(126)	-35%	716
Bulk purchases - electricity		221 040	290 000	290 000	22 864	161 058	145 000	16 058	11%	290 000
Inventory consumed		104 693	66 261	65 429	7 058	36 165	32 714	3 451	11%	65 429
Contracted services		95 785	78 598	81 153	7 072	39 143	40 576	(1 433)	-4%	81 153
Transfers and subsidies		761	650	650	–	–	325	(325)	-100%	650
Other expenditure		115 349	100 339	100 233	7 331	53 453	50 115	3 338	7%	100 233
Losses		2 007	–	–	–	–	–	–		–
Total Expenditure		**1 003 231**	**1 074 449**	**1 076 316**	**78 066**	**504 882**	**546 320**	**(41 438)**	**-8%**	**1 076 316**
Surplus/(Deficit)		**(90 967)**	**(109 049)**	**(99 669)**	**31 399**	**52 594**	**(57 997)**	**110 591**	**(0)**	**(99 669)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		46 589	40 256	40 256	3 428	19 513	20 128	(615)	**(0)**	40 256
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	0	0	–	–	–	–		0
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**			**(59 414)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**			**(59 414)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**			**(59 414)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(44 379)**	**(68 793)**	**(59 414)**	**34 827**	**72 107**	**(37 869)**			**(59 414)**

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) – M06 December 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	2 690	25	722	1 345	(623)	-46%	2 690
Vote 2 - FINANCIAL SERVICES		49 578	2 210	3 124	(1)	714	1 562	(848)	-54%	3 124
Vote 3 - CORPORATE SERVICES		2 308	1 923	2 147	198	550	1 073	(523)	-49%	2 147
Vote 4 - COMMUNITY SERVICES		(2 458)	6 110	6 675	355	2 413	3 337	(925)	-28%	6 675
Vote 5 - INFRASTRUCTURE AND ENGINEERING		38 142	45 230	59 800	3 360	20 956	29 900	(8 943)	-30%	59 800
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		340	670	1 154	111	224	577	(353)	-61%	1 154
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**	**75 589**	**4 048**	**25 578**	**37 795**	**(12 217)**	**-32%**	**75 589**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		91	750	750	125	125	375	(250)	-67%	750
Vote 2 - FINANCIAL SERVICES		(57 971)	250	250	–	13	125	(112)	-90%	250
Vote 3 - CORPORATE SERVICES		22 363	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		681	1 380	1 380	191	255	690	(435)	-63%	1 380
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(28 215)	–	1 238	33	250	619	(370)	-60%	1 238
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		686	500	752	–	164	376	(212)	-56%	752
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	4 370	350	806	2 185	**(1 379)**	**-63%**	4 370
Total Capital Expenditure	3	**25 728**	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**
Capital Expenditure - Functional Classification										
Governance and administration		**16 925**	**8 963**	**11 301**	**539**	**2 618**	**5 650**	(3 032)	-54%	**11 301**
Executive and council		274	2 240	3 440	150	847	1 720	(873)	-51%	3 440
Finance and administration		16 651	6 723	7 861	388	1 771	3 930	(2 159)	-55%	7 861
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**6 630**	**8 987**	**8 608**	**355**	**2 139**	**4 304**	(2 165)	-50%	**8 608**
Community and social services		–	570	570	–	–	285	(285)	-100%	570
Sport and recreation		243	6 217	5 273	355	372	2 637	(2 265)	-86%	5 273
Public safety		6 338	2 200	2 765	–	1 767	1 382	384	28%	2 765
Housing		340	–	–	–	–	–	–		–
Health		(290)	–	–	–	–	–	–		–
Economic and environmental services		**(37 205)**	**15 555**	**17 228**	**144**	**8 079**	**8 614**	(535)	-6%	**17 228**
Planning and development		1 115	1 120	2 993	144	637	1 497	(860)	-57%	2 993
Road transport		(38 320)	14 435	14 235	–	7 442	7 117	325	5%	14 235
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**39 378**	**27 458**	**42 672**	**3 360**	**13 548**	**21 336**	(7 788)	-37%	**42 672**
Energy sources		12 588	9 783	9 930	3 268	6 924	4 965	1 959	39%	9 930
Water management		7 172	2 245	15 283	–	2 518	7 641	(5 123)	-67%	15 283
Waste water management		19 881	14 630	17 159	91	4 071	8 579	(4 508)	-53%	17 159
Waste management		(263)	800	300	–	34	150	(116)	-78%	300
Other		–	50	150	–	–	75	(75)	-100%	150
Total Capital Expenditure - Functional Classification	3	**25 728**	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**
Funded by:										
National Government		35 675	34 385	40 348	2 948	16 302	20 174	(3 871)	-19%	40 348
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		5 713	1 600	1 600	–	1 299	800	499	62%	1 600
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**41 388**	**35 985**	**41 948**	**2 948**	**17 601**	**20 974**	**(3 372)**	**-16%**	**41 948**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(7 061)	25 028	38 011	1 450	8 782	19 006	(10 223)	-54%	38 011
Total Capital Funding		**34 327**	**61 013**	**79 959**	**4 398**	**26 384**	**39 979**	**(13 596)**	**-34%**	**79 959**

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 – M06 December 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	44 640	12 224
Call investment deposits		40 490	33 116	33 116	59 839	33 116
Consumer debtors		79 760	67 296	67 296	51 490	67 296
Other debtors		142 012	48 618	48 618	25 817	48 618
Current portion of long-term receivables		–	3	3	–	3
Inventory		12 570	8 798	8 798	2 599	8 798
Total current assets		**287 737**	**170 054**	**170 054**	**184 384**	**170 054**
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**	**2 457 971**	**2 503 026**	**2 457 971**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		6 747	0	0	1 260	0
Consumer deposits		20 774	17 378	17 378	20 774	17 378
Trade and other payables		177 499	135 300	135 300	38 311	135 300
Provisions		35 447	29 649	29 649	35 468	29 649
Total current liabilities		**240 468**	**182 327**	**182 327**	**95 814**	**182 327**
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**	**345 772**	**271 423**	**345 772**
NET ASSETS	2	**2 187 263**	**2 112 199**	**2 112 199**	**2 231 603**	**2 112 199**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 231 641	2 112 199	2 112 199	2 231 603	2 112 199
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 231 641**	**2 112 199**	**2 112 199**	**2 231 603**	**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 – M06 December 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		545 688	203 401	203 401	16 135	132 465	67 800	64 664	95%	203 401
Service charges		70 769	500 464	500 464	52 361	320 015	166 821	153 194	92%	500 464
Other revenue		33 622	39 500	39 500	1 642	16 957	13 167	3 791	29%	39 500
Government - operating		152 544	152 602	152 602	48 647	114 747	65 460	49 287	75%	152 602
Government - capital		2 151	40 256	40 256		18 230	15 630	2 600	17%	40 256
Interest		782 820	15 706	15 706	1 272	6 445	5 235	1 209	23%	15 706
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		3 758	(927 527)	(927 527)	(84 362)	(523 862)	(309 176)	214 686	-69%	(927 527)
Finance charges		–	(716)	(716)	(20)	(227)	(239)	(11)	5%	(716)
Transfers and Grants		–	(650)	(650)		–	–	–		(650)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 591 350**	**23 037**	**23 037**	**35 676**	**84 770**	**24 699**	**(60 070)**	**-243%**	**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		27 043	(61 013)	(61 013)	(5 057)	(30 341)	(20 338)	10 004	-49%	(61 013)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**27 043**	**(61 013)**	**(61 013)**	**(5 057)**	**(30 341)**	**(20 338)**	**10 004**	**-49%**	**(61 013)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(20 774)						–		
Payments										
Repayment of borrowing		–	(6 747)	(6 747)	(830)	(4 873)	(2 249)	2 624	-117%	(6 747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(20 774)**	**(6 747)**	**(6 747)**	**(830)**	**(4 873)**	**(2 249)**	**2 624**	**-117%**	**(6 747)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1 597 619**	**(44 723)**	**(44 723)**	**29 789**	**49 556**	**2 113**			**(44 723)**
Cash/cash equivalents at beginning:		141 033	90 062	90 062		54 923	90 062			54 923
Cash/cash equivalents at month/year end:		1 738 652	45 339	45 339		104 478	92 175			10 200

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.

Annexure "A5"

ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

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

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

Below is an analysis of the outstanding consumer debtors as at 30 June 2021, compared to the position as at 31 December 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**

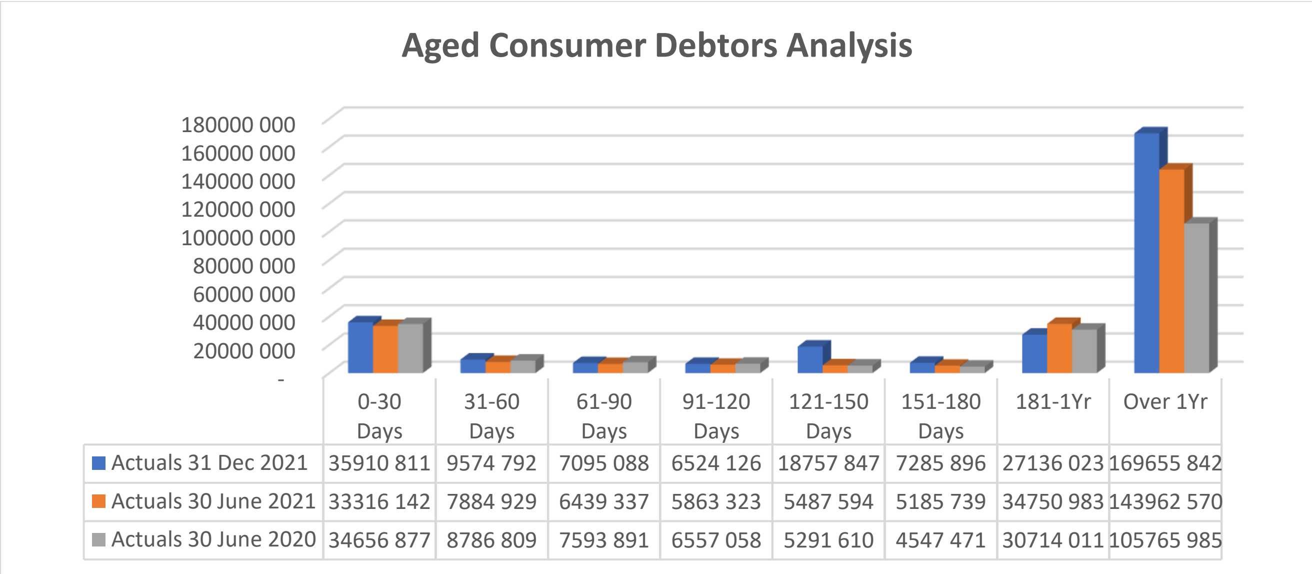
Debtors' Age Analysis (Inclusive of VAT) as at 31 December 2021.

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	9 981	2 202	1 939	1 781	3 192	1 494	8 940	46 662	76 190
Trade and Other Receivables from Exchange Transactions - Electricity	21 219	1 783	1 284	1 152	2 169	656	2 743	9 600	40 604
Receivables from Non-exchange Transactions - Property Rates	11 875	2 615	1 021	887	9 468	508	2 578	24 997	53 950
Receivables from Exchange Transactions - Waste Water Management	5 703	1 221	1 034	956	1 401	804	4 399	20 753	36 271
Receivables from Exchange Transactions - Waste Management	4 905	1 263	1 185	1 134	1 107	1 010	5 473	27 785	43 861
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	59	127	139	160	460	205	1 396	27 046	29 591
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(17 831)	364	493	454	961	2 609	1 607	12 814	1 472
Total By Income Source	**35 911**	**9 575**	**7 095**	**6 524**	**18 758**	**7 286**	**27 136**	**169 656**	**281 940**
									–
Debtors Age Analysis By Customer Group									
Organs of State	1 419	801	589	617	3 411	375	955	4 811	12 977
Commercial	8 030	407	352	365	423	254	1 172	4 550	15 552
Households	26 462	8 368	6 154	5 542	14 924	6 657	25 009	160 296	253 412
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**35 911**	**9 575**	**7 095**	**6 524**	**18 758**	**7 286**	**27 136**	**169 656**	**281 940**

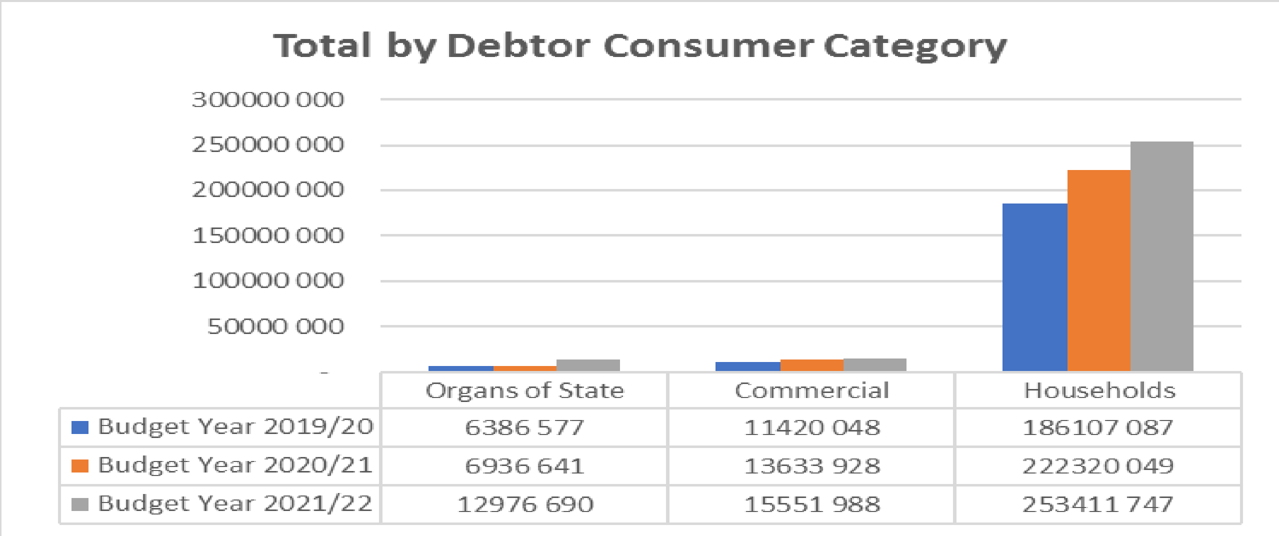
The aforementioned analysis indicates that from 30 June 2021 to 31 December 2021, the overdue debts have increased by R 36,455 million from R 209,574 million to R 246,030 million, as follows:

R thousands	**OVERDUE AMOUNTS AS AT**		
Debtors Age Analysis By Income Source	**30-Jun-21**	**31-Dec-21**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	58 633	66 208	7 576
Trade and Other Receivables from Exchange Transactions - Electricity	17 163	19 386	2 223
Receivables from Non-exchange Transactions - Property Rates	33 015	42 075	9 061
Receivables from Exchange Transactions - Waste Water Management	26 556	30 568	4 012
Receivables from Exchange Transactions - Waste Management	33 908	38 957	5 048
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	24 963	29 532	4 569
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15 337	19 303	3 966
Total By Income Source	**209 574**	**246 030**	**36 455**
Debtors Age Analysis By Customer Group			
Organs of State	5 932	11 558	5 626
Commercial	6 886	7 522	636
Households	196 756	226 950	30 194
Other	–	–	–
Total By Customer Group	**209 574**	**246 030**	**36 455**

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	24 909	–	–	–	–	–	(7)	–	**24 902**
Bulk Water	–	14	–	–	24	(9)	(1 740)	–	**(1 711)**
PAYE deductions	–								–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	4 653	533	805	432	535	3	75	1 263	**8 298**
Auditor General									–
Other									–
Total By Customer Type	**29 561**	**547**	**805**	**432**	**559**	**(6)**	**(1 672)**	**1 263**	**31 489**

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

Eskom	R 24,902 million
NMBM	R -1,711 million
Other Creditors	R 8,298 million
Total	**R 31,489 million**

It is to be noted that the Eskom amount of R 24,902 million, represents the current account for December 2021, which will be fully paid on 23 January 2022.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M06 December 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	47 925	111 210	111 210	–	0.0%	148 588
Operational Revenue:General Revenue:Equitable Share	143 774	143 774	47 925	107 831	107 831	–	0.0%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423		996	996	–		1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720		1 720	1 720	–	0.0%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671		663	663	–	0.0%	1 671
District Municipality:	1 964	1 964	722	1 444	1 444	–		1 964
Enviromental Health Subsidy	1 964	1 964	722	1 444	1 444	–		1 964
Provincial Government:	2 050	2 050	–	2 050	2 050	–		2 050
Sport and Recreation	2 050	2 050		2 050	2 050	–		2 050
Total Operating Transfers and Grants	152 602	152 602	48 647	114 704	114 704	–	0.0%	152 602
Capital Transfers and Grants								–
National Government:	39 542	39 542	–	17 798	17 798	–	0.0%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800		5 200	5 200	–	0.0%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742		12 598	12 598	–	0.0%	31 742
District Municipality:	714	714	–	475	475	–		714
Fire Services Subsidy	714	714		475	475	–		714
Total Capital Transfers and Grants	40 256	40 256	–	18 273	18 273	–	0.0%	40 256
TOTAL RECEIPTS OF TRANSFERS & GRANTS	192 858	192 858	48 647	132 977	132 977	–	0.0%	192 858

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 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	10 900	63 291	49 529	13 762	27.8%	148 588
Operational Revenue:General Revenue:Equitable Share	143 774	143 774	10 481	61 268	47 925	13 343	27.8%	143 774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1 423	1 423	207	737	474	262	55.3%	1 423
Local Government Financial Management Grant [Schedule 5B]	1 720	1 720	80	450	573	(123)	-21.5%	1 720
Municipal Infrastructure Grant [Schedule 5B]	1 671	1 671	132	836	557	279	50.1%	1 671
District Municipality:	1 964	1 964	–	1 444	1 444	–		1 964
Enviromental Health Subsidy	1 964	1 964		1 444	1 444	–		1 964
Provincial Government:	2 050	2 050	–	2 050	2 050	–		2 050
Sport and Recreation	2 050	2 050		2 050	2 050	–		2 050
Total operating expenditure of Transfers and Grants:	152 602	152 602	10 900	66 785	53 023	13 762	26.0%	152 602
Capital expenditure of Transfers and Grants								–
National Government:	39 542	39 542	3 390	18 931	13 181	5 751	43.6%	39 542
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7 800	7 800	3 390	5 840	2 600	3 240	124.6%	7 800
Municipal Infrastructure Grant [Schedule 5B]	31 742	31 742	–	13 091	10 581	2 510		31 742
District Municipality:	714	714	–	–	–	–		714
Fire Services Subsidy	714	714			–	–		714
Total capital expenditure of Transfers and Grants	40 256	40 256	3 390	18 931	13 181	5 751	43.6%	40 256
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	192 858	192 858	14 290	85 716	66 204	19 512	29.5%	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 450,004
Unspent as at 31 December 2021:	R 1,269,996

The spending of the grant amounted to 26.16% as at 31 December 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 996,000
Expenditure to date:	R 736,773
Unspent as at 31 December 2021:	R 259,227

The spending of the grant amounted to 73.97% as at 31 December 2021, compared to the amount of the grant received.

<u>DORA Capital Grants</u>

Municipal Infrastructure Grant (MIG)
The purpose of this grant is to provide specific capital finance for eradicating basic municipal infrastructure backlogs.

DORA Allocation:	R 33,413,000
Approved Rollover:	R 5,958,699
Amount of Grant Received:	R 19,219,699
Expenditure to date:	R 13,926,929
Unspent as at 31 December 2021:	R 5,292,770

The spending of the grant amounted to 72.46% as at 31 December 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 5,200,000
Expenditure to date:	R 5,840,376
Overspent as at 31 December 2021:	R -640,376

The spending of the grant amounted to 112.31% as at 31 December 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 – M06 December 2021.

Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	8 637	9 104	9 104	751	4 328	4 552	(224)	-5%	9 104
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	45	233	–	233		–
Motor Vehicle Allowance	2 879	3 081	3 081	250	1 446	1 541	(95)	-6%	3 081
Cellphone Allowance	1 265	1 465	1 465	111	650	733	(82)	-11%	1 465
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**12 780**	**13 651**	**13 651**	**1 158**	**6 657**	**6 825**	**(168)**	**-2%**	**13 651**
Senior Managers of the Municipality									
Basic Salaries and Wages	7 457	6 954	6 954	535	3 333	3 477	(144)	-4%	6 954
Pension and UIF Contributions	126	106	106	5	41	53	(12)	-23%	106
Medical Aid Contributions	38	31	31	2	21	15	5	34%	31
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	612	23	23	–	–	23	(23)	-100%	23
Motor Vehicle Allowance	640	1 605	1 605	68	478	802	(325)	-40%	1 605
Cellphone Allowance	10	10	10	1	5	5	(0)	-6%	10
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	55	1	1	0	0	0	(0)	-9%	1
Payments in lieu of leave	440	2 358	2 358	209	2 035	1 179	856	73%	2 358
Long service awards	–	–	–	–	–	–	–		–
Post-retirement benefit obligations	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	**9 378**	**11 088**	**11 088**	**820**	**5 912**	**5 555**	**357**	**6%**	**11 088**
Other Municipal Staff									
Basic Salaries and Wages	187 829	232 525	232 755	17 083	102 432	116 378	(13 946)	-12%	232 755
Pension and UIF Contributions	31 918	36 881	36 881	2 713	16 358	18 440	(2 082)	-11%	36 881
Medical Aid Contributions	16 812	23 684	23 684	1 349	8 093	11 842	(3 749)	-32%	23 684
Overtime	30 580	31 142	31 142	1 864	11 655	15 571	(3 915)	-25%	31 142
Performance Bonus	–	23	23	–	21	12	10	83%	23
Motor Vehicle Allowance	9 703	9 871	9 871	861	4 972	4 936	37	1%	9 871
Cellphone Allowance	–	85	85	2	18	43	(25)	-58%	85
Housing Allowances	900	1 787	1 787	64	422	894	(472)	-53%	1 787
Other benefits and allowances	26 052	29 863	29 883	1 135	20 923	23 095	(2 172)	-9%	29 883
Payments in lieu of leave	3 812	25	25	124	373	12	361	2891%	25
Long service awards	1 287	1 702	1 702	28	377	851	(474)	-56%	1 702
Post-retirement benefit obligations	17 063	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	**325 956**	**367 590**	**367 840**	**25 223**	**165 645**	**192 072**	**(26 427)**	**-14%**	**367 840**
Total Parent Municipality	**348 114**	**392 328**	**392 578**	**27 201**	**178 215**	**204 453**	**(26 238)**	**-13%**	**392 578**
TOTAL SALARY, ALLOWANCES & BENEFITS	**348 114**	**392 328**	**392 578**	**27 233**	**178 244**	**204 453**	**(26 209)**	**-13%**	**392 578**
TOTAL MANAGERS AND STAFF	**335 334**	**378 677**	**378 927**	**26 043**	**171 557**	**197 628**	**(26 070)**	**-13%**	**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 December 2021**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.78%	1.29%	1.23%	1.15%	0.69%	1.01%
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	1.92
Liquidity Ratio	Monetary assets / current liabilities	0.47	0.75	0.87	2.61	0.2	1.09
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	90.73%	97,62%	95.42%	94.41%	93%	91.51%

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 December 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	1.25
Employee Costs	Employee Costs / Total Operating Expenditure	33.21%	33.39%	35.87%	35.73%	35.24%	33.98%
Capital Expenditure	Capital Expenditure / Capital Budget	72.98%	44.59%	75.33%	76.92%	95%	33.0%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.82%	5.63%	5.99%	6.84%	4.54%	5.58%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.41%	2.29%	2.46%	2.93%	2.39%	1.01%
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%	79.67%

The above table is discussed in detail below.

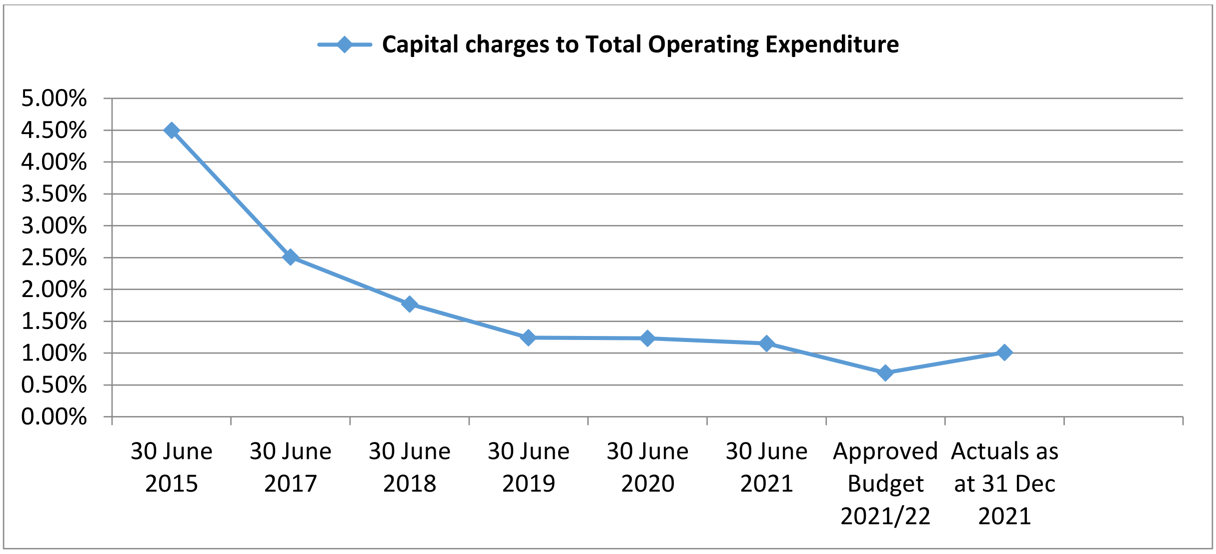
4.1. Borrowing Management

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 1.01% of the Total Operating Expenditure was utilised for capital charges as at 31 December 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.

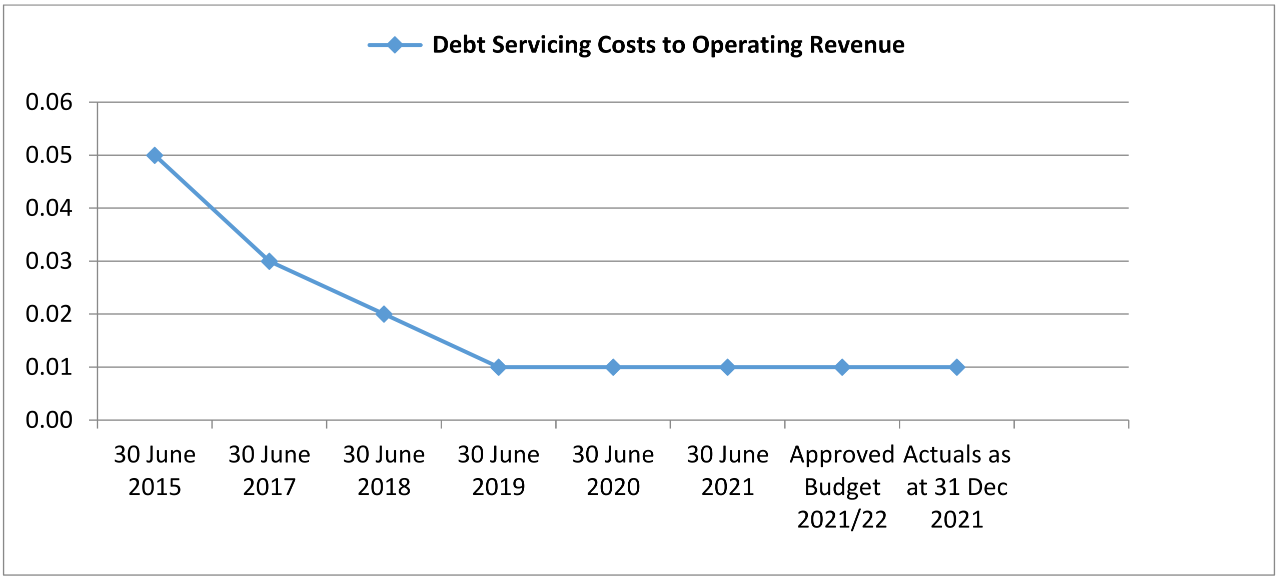
4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 December 2021, the ratio was 0.01:1, 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:

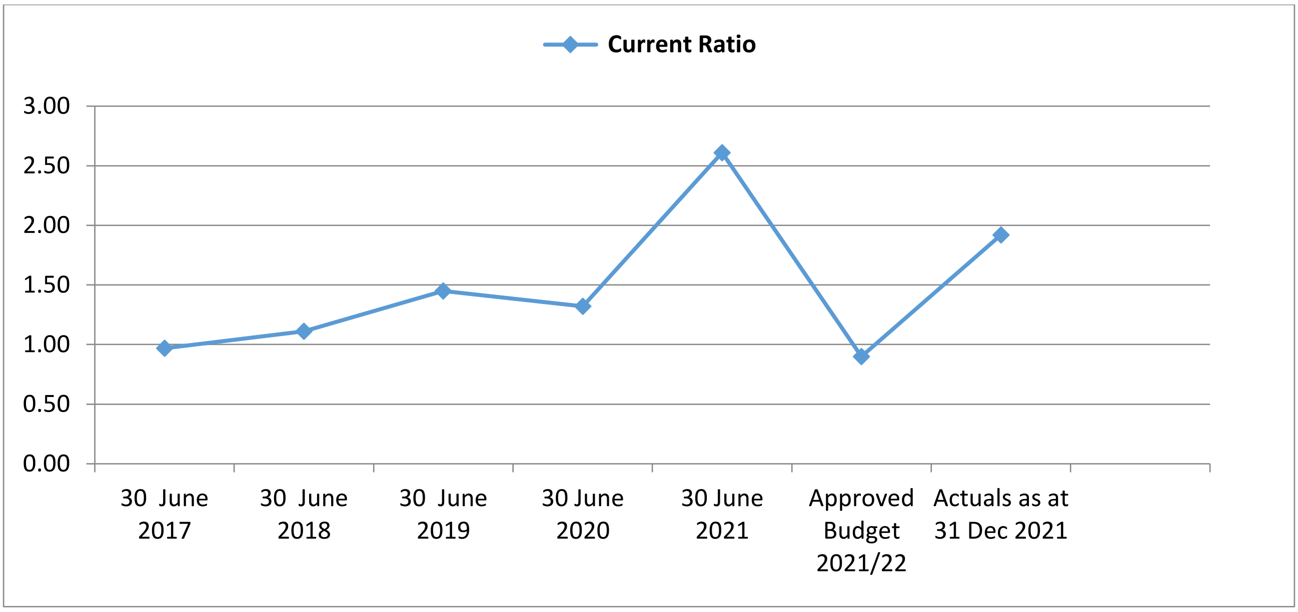
Current assets/Current liabilities

The ratio as at 31 December 2021 was 1.92:1, 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

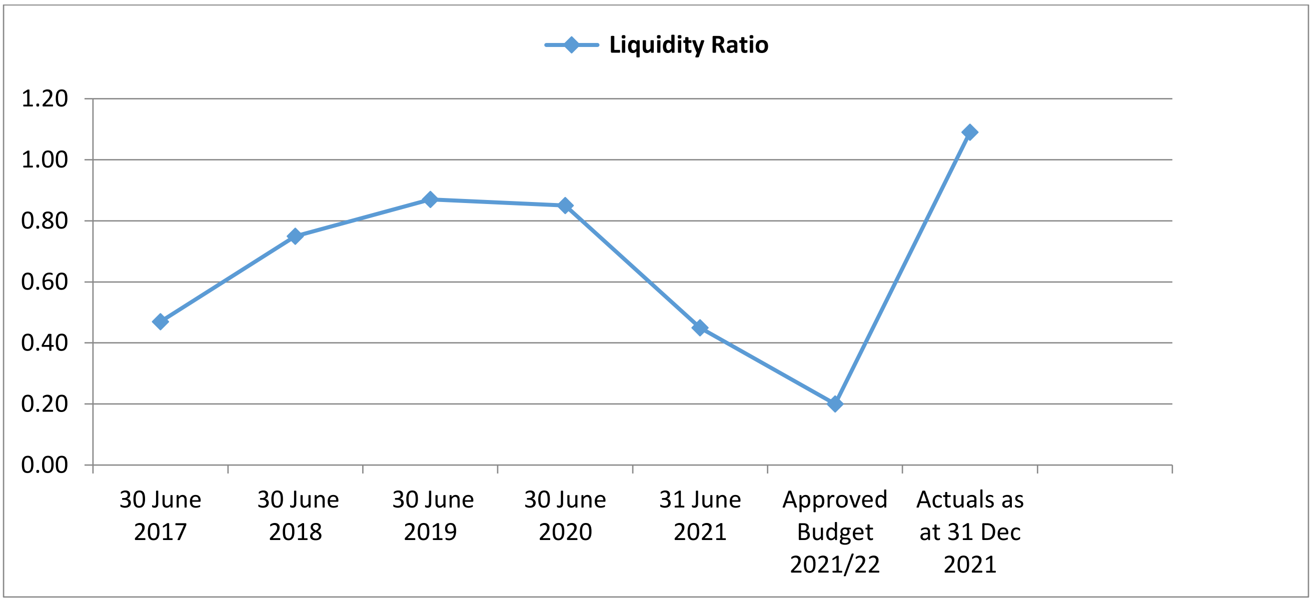
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 December 2021 was 1.09:1, 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

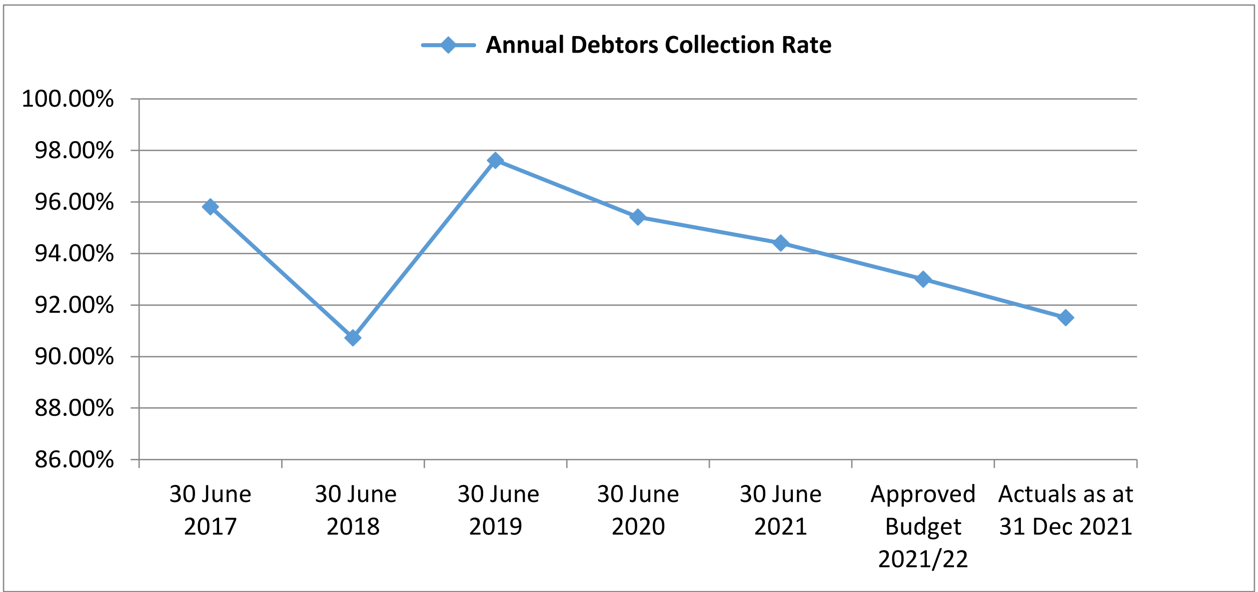
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 December 2021 was 91.51%, compared to the approved budget collection rate of 93%. The actual collection rate for December is 96.09%. 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.

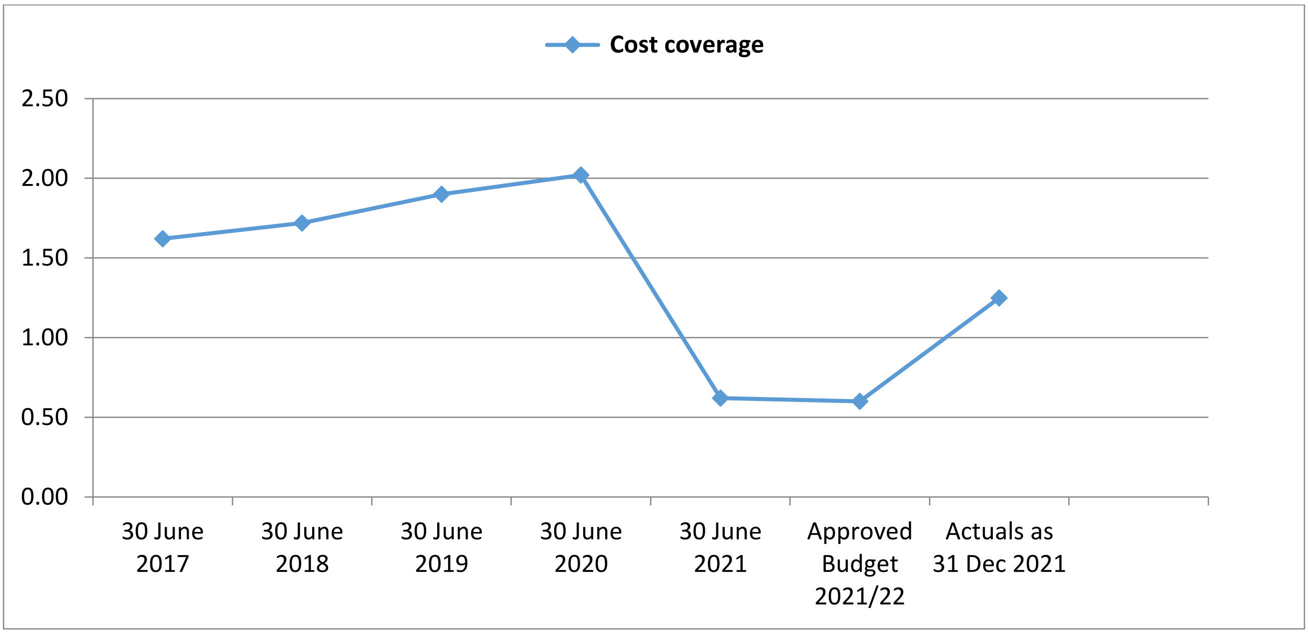
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 December 2021, the Ratio was 1.25 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.



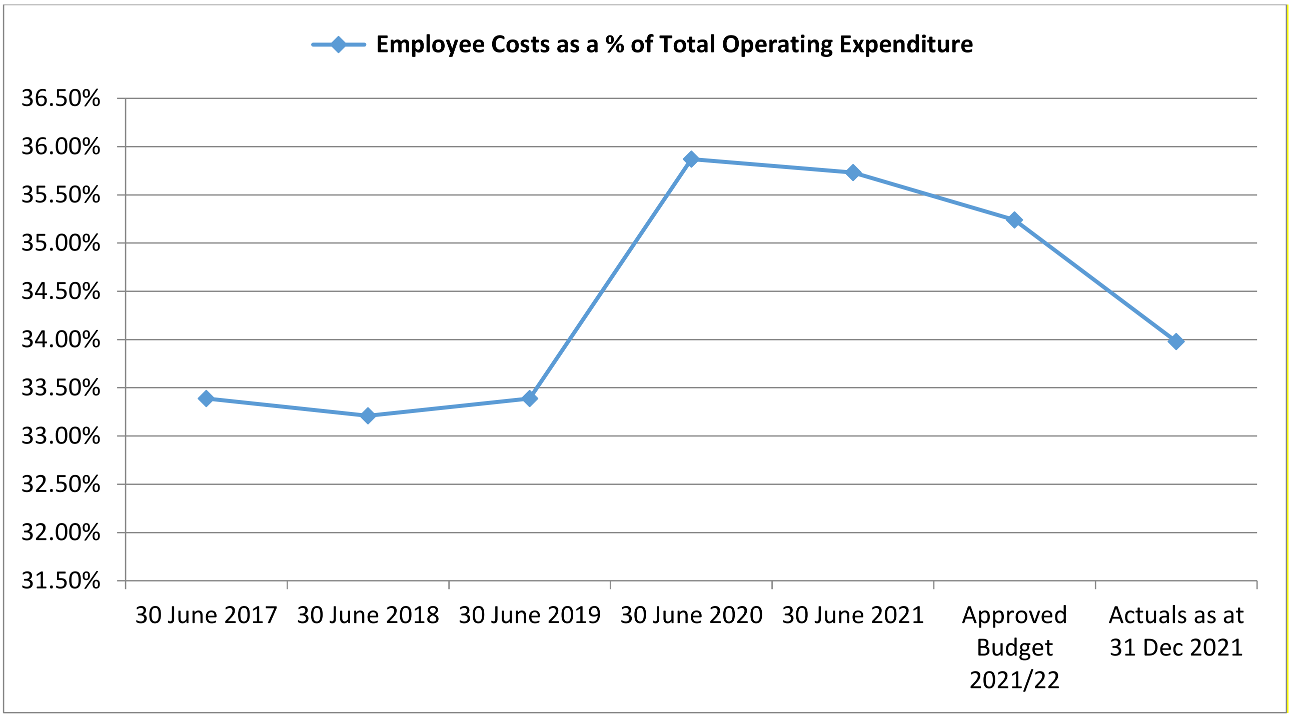
4.4.2. Employee costs as a % of Total Operating Expenditure

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 December 2021, Employee Related Costs constituted 33.98% of the Total Operating Expenditure compared to the approved budget ratio 35.24%.



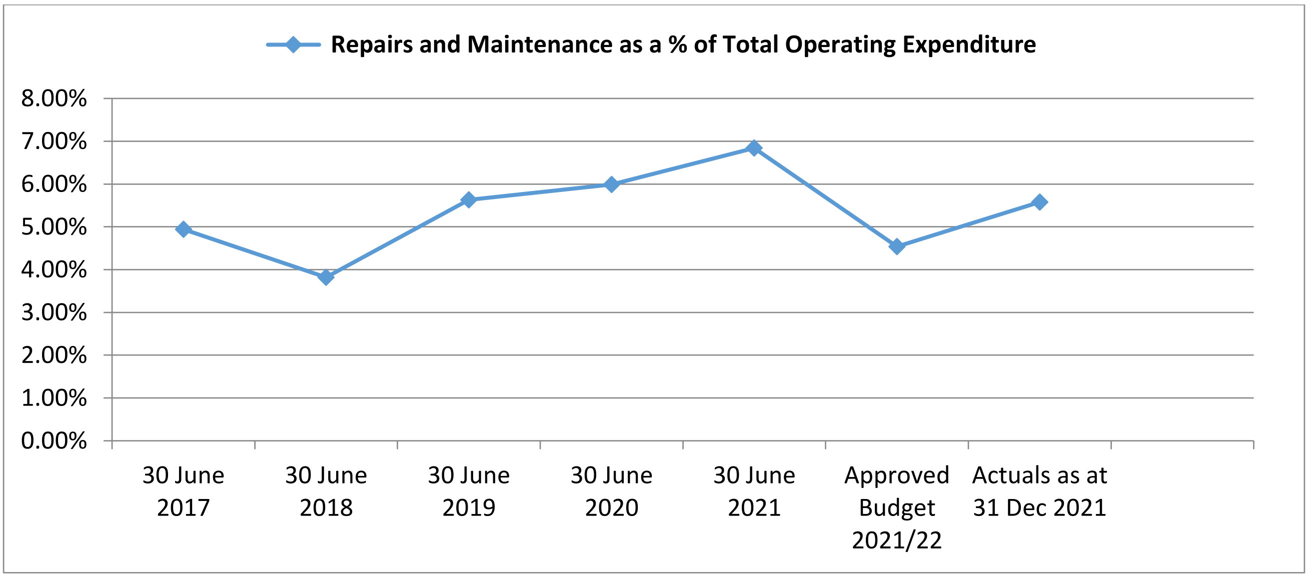
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 December 2021, the ratio was 5.58%, 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)

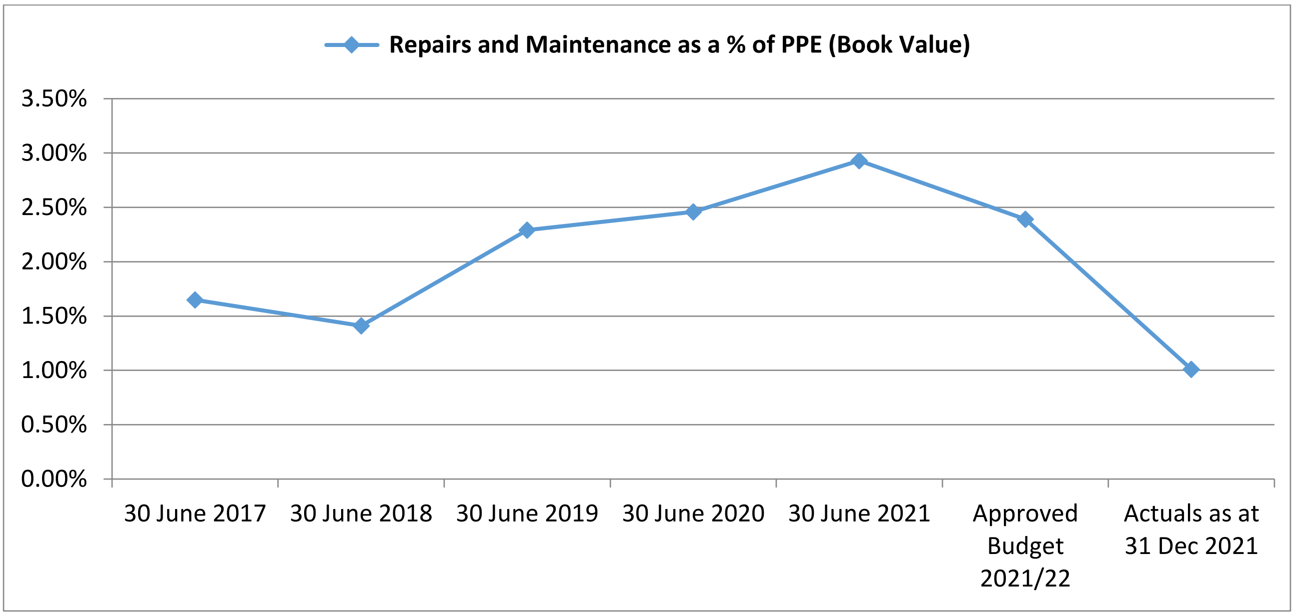
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2021, repairs and maintenance expenditure constituted 1.01% 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%.



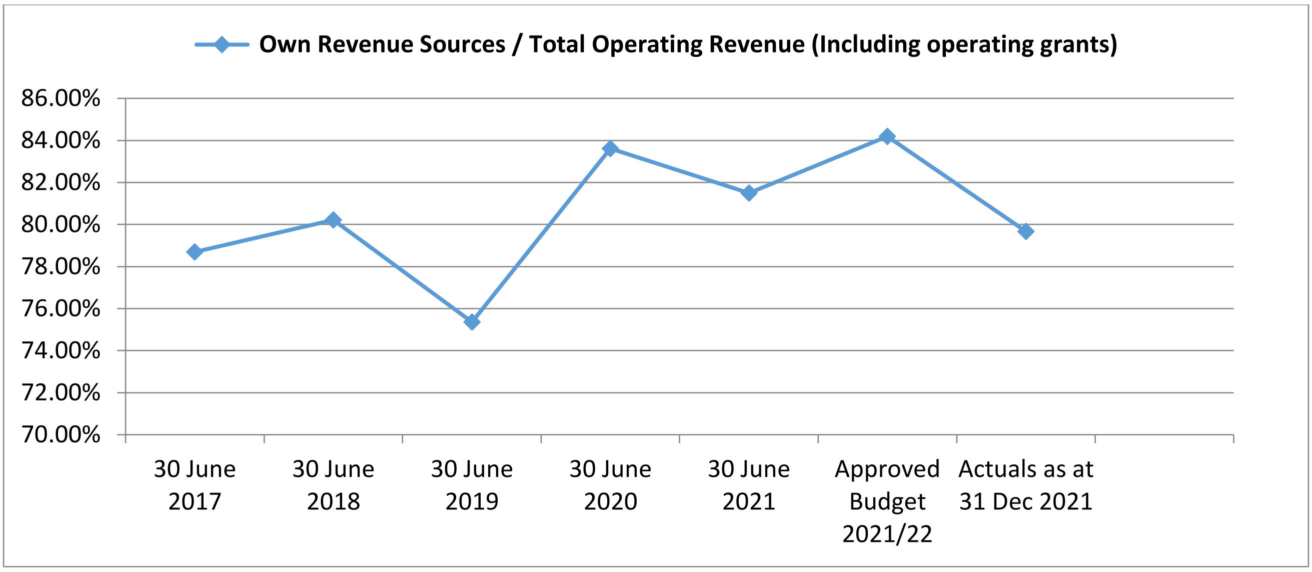
4.4.5. Own Revenue Generation

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 December 2021, the Municipality's own revenue sources constituted 79.67% 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 December 2021 amounted to 33.0% compared to the approved budget ratio of 95%.