**KOUGA MUNICIPALITY (EC108)**

**FINANCE PORTFOLIO COMMITTEE MEETING**

**FINANCE**

**DATE:** **ITEM NO:**

……………………………………………………………………………………………………………

**MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO NOVEMBER 2021 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 NOVEMBER 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 November 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 448,011 million, whilst operating expenditure amounted to R 426,813 million, resulting in an operating surplus of R 21,198 million.
- Capital expenditure constituted 29.71% of the 2021/22 Adjusted Capital Budget.
- Overdue consumer debts increased by R 32,136 million (15.33%) since June 2021.

- An amount of R 37,159 million is owing to creditors, of which R 36,242 million (97.53%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has increased by R 21,321,924 (39.95 %) since June 2021, from R 53,367,196 to R 74,689,120.

Below is an analysis of the Investment Portfolio as at 30 November 2021.

| | Balance as at 30 June 2021 | Invested | Interest | Withdrawals | Adjustments | Balance as at 30 November 2021 |
|---|---|---|---|---|---|---|
| Standard Bank | 11,424,167 | - | 159,776 | - | | 11,583,943 |
| ABSA | - 2,924,280 | 7,000,000 | 49,789 | - | 20,589 | 4,104,920 |
| Nedbank | 4,505,780 | - | 64,003 | - | | 4,569,783 |
| RMB | 23,427,726 | 24,814,269 | 414,449 | 25,067,302 | | 23,589,142 |
| INVESTEC | 4,055,992 | - | 59,199 | - | | 4,115,191 |
| Total | **40,489,385** | **31,814,269** | **747,216** | **25,067,302** | **20,589** | **47,962,979** |
| | | | | | | |
| INVESTMENT | **Balance as at 30 June 2021** | **Invested** | **Interest** | **Withdrawals** | **Adjustments** | **Balance as at 30 November 2021** |
| General Account | 29,430,884 | 14,233,269 | 499,802 | 7,000,000 | 20,589 | 37,143,365 |
| Conditional Grants | 11,050,682 | 17,581,000 | 247,315 | 18,059,399 | - | 10,819,597 |
| Housing Funds | 7,819 | - | 99 | 7,902 | - | 16 |
| Total | **40,489,385** | **31,814,269** | **747,216** | **25,067,302** | **20,589** | **47,962,979** |
| | | | | | | |
| Bank | 12,877,811 | 13,848,330 | | | | 26,726,141 |
| | | | | | | |
| Total | **53,367,196** | **45,662,599** | **747,216** | **25,067,302** | **20,589** | **74,689,120** |

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

**Cash backed Reserves.**

| | |
|---|---|
| Bank Balances and Cash | R 26,726,141 |
| Short-term Investment Deposits | R 47,962,979 |
| | **R 74,689,120** |

**Application of Cash**

| | |
|---|---|
| Unspent Conditional Grants | 11,857,287 |
| Internally Generated Funds (Capital commitments) | 30,678,971 |
| Outstanding Creditors Liability | 37,159,074 |
| | **79,695,332** |
| **The present commitments in excess of reserves** | **5,006,212** |

The commitments exceed the cash backed reserves at this stage by an amount of R 5,006,212.

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 30 November 2020 | Actuals as at 30 November 2021 | Approved Budget 2021/22 |
|---|---|---|---|---|---|---|
| Current Ratio | 1.31:1 | 1.32:1 | 2.61:1 | 1.73:1 | 1.46:1 | 0.9:1 |
| Liquidity Ratio | 0.84:1 | 0.85:1 | 0.45:1 | 0.99:1 | 0.69:1 | 0.2:1 |
| Cost Coverage (Excluding unspent conditional grants) | 1.97 Months | 2.02 Months | 0.62 Months | 1.27 Months | 0.94 Months | 0.6 Months |
| Debtors Collection Rate | 97.62% | 95.42% | 94.41% | 90.86% | 90.84% | 93% |
| Capital Expenditure | 73.82% | 75.33% | 76.92% | 15.90% | 29.71% | 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 30 November 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 December 2021……………….

**Annexure "A1"**

**OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO NOVEMBER 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 | 59 734 | 448 011 | 406 936 | 41 075 |
| Total Expenditure | 1 074 449 | 1 076 316 | 88 548 | 426 813 | 457 988 | (31 175) |
| Surplus/(Deficit) | (109 049) | (99 669) | (28 814) | 21 198 | (51 052) | 72 250 |

the statement of financial performance reflects a surplus of R 21,198 million, the surplus is largely influenced by the annual property rates revenue raised in July 2021.

## Revenue

### Main revenue sources for 2021/22

| Description | Budget Year 2021/22 | | |
|---|---|---|---|
| | Adjusted Budget | Year TD actual | % |
| **R thousands** | | | |
| **Revenue By Source** | | | |
| Property rates | 218 711 | 128 083 | 58.56% |
| Service charges - electricity revenue | 334 173 | 143 844 | 43.04% |
| Service charges - water revenue | 89 581 | 31 760 | 35.45% |
| Service charges - sanitation revenue | 58 635 | 24 497 | 41.78% |
| Service charges - refuse revenue | 55 744 | 24 918 | 44.70% |
| Rental of facilities and equipment | 1 169 | 1 031 | 88.21% |
| Interest earned - external investments | 5 780 | 1 215 | 21.02% |
| Interest earned - outstanding debtors | 10 674 | 5 003 | 46.87% |
| Fines, penalties and forfeits | 2 238 | 344 | 15.38% |
| Licences and permits | 25 746 | 6 447 | 25.04% |
| Transfers and subsidies | 153 324 | 64 269 | 41.92% |
| Other revenue | 20 873 | 16 601 | 79.53% |
| **Total Revenue (excluding capital transfers and contributions)** | **976 647** | **448 011** | **45.87%** |

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

- **Property Rates**

  As at 30 November 2021, the Municipality has recognised 58.56% 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**

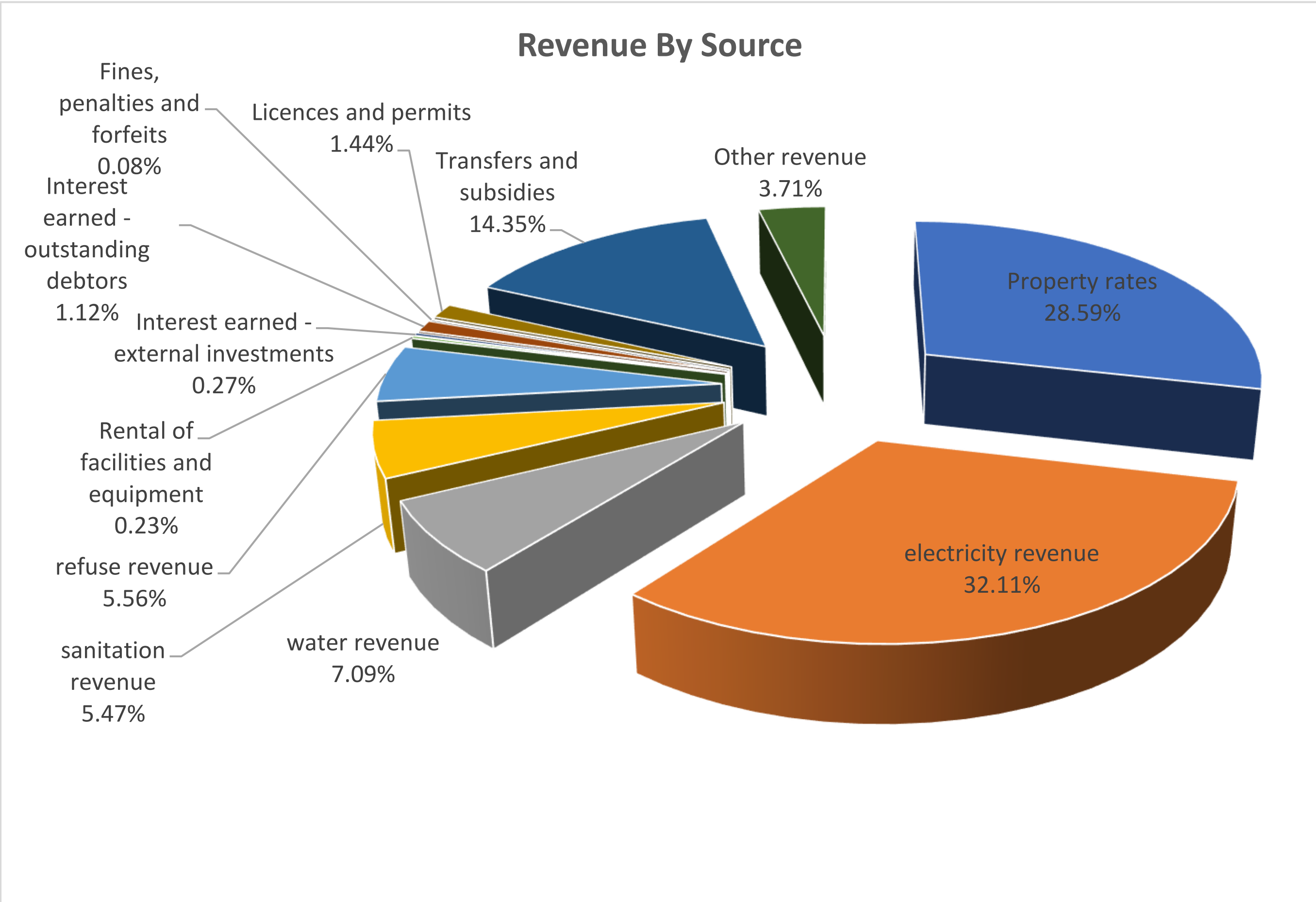
  Interest earned on external investments is largely influenced by the municipality's investment portfolio. Currently the investment portfolio amounts to R 102,025 million.

- **Fines, penalties and forfeits**

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

- **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 2021/22 | | |
|---|---|---|---|
| | Adjusted Budget | YearTD actual | % |
| **R thousands** | | | |
| **Expenditure By Type** | | | |
| Employee related costs | 378 927 | 145 511 | 38.40% |
| Remuneration of councillors | 13 651 | 5 499 | 40.29% |
| Debt impairment | 53 726 | – | 0.00% |
| Depreciation & asset impairment | 91 830 | 30 095 | 32.77% |
| Finance charges | 716 | 211 | 29.60% |
| Bulk purchases | 290 000 | 138 193 | 47.65% |
| Other materials | 66 296 | 29 106 | 43.94% |
| Contracted services | 80 258 | 32 071 | 39.91% |
| Transfers and subsidies | 650 | – | 0.00% |
| Other expenditure | 100 261 | 46 122 | 46.02% |
| **Total Expenditure** | **1 076 316** | **426 812** | **39.65%** |

### Reasons for major over-/under expenditure per type

- **Bad Debts**

  Bad debts are written off upon Council approval.

- **Transfers and subsidies**

  Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy.

- **Bulk purchases (Electricity)**

| Description | Budget Year 2021/22 | | |
|---|---|---|---|
| | Origin Budget | Year TD actual | % |
| **R thousands** | | | |
| Bulk purchases – Electricity | 290 000 000 | 138 193 591 | 47.65% |
| | **290 000 000** | **138 193 591** | **47.65%** |

- **Contracted Services**

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

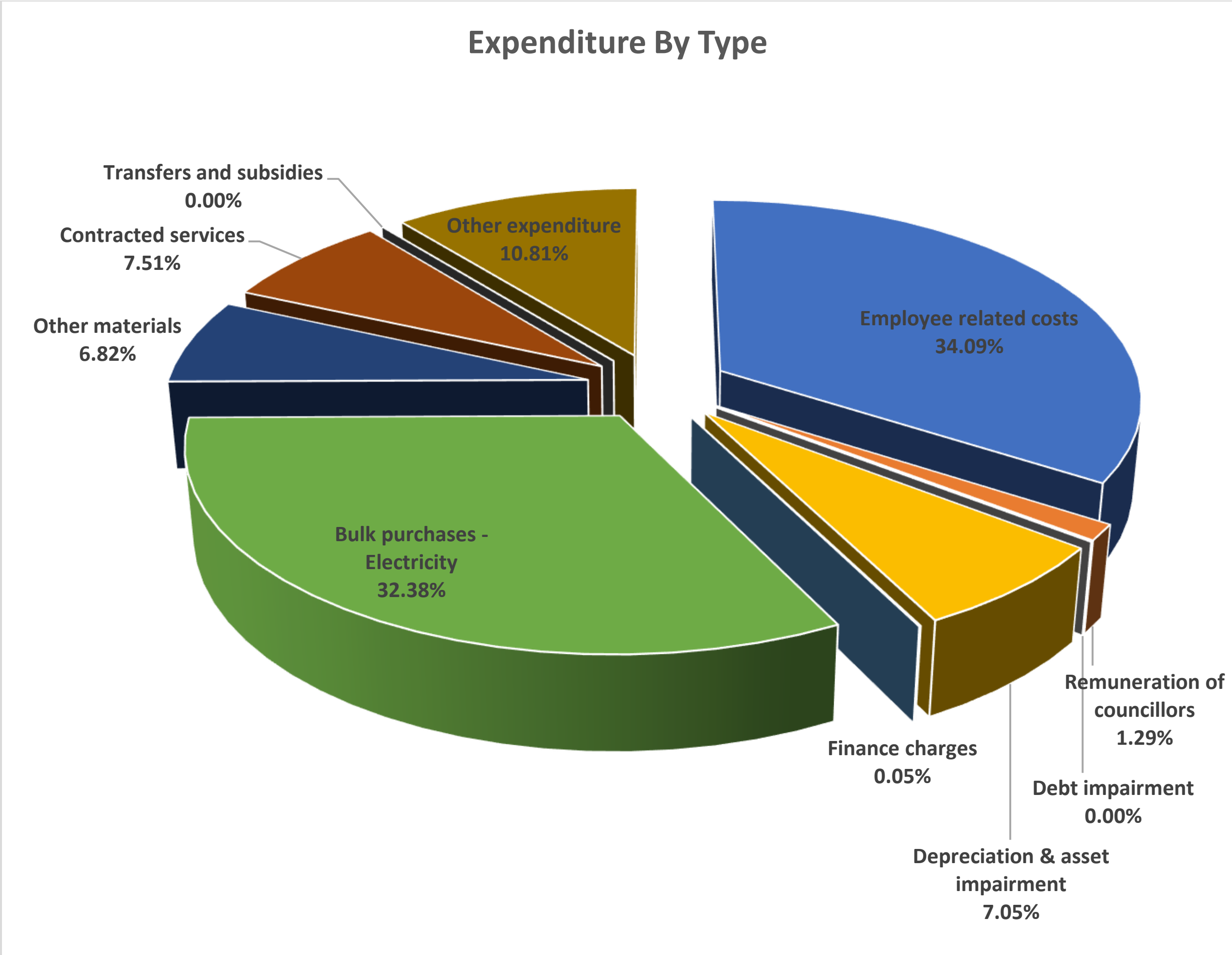
  Contracted services are broken down as follows:

| Item Description | Adjusted Budget 2021/2022 | Actuals as at 30 November 2021 | % |
|---|---|---|---|
| Animal Care | 476,575 | 20,000 | 4.20% |
| Burial Services | 180,000 | 7,850 | 4.36% |
| Valuer | 1,690,000 | 0 | 0.00% |
| Occupational Health and Safety | 21,000 | 0 | 0.00% |
| Qualification Verification | 600,000 | 158,315 | 26.39% |
| Consultants & Professional Services | 13,369,451 | 1,859,724 | 13.91% |
| Special Rating Area | 7,500,000 | 4,136,235 | 55.15% |
| Call Centre | 250,000 | 0 | 0.00% |
| Catering Services | 539,500 | 102,592 | 19.02% |
| Clearing and Grass Cutting Ser | 1,300,000 | 661,483 | 50.88% |
| Drivers Licence Cards | 600,000 | 106,966 | 17.83% |
| Employee Wellness | 410,000 | 41,363 | 10.09% |
| Event Promoters | 200,000 | 78,671 | 39.34% |
| Internal Auditors | 400,000 | 132,650 | 33.16% |
| Laboratory Services: Water | 665,000 | 163,367 | 24.57% |
| Legal Cost | 1,000,000 | 267,639 | 26.76% |
| Legal Advice and Litigation | 2,230,000 | 535,495 | 24.01% |
| Litter Picking and Street Cleaning | 1,250,000 | 448,322 | 35.87% |
| Maintenance of Buildings and Facilities | 5,705,000 | 902,992 | 15.83% |
| Maintenance of Equipment | 831,000 | 86,217 | 10.38% |
| Maintenance of Electrical Infrastructure | 2,526,839 | 466,884 | 18.48% |
| Maintenance of Sanitation Infrastructure | 1,280,000 | 641,309 | 50.10% |
| Maintenance of Water Infrastructure | 1,070,000 | 441,040 | 41.22% |
| Maintenance of Vehicles | 8,068,373 | 3,388,682 | 42.00% |
| Maintenance of Roads | 10,200,000 | 9,933,960 | 97.39% |
| Dune Stabilisation | 3,300,000 | 2,209,859 | 66.97% |
| Medical Health Services & Support | 1,000,000 | 149,246 | 14.92% |
| Personnel and Labour | 6,665,870 | 2,624,835 | 39.38% |
| Professional Staff | 307,000 | 171,050 | 55.72% |
| Security Services | 3,000,000 | 1,997,400 | 66.58% |
| Transport Services | 507,250 | 0 | 0.00% |
| Other Contracted Services | 2,949,442 | 333,274 | 11.30% |
| **Total** | **80,092,300** | **32,067,421** | **40.04%** |

- **Other Expenditure**

The other expenditure is broken down as follows:

| Item Description | Adjusted Budget 2021/22 | Actuals as at 30 November 2021 | % |
|---|---|---|---|
| Operational Cost:Skills Development Fund Levy | 3,861,814.00 | 1,447,829.25 | 37.49% |
| Operational Cost:Workmen's Compensation Fund | 1,664,930.00 | 814,341.42 | 48.91% |
| Operational Cost:Management Fee | 3,870,343.00 | 2,836,757.96 | 73.29% |
| Travel and Subsistence:Non-employees | 575,926.00 | 186,283.33 | 32.35% |
| Insurance Underwriting:Premiums | 3,087,456.00 | 2,796,389.47 | 90.57% |
| Operational Cost:Printing, Publications and Books | 1,393,000.00 | 320,335.49 | 23.00% |
| Operational Cost:Signage | 623,257.00 | 189,955.65 | 30.48% |
| Operational Cost:Uniform and Protective Clothing | 4,121,886.00 | 1,649,380.60 | 40.02% |
| Licences:Motor Vehicle Licence and Registrations | 1,046,294.00 | 432,008.04 | 41.29% |
| Registration Fees:Professional and Regulatory Bodi | 1,529,950.00 | 52,680.01 | 3.44% |
| Operational Cost:Vehicle Tracking | 625,715.00 | 298,498.77 | 47.71% |
| Operational Cost:Hire Charges | 21,095,100.00 | 9,518,526.17 | 45.12% |
| Communication:Cellular Expenditure | 1,755,364.00 | 842,441.74 | 47.99% |
| Transport without Operator:Own Transport | 887,488.00 | 105,982.89 | 11.94% |
| Operational Cost:System Access and Information Fee | 100,000.00 | - | 0.00% |
| Domestic:Accommodation | 874,000.00 | 263,114.82 | 30.10% |
| Public Transport:Air Transport | 353,609.00 | - | 0.00% |
| Operating Leases:Furniture and Office Equipment | 3,599,992.00 | 1,226,420.56 | 34.07% |
| Operating Leases:Other Assets | 3,963,740.00 | 1,376,868.00 | 34.74% |
| Advertising, Publicity and Marketing:Corporate and | 1,800,000.00 | 295,801.27 | 16.43% |
| Advertising, Publicity and Marketing:Staff Recruit | 150,000.00 | - | 0.00% |
| Advertising, Publicity and Marketing:Tenders | 715,000.00 | 453,799.46 | 63.47% |
| Communication:Postage/Stamps/Franking Machines | 1,450,000.00 | 488,750.46 | 33.71% |
| Communication:Telephone, Fax, Telegraph and Telex | 50,000.00 | - | 0.00% |
| External Computer Service:Software Licences | 4,140,260.00 | 456,910.71 | 11.04% |
| Operational Cost:Storage of Files (Archiving) | 550,000.00 | 15,469.63 | 2.81% |
| Domestic:Daily Allowance | 165,825.00 | - | 0.00% |
| Domestic:Food and Beverage (Served) | 119,862.00 | 74,089.08 | 61.81% |
| Transport without Operator:Car Rental | 144,125.00 | - | 0.00% |
| Operational Cost:Achievements and Awards | 1,700,000.00 | 395,686.10 | 23.28% |
| Operational Cost:Bargaining Council | 3,200,000.00 | - | 0.00% |
| Operational Cost:Remuneration to Ward Committees | 2,137,200.00 | 1,207,668.44 | 56.51% |
| Seminars, Conferences, Workshops and Events:Nation | 1,262,400.00 | 311,822.68 | 24.70% |
| Operational Cost:Supplier Development Programme | 100,000.00 | - | 0.00% |
| Operational Cost:Deeds | 170,000.00 | - | 0.00% |
| Operational Cost:Professional Bodies, Membership a | 37,000.00 | - | 0.00% |
| Advertising, Publicity and Marketing:Gifts and Pro | 650,000.00 | 85,645.33 | 13.18% |
| Operational Cost:Municipal Services | 11,938,606.00 | 13,205,732.64 | 110.61% |
| Operational Cost:Samples and Specimens | 30,000.00 | - | 0.00% |
| Bank Charges, Facility and Card Fees:Bank Accounts | 700,000.00 | 318,657.73 | 45.52% |
| Bank Charges, Facility and Card Fees:Third Parties | 5,000.00 | - | 0.00% |
| Operational Cost:Courier and Delivery Services | 12,500.00 | - | 0.00% |
| Decommissioning, Restoration and Similar Liabiliti | 156,150.00 | - | 0.00% |
| Commission:Third Party Vendors | 900,000.00 | 833,090.88 | 92.57% |
| Operational Cost:Search Fees | 80,000.00 | 44,200.44 | 55.25% |
| External Computer Service:Internet Charge | 4,464,541.00 | 1,783,814.24 | 39.96% |
| External Computer Service:Network Extensions | 62,460.00 | - | 0.00% |
| External Computer Service:Specialised Computer Ser | 35,019.00 | - | 0.00% |
| Insurance Underwriting:Claims paid to Third Partie | 300,000.00 | 45,576.78 | 15.19% |
| Insurance Underwriting:Insurance Claims | 3,180,000.00 | 24,979.16 | 0.79% |
| Foreign:Daily Allowance | 190,183.00 | - | 0.00% |
| Operational Cost:Resettlement Cost | 100,000.00 | 88,140.52 | 88.14% |
| Operating Leases:Machinery and Equipment | 60,000.00 | - | 0.00% |
| Operational Cost:External Audit Fees | 4,500,000.00 | 1,635,081.81 | 36.34% |
| Foreign:Accommodation | 473.00 | - | 0.00% |
| External Computer Service:Information Services | 100,000.00 | - | 0.00% |
| Operational Cost:Firearm Handling Fees | 20,000.00 | - | 0.00% |
| | **100,406,468.00** | **46,122,731.53** | **45.94%** |


Expenditure By Type
Transfers and subsidies
0.00%
Contracted services
7.51%
Other materials
6.82%
Other expenditure
10.81%
Employee related costs
34.09%
Bulk purchases -
Electricity
32.38%
Remuneration of
councillors
1.29%
Finance charges
0.05%
Debt impairment
0.00%
Depreciation & asset
impairment
7.05%

## 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 | 3,084 | 13,355 | 14,327 | (972) | -7% | 34,385 |
| Provincial Government | – | – | – | – | – | – | | – |
| District Municipality | 1,600 | 1,600 | 1,299 | 1,299 | 667 | 632 | 95% | 1,600 |
| Other transfers and grants | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | **35,985** | **35,985** | **4,383** | **14,654** | **14,994** | **(340)** | **-2%** | **35,985** |
| **Public contributions & donations** | – | – | – | – | – | – | | – |
| **Borrowing** | – | – | – | – | – | – | | – |
| **Internally generated funds** | 25,028 | 38,011 | 3,433 | 7,333 | 15,838 | (8,505) | -54% | 38,011 |
| **Total Capital Funding** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |

The capital expenditure as at 30 November 2021, constituted 29.71% of approved capital budget and the funding is broken down as follows:

- Grant funding is 42.62% of approved grant funding budget.
- Internally generated funds are 19.29% 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 | Year TD actual | % |
| R thousands | | | | | |
| **Multi-Year expenditure appropriation** | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | 2 740 | 3 440 | 45 | 696 | 20.24% |
| Vote 2 - FINANCIAL SERVICES | 2 460 | 3 374 | 125 | 728 | 21.56% |
| Vote 3 - CORPORATE SERVICES | 1 923 | 2 147 | 33 | 352 | 16.38% |
| Vote 4 - COMMUNITY SERVICES | 7 490 | 8 055 | 1 920 | 2 122 | 26.34% |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | 45 230 | 55 075 | 5 630 | 17 813 | 32.34% |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | 1 170 | 1 905 | 62 | 276 | 14.49% |
| **Total Capital Multi-year expenditure** | **61 013** | **73 996** | **7 816** | **21 986** | **29.71%** |

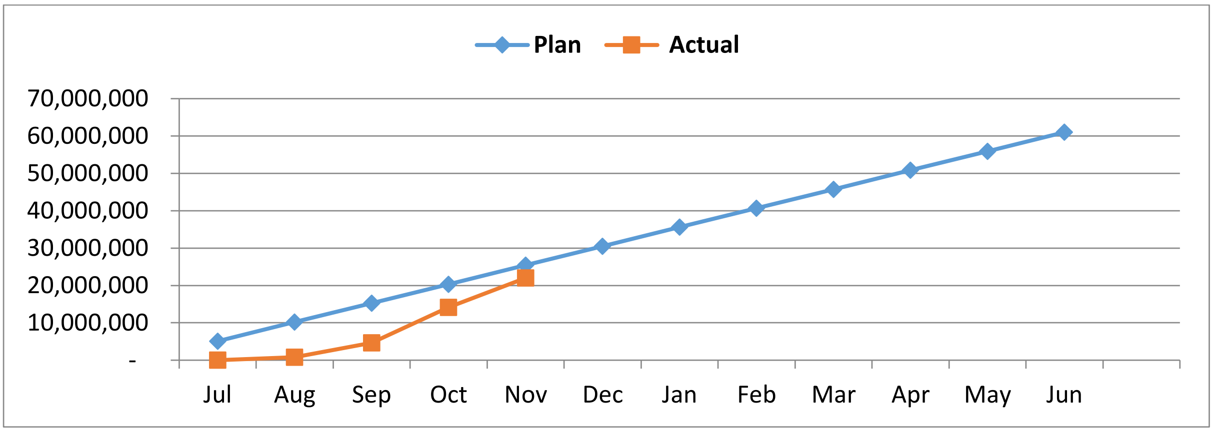
The capital expenditure as at 30 November 2021, constituted 29.71% of approved capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 20.24% of R 3,440 million budget.
- Financial Services is 21.56% of R 3,374 million budget.
- Corporate Services is 16.38% of R 2,147 million budget.
- Community Services is 26.34% of R 8,055 million budget.
- Infrastructure & Engineering is 32.34% of R 55,075 million budget.
- Planning, Development and Tourism is 14.49% of R 1,905 million budget.

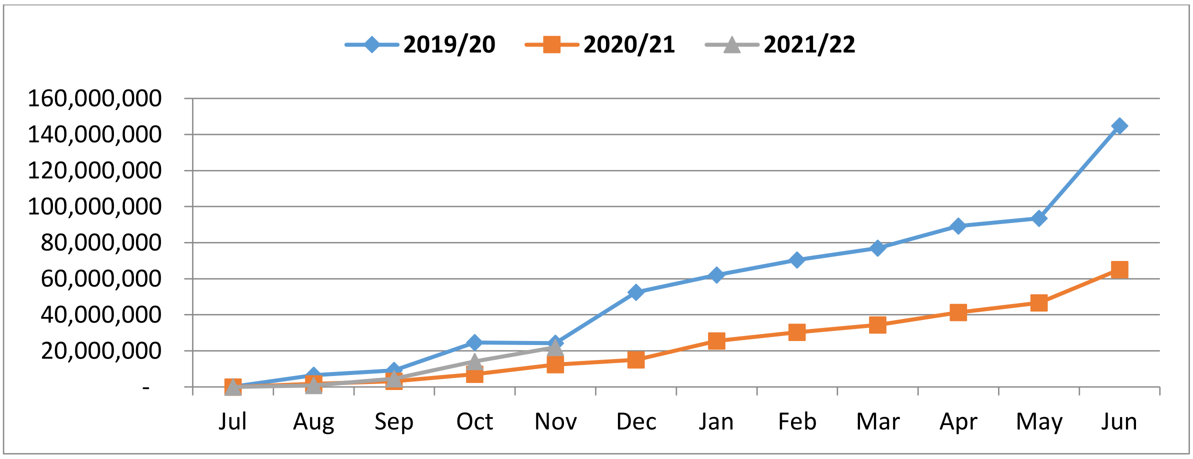
**Monthly capital expenditure**

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 Actuals |
|---|---|---|---|---|---|
| FIRE SERVICES | Distr | Fire Vehicle | FT911 | 1,600,000.00 | 1,298,945.71 |
| PARKS AND OPEN SPACES | Internal | 5X Trailes | 101782 | 200,000.00 | - |
| Envornmental Management Fee | Internal | Kouga Skip Bins | CP4_EMF | 200,000.00 | - |
| Protection Services | Internal | Machinery and Equipment (Security Cameras System) | PC_1004 | 1,200,000.00 | 12,397.15 |
| LAW ENFORCEMENT | Internal | Machinery and Equipment ( Generator ) | 1011113 | 230,000.00 | - |
| Parks & Open Space | Internal | Machinery and Equipment | PC_1003 | 80,000.00 | 17,565.22 |
| LAW ENFORCEMENT | Internal | Machinery and Equipment ( Radio communication ) - | 1011115 | 150,000.00 | - |
| LAW ENFORCEMENT | Internal | Roads Marking Machinery and Equipment | 1011117 | 150,000.00 | - |
| Sport & Recreation | Internal | Furniture and Equipment | CP_9 | 200,000.00 | - |
| LAW ENFORCEMENT | Internal | Playdetactor (Machinery and Equipment ) | 1011111 | 200,000.00 | 155,000.00 |
| LAW ENFORCEMENT | Internal | Machinery and Equipment ( Quardbike ) | 1011114 | 150,000.00 | 95,597.83 |
| Fire Services | Internal | Fencing Humansdorp Fire Station | CP1_FS | 600,000.00 | 467,754.15 |
| LAW ENFORCEMENT | Internal | Furniture and Equipment - Operations room | 1011112 | 180,000.00 | 17,197.00 |
| SPORT & RECREATION | Internal | Fencing Sport and Recreational Facilities | 1011118 | 1,500,000.00 | - |
| Fire Services | Internal | Vehicle | CP_23 | 565,000.00 | - |
| Beach | Internal | Upgrading of Pellsrus, Kabeljous, Cape St Francis | PC_A001 | 100,000.00 | - |
| LAW ENFORCEMENT | Internal | Computer Equipment - Operatons Room | 1011116 | 80,000.00 | 23,400.00 |
| ENVIRONMENTAL MANAGEMENT | Internal | Machinery and Equipment | PC_1002 | 100,000.00 | 33,688.74 |
| CEMETERIES | Internal | Ablution Facilities New | 1011104 | 570,000.00 | - |
| Corporate Services | Internal | Computer Software and Applications | CP_60 | 237,000.00 | - |
| Corporate Services | Internal | Fencing of municipal building | PC_1023 | 629,206.00 | 221,058.64 |
| ADMINISTRATION SERVICES | Internal | Bio-metric System | CP_CPS1 | 800,000.00 | - |
| Corporate Services | Internal | EDMS | PC_201 | 166,954.00 | - |
| Corporate Services | Internal | Furniture and Equipment | CP_9 | 150,000.00 | 21,498.28 |
| Skills Development | Internal | Computer Equipment | CP_4 | 33,343.00 | 21,500.67 |
| Corporate Services | Internal | Computer Equipment | CP_4 | 100,000.00 | 87,476.66 |
| ADMINISTRATION SERVICES | Internal | Furniture and Equipment | CP_9 | 30,000.00 | - |

| DEPARTMENT | FUNDING | PROJECTS | PROJECT NR | Approved Adjusted Budget 2021/22 | YTD Actuals |
|---|---|---|---|---|---|
| MAYOR | Internal | Furniture and Equipment - Municipal Court | 0803217 | 100,000.00 | - |
| Council | Internal | Furniture and Equipment | CP_9 | 100,000.00 | 48,008.00 |
| Council | Internal | Computer Equipment | CP_4 | 120,000.00 | - |
| MAYORAL COMMITTEE | Internal | Furniture and Equipment - Ward Councillors Offices | 1011101 | 150,000.00 | - |
| MAYORAL COMMITTEE | Internal | Computer Equipment | CP_4 | 130,000.00 | - |
| MAYOR | Internal | Electronic and Computer Equipment | 1011120 | 200,000.00 | - |
| MAYOR | Internal | Vehicle | CP_23 | 1,200,000.00 | 500,000.00 |
| MUNICIPAL MANAGER | Internal | Computer Equipment | CP_4 | 120,000.00 | 42,636.37 |
| MAYOR | Internal | PA system/Data projector/Screens/Sound | 1011102 | 70,000.00 | - |
| WARD COUNCILLORS | Internal | Ward councilors Capital project | PC_65 | 750,000.00 | - |
| WARD COUNCILLORS | Internal | Computer Equipment | CP_4 | 500,000.00 | 105,627.43 |
| ASSET MANAGEMENT | Internal | Single Cap Bakkie for stock verification | 101773 | 300,000.00 | - |
| SCM | Internal | Machinery and Equipment | PC_1003 | 250,000.00 | 12,700.00 |
| ASSET MANAGEMENT | Internal | Office Equipment | 101771 | 7,000.00 | 5,998.00 |
| ASSET MANAGEMENT | Internal | Office Equipment | 101772 | 12,000.00 | - |
| REVENUE | Internal | 2 Single Cab Bakkie | 0803219 | 600,000.00 | 451,382.00 |
| EXPENDITURE | Internal | Big eye-line printer | 101774 | 200,000.00 | - |
| Finance: IT | Internal | Furniture and Equipment | CP_9 | 141,005.00 | 67,572.00 |
| Finance: IT | Internal | Cibex Software | CP_075 | 600,000.00 | - |
| Finance: IT | Internal | Computer Equipment | CP_4 | 914,244.00 | 143,825.14 |
| Finance: IT | Internal | WIFI Solution | PC_017 | 100,000.00 | 46,141.22 |
| Finance: IT | Internal | Network Upgrade | CP_2241 | 250,000.00 | - |

| DEPARTMENT | FUNDING | PROJECTS | PROJECT NR | Approved Adjusted Budget 2021/22 | YTD Actuals |
|---|---|---|---|---|---|
| Electricity | Internal | Saffery Substation | CP7_ELC | 1,000,000.00 | 860,400.55 |
| Water | Internal | Replace 250mm Water Main Canal Road St Francis Bay | CP7_WAT | 163,000.00 | 51,536.18 |
| Water | Internal | Repair Leaking Concrete Water Tower Paradise Beach | CP_4WAT | 310,000.00 | 55,131.64 |
| Water | Internal | Replace Main Waterline Sout Rivier Bridge Crossing | CP5_WAT | 295,000.00 | 123,777.20 |
| Water | Internal | Replace 250mm Water Main Mimosa Street Jbay | CP6_WAT | 104,000.00 | 53,803.28 |
| Sewerage | Internal | New bypass Sewer Rising Main and Pump Stations Jbay | CP5_SW | 992,000.00 | - |
| Sewerage | Internal | Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre | CP4_SW | 326,000.00 | 67,139.20 |
| WATER | Internal | Connect 4 x drilled boreholes to treatment works | I&E002 | 11,356,000.00 | 2,233,985.90 |
| WATER | Internal | Connect up 3 x boreholes Soetkloof Hankey | I&E001 | 2,875,000.00 | - |
| Sewerage | Internal | Piped Reticulation - St Francis Bay | CP7_SEW | 295,000.00 | 104,848.00 |
| Water | Internal | Machinery & Equipment | CP_10SW | 180,000.00 | - |
| METERING & REVENUE | Internal | Bulk 66kv Overhead lines | CP66KV | 2,147,319.00 | 664,521.93 |
| Sewerage | MIG | Upgrade Sanitation System Old Hankey | PC_012 | 12,867,392.00 | 3,780,942.05 |
| METERING & REVENUE | INEP | Ocean View Electrification | ELEC711 | 6,782,609.00 | 2,131,316.80 |
| Sewerage | Internal | Upgrade Loerie sewer pump station | CP_2SW | 147,000.00 | 26,963.60 |
| Public Works | MIG | Upgrading of Gravel Roads in Humansdorp | PC_075 | 14,234,651.00 | 7,442,432.81 |
| PROJECT MANAGEMENT UNIT (PMU) | Internal | Mini Fresh Food and Craft Markets in Jbay & Hankey | CP_369 | 400,000.00 | 216,282.47 |
| Mig Administration Unit | MIG | Upgrading of Sports Facilities | CP_74 | 500,000.00 | - |
| SEWERAGE | Internal | Construct emergency overflow pond Koraal Sewer | CP_3SW | 100,000.00 | - |
| Planning & Development | Internal | Computer Software and Applications | CP_60 | 220,000.00 | 81,325.00 |
| Planning & Development | Internal | Furniture and equipment | CP_54 | 300,000.00 | - |
| LOCAL ECONOMIC DEVELOPMENT | Internal | Computer Equipment | CP_4 | 83,898.00 | 31,188.58 |
| Economic Development: Tourism | Internal | Restoration of Fisherman Grave Site | CP2_EDT | 150,000.00 | - |
| LAND & PROPERTY ADMINISTRATION | Internal | Furniture and equipment | CP_54 | 451,528.00 | 163,597.50 |
| LAND & PROPERTY ADMINISTRATION | Internal | Computer Equipment | CP_4 | 100,000.00 | - |
| LOCAL ECONOMIC DEVELOPMENT | Internal | Kouga Business Support Centre | CP1_EDB | 600,000.00 | - |
| | | | | **73,996,149.00** | **21,986,162.90** |

**Annexure “A3”**

## PROJECTED CASH FLOW STATEMENT FOR THE 2021/22 FINANCIAL YEAR

### Projected Cash Flow Statement as at 30 November 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 – M05 November 2021

| Description | 2020/21 | Budget Year 2021/22 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | 4 ytd | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | | % | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | | | | | | |
| **Receipts** | | | | | | | | | | |
| Property rates | 545,688 | 203,401 | 203,401 | 16,782 | 99,548 | 116,330 | 84,750 | 31,579 | 37% | (203,401) |
| Service charges | 70,769 | 500,464 | 500,464 | 52,102 | 215,551 | 267,653 | 208,527 | 59,127 | 28% | (500,464) |
| Other revenue | 33,622 | 39,500 | 39,500 | 647 | 14,333 | 14,980 | 16,458 | (1,478) | -9% | 50,025 |
| Government - operating | 152,544 | 152,602 | 152,602 | 941 | 65,460 | 66,401 | 63,584 | 2,817 | 4% | 143,375 |
| Government - capital | 2,151 | 40,256 | 40,256 | 2,600 | 15,630 | 18,230 | 16,773 | 1,457 | 9% | (38,829) |
| Interest | 782,820 | 15,706 | 15,706 | 1,147 | 3,861 | 5,008 | 6,544 | (1,536) | -23% | (4,147) |
| Dividends | – | – | – | – | – | – | – | – | | – |
| **Payments** | | | | | | – | | | | |
| Suppliers and employees | 3,758 | (927,527) | (927,527) | (91,335) | (349,140) | (440,475) | (386,469) | (54,006) | 14% | (927,527) |
| Finance charges | – | (716) | (716) | (29) | (179) | (208) | (298) | 91 | -30% | (716) |
| Transfers and Grants | – | (650) | (650) | – | – | – | (271) | 271 | -100% | (650) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **1,591,350** | **23,037** | **23,037** | **(17,144)** | **65,064** | **47,920** | **9,599** | **(38,321)** | **-399%** | **(1,482,334)** |
| | | | | | | | | | | |
| **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) | (7,816) | (14,740) | (22,556) | (25,422) | 2,866 | -11% | (73,996) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | **27,043** | **(61,013)** | **(61,013)** | **(7,816)** | **(14,740)** | **(22,556)** | **(25,422)** | **(2,866)** | **11%** | **(73,996)** |
| | | | | | | | | | | |
| **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) | (821) | (3,221) | (4,042) | (2,811) | (1,231) | 44% | – |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | **(20,774)** | **(6,747)** | **(6,747)** | **(821)** | **(3,221)** | **(4,042)** | **(2,811)** | **1,231** | **-44%** | **–** |
| | | | | | | | | | | |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **1,597,619** | **(44,723)** | **(44,723)** | **(25,781)** | **47,103** | **21,322** | **(18,635)** | | | **(1,556,330)** |
| Cash/cash equivalents at beginning: | 141,033 | 90,062 | 90,062 | | | 53,367 | 37,526 | | | 53,367 |
| Cash/cash equivalents at month/year end: | 1,738,652 | 45,339 | 45,339 | | | 74,689 | 18,891 | | | (1,502,962) |

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

### Table C1 Monthly Budget Statement Summary – M05 November 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 | 13,429 | 128,083 | 91,130 | 36,954 | 41% | 218,711 |
| Service charges | 494,172 | 538,133 | 538,133 | 43,520 | 225,018 | 224,222 | 796 | 0% | 538,133 |
| Investment revenue | 4,719 | 5,780 | 5,780 | 242 | 1,215 | 2,408 | (1,193) | -50% | 5,780 |
| Transfers and subsidies | 166,624 | 152,602 | 153,324 | 782 | 64,269 | 63,885 | 384 | 1% | 153,324 |
| Other own revenue | 36,543 | 50,174 | 60,699 | 1,761 | 29,426 | 25,291 | 4,135 | 16% | 60,699 |
| **Total Revenue (excluding capital transfers and contributions)** | **912,263** | **965,400** | **976,647** | **59,734** | **448,011** | **406,936** | **41,075** | **10%** | **976,647** |
| Employee costs | 335,334 | 378,677 | 378,927 | 40,332 | 145,512 | 167,412 | (21,900) | -13% | 378,927 |
| Remuneration of Councillors | 12,780 | 13,651 | 13,651 | 1,192 | 5,500 | 5,688 | (188) | -3% | 13,651 |
| Depreciation & asset impairment | 80,852 | 91,830 | 91,830 | 6,521 | 30,095 | 38,263 | (8,167) | -21% | 91,830 |
| Finance charges | 3,094 | 716 | 716 | 29 | 212 | 298 | (86) | -29% | 716 |
| Materials and bulk purchases | 325,733 | 356,261 | 356,238 | 24,081 | 167,300 | 148,432 | 18,868 | 13% | 356,238 |
| Transfers and subsidies | 761 | 650 | 650 | – | – | 271 | (271) | -100% | 650 |
| Other expenditure | 244,676 | 232,664 | 234,304 | 16,394 | 78,194 | 97,625 | (19,431) | -20% | 234,304 |
| **Total Expenditure** | **1,003,231** | **1,074,449** | **1,076,316** | **88,548** | **426,813** | **457,988** | **(31,175)** | **-7%** | **1,076,316** |
| **Surplus/(Deficit)** | **(90,967)** | **(109,049)** | **(99,669)** | **(28,814)** | **21,198** | **(51,052)** | **72,250** | **-142%** | **(99,669)** |
| Transfers and subsidies - capital (monetary alloc | 46,589 | 40,256 | 40,256 | 3,615 | 16,085 | 16,773 | (689) | -4% | 40,256 |
| Contributions & Contributed assets | – | 0 | 0 | – | – | – | – | | 0 |
| **Surplus/(Deficit) after capital transfers & contributions** | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | **71,561** | **-209%** | **(59,414)** |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | | – |
| **Surplus/ (Deficit) for the year** | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | **71,561** | **-209%** | **(59,414)** |
| **Capital expenditure & funds sources** | | | | | | | | | |
| **Capital expenditure** | **25,728** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |
| Capital transfers recognised | 41,388 | 35,985 | 35,985 | 4,383 | 14,654 | 14,994 | (340) | -2% | 35,985 |
| Public contributions & donations | – | – | – | – | – | – | – | | – |
| Borrowing | – | – | – | – | – | – | – | | – |
| Internally generated funds | **(7,061)** | **25,028** | **38,011** | **3,433** | **7,333** | **15,838** | **(8,505)** | **-54%** | **38,011** |
| **Total sources of capital funds** | **34,327** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |
| **Financial position** | | | | | | | | | |
| Total current assets | 287,737 | 170,054 | 168,018 | | 52,246 | | | | 168,018 |
| Total non current assets | 2,315,624 | 2,287,917 | 2,300,901 | | (10,618) | | | | 2,300,901 |
| Total current liabilities | 240,468 | 182,327 | 183,895 | | 6,158 | | | | 183,895 |
| Total non current liabilities | 175,631 | 163,445 | 163,445 | | (3,303) | | | | 163,445 |
| **Community wealth/Equity** | **2,231,641** | **2,112,199** | **2,112,199** | | **1,490** | | | | **2,112,199** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 1,591,350 | (1,493,258) | (1,482,334) | 154,791 | 792,145 | (617,639) | (1,409,784) | 228% | (1,482,334) |
| Net cash from (used) investing | 27,043 | (61,026) | (74,009) | 5,975 | 5,823 | (30,845) | (36,668) | 119% | (74,009) |
| Net cash from (used) financing | (20,774) | 17,378 | 17,378 | (392) | (1,570) | 17,378 | 18,948 | 109% | 17,378 |
| **Cash/cash equivalents at the month/year end** | **1,738,652** | **(1,446,844)** | **(1,448,903)** | **–** | **796,398** | **(541,044)** | **(1,337,442)** | **247%** | **(1,538,965)** |
| **Debtors & creditors analysis** | **0-30 Days** | **31-60 Days** | **61-90 Days** | **91-120 Days** | **121-150 Dys** | **151-180 Dys** | **181 Dys-1 Yr** | **Over 1Yr** | **Total** |
| **Debtors Age Analysis** | | | | | | | | | |
| Total By Income Source | 38,413 | 8,089 | 7,161 | 20,670 | 7,549 | 5,370 | 25,935 | 166,936 | 280,124 |
| **Creditors Age Analysis** | | | | | | | | | |
| Total Creditors | 106,897 | 1,146 | 5 | 24 | (6) | (1,740) | 68 | 4,062 | 110,456 |

**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) – M05 November 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** | **17,111** | **204,719** | **143,620** | 61,099 | 43% | **344,689** |
| Executive and council | | 926 | 29 | 29 | – | 64 | 12 | 51 | 420% | 29 |
| Finance and administration | | 333,086 | 334,135 | 344,659 | 17,111 | 204,655 | 143,608 | 61,047 | 43% | 344,659 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| *Community and public safety* | | **12,063** | **11,799** | **11,799** | **646** | **6,997** | **4,916** | 2,081 | 42% | **11,799** |
| Community and social services | | 2,160 | 2,516 | 2,516 | 299 | 2,224 | 1,049 | 1,176 | 112% | 2,516 |
| Sport and recreation | | 5,800 | 6,302 | 6,302 | 334 | 3,539 | 2,626 | 913 | 35% | 6,302 |
| Public safety | | 1,332 | 735 | 735 | 1 | 479 | 306 | 173 | 56% | 735 |
| Housing | | – | – | – | – | – | – | – | | – |
| Health | | 2,772 | 2,246 | 2,246 | 12 | 755 | 936 | (181) | -19% | 2,246 |
| *Economic and environmental services* | | **15,708** | **27,734** | **28,056** | **(2,433)** | **7,156** | **11,690** | (4,534) | -39% | **28,056** |
| Planning and development | | 7,589 | 6,870 | 7,192 | 794 | 3,000 | 2,997 | 3 | 0% | 7,192 |
| Road transport | | 6,952 | 19,419 | 19,419 | (3,266) | 3,434 | 8,091 | (4,657) | -58% | 19,419 |
| Environmental protection | | 1,167 | 1,446 | 1,446 | 39 | 722 | 602 | 120 | 20% | 1,446 |
| *Trading services* | | **597,069** | **631,958** | **632,358** | **48,025** | **245,223** | **263,482** | (18,259) | -7% | **632,358** |
| Energy sources | | 311,310 | 349,113 | 349,113 | 28,069 | 146,807 | 145,464 | 1,343 | 1% | 349,113 |
| Water management | | 111,941 | 109,904 | 110,304 | 6,925 | 33,466 | 45,960 | (12,494) | -27% | 110,304 |
| Waste water management | | 99,437 | 99,787 | 99,787 | 8,090 | 38,381 | 41,578 | (3,197) | -8% | 99,787 |
| Waste management | | 74,381 | 73,154 | 73,154 | 4,942 | 26,569 | 30,481 | (3,912) | -13% | 73,154 |
| *Other* | 4 | – | – | – | – | – | – | – | | – |
| **Total Revenue - Functional** | 2 | **958,852** | **1,005,656** | **1,016,903** | **63,349** | **464,095** | **423,709** | **40,386** | **10%** | **1,016,903** |
| Expenditure - Functional | | | | | | | | | | |
| *Governance and administration* | | **222,313** | **243,963** | **243,819** | **20,258** | **80,609** | **104,764** | (24,155) | -23% | **243,819** |
| Executive and council | | 50,007 | 50,592 | 50,728 | 4,920 | 18,235 | 21,402 | (3,166) | -15% | 50,728 |
| Finance and administration | | 172,304 | 193,351 | 193,072 | 15,339 | 62,374 | 83,354 | (20,980) | -25% | 193,072 |
| Internal audit | | 2 | 20 | 20 | – | – | 8 | (8) | -100% | 20 |
| *Community and public safety* | | **93,963** | **107,514** | **107,594** | **10,600** | **40,561** | **47,122** | (6,561) | -14% | **107,594** |
| Community and social services | | 9,090 | 11,186 | 11,096 | 1,146 | 4,064 | 4,876 | (812) | -17% | 11,096 |
| Sport and recreation | | 49,442 | 54,230 | 54,400 | 5,244 | 20,645 | 23,752 | (3,107) | -13% | 54,400 |
| Public safety | | 23,565 | 29,328 | 29,328 | 2,793 | 11,047 | 12,876 | (1,829) | -14% | 29,328 |
| Housing | | 6,238 | 5,884 | 5,944 | 808 | 2,508 | 2,620 | (113) | -4% | 5,944 |
| Health | | 5,628 | 6,886 | 6,826 | 608 | 2,297 | 2,998 | (701) | -23% | 6,826 |
| *Economic and environmental services* | | **141,490** | **157,693** | **158,179** | **11,180** | **53,427** | **67,371** | (13,944) | -21% | **158,179** |
| Planning and development | | 34,140 | 45,303 | 45,809 | 3,287 | 13,106 | 20,184 | (7,078) | -35% | 45,809 |
| Road transport | | 103,535 | 109,560 | 109,560 | 7,656 | 39,066 | 45,995 | (6,928) | -15% | 109,560 |
| Environmental protection | | 3,815 | 2,830 | 2,810 | 238 | 1,255 | 1,192 | 62 | 5% | 2,810 |
| *Trading services* | | **544,339** | **561,444** | **562,889** | **46,437** | **251,829** | **237,133** | 14,696 | 6% | **562,889** |
| Energy sources | | 308,105 | 354,858 | 354,858 | 25,917 | 160,311 | 148,270 | 12,042 | 8% | 354,858 |
| Water management | | 99,126 | 86,287 | 87,832 | 5,365 | 38,156 | 37,190 | 966 | 3% | 87,832 |
| Waste water management | | 74,483 | 59,888 | 59,638 | 7,035 | 28,927 | 25,389 | 3,538 | 14% | 59,638 |
| Waste management | | 62,626 | 60,412 | 60,562 | 8,120 | 24,436 | 26,285 | (1,849) | -7% | 60,562 |
| *Other* | | **1,125** | **3,834** | **3,834** | **73** | **386** | **1,597** | **(1,212)** | **-76%** | **3,834** |
| **Total Expenditure - Functional** | 3 | **1,003,231** | **1,074,449** | **1,076,316** | **88,548** | **426,813** | **457,988** | **(31,175)** | **-7%** | **1,076,316** |
| **Surplus/ (Deficit) for the year** | | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | **71,561** | **-209%** | **(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 – M05 November 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 | 16,667 | 203,952 | 142,920 | 61,031 | 42.7% | 343,009 |
| Vote 3 - CORPORATE SERVICES | | 565 | 319 | 319 | 301 | 365 | 133 | 232 | 174.4% | 319 |
| Vote 4 - COMMUNITY SERVICES | | 96,575 | 105,755 | 105,755 | 2,302 | 37,504 | 44,065 | (6,561) | -14.9% | 105,755 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 526,745 | 563,015 | 563,415 | 43,548 | 220,255 | 234,756 | (14,501) | -6.2% | 563,415 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 4,586 | 4,082 | 4,404 | 531 | 2,019 | 1,835 | 184 | 10.0% | 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** | **63,349** | **464,095** | **423,709** | **40,386** | **9.5%** | **1,016,903** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | 51,232 | 52,647 | 52,647 | 5,135 | 18,711 | 22,307 | (3,596) | -16.1% | 52,647 |
| Vote 2 - FINANCIAL SERVICES | | 80,189 | 107,877 | 107,877 | 7,691 | 30,811 | 46,478 | (15,668) | -33.7% | 107,877 |
| Vote 3 - CORPORATE SERVICES | | 56,843 | 45,011 | 45,011 | 3,631 | 16,072 | 19,451 | (3,378) | -17.4% | 45,011 |
| Vote 4 - COMMUNITY SERVICES | | 196,624 | 213,660 | 213,660 | 23,166 | 83,261 | 93,224 | (9,964) | -10.7% | 213,660 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 596,140 | 621,597 | 623,142 | 46,245 | 268,695 | 261,669 | 7,025 | 2.7% | 623,142 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 22,202 | 33,658 | 33,980 | 2,680 | 9,264 | 14,859 | (5,594) | -37.7% | 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** | **88,548** | **426,813** | **457,988** | **(31,175)** | **-6.8%** | **1,076,316** |
| **Surplus/ (Deficit) for the year** | 2 | **(45,246)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | **71,561** | **-208.8%** | **(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) – M05 November 2021

| Description<br>R thousands | Ref | 2020/21<br>Audited Outcome | Budget Year 2021/22<br>Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance<br>% | Full Year Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue By Source** | | | | | | | | | | |
| Property rates | | 210,205 | 218,711 | 218,711 | 13,429 | 128,083 | 91,130 | 36,954 | 41% | 218,711 |
| Service charges - electricity revenue | | 299,519 | 334,173 | 334,173 | 27,707 | 143,844 | 139,239 | 4,605 | 3% | 334,173 |
| Service charges - water revenue | | 84,384 | 89,581 | 89,581 | 6,548 | 31,760 | 37,325 | (5,565) | -15% | 89,581 |
| Service charges - sanitation revenue | | 55,545 | 58,635 | 58,635 | 4,571 | 24,497 | 24,431 | 65 | 0% | 58,635 |
| Service charges - refuse revenue | | 54,725 | 55,744 | 55,744 | 4,694 | 24,918 | 23,227 | 1,691 | 7% | 55,744 |
| Rental of facilities and equipment | | 2,347 | 1,169 | 1,169 | 208 | 1,031 | 487 | 544 | 112% | 1,169 |
| Interest earned - external investments | | 4,719 | 5,780 | 5,780 | 242 | 1,215 | 2,408 | (1,193) | -50% | 5,780 |
| Interest earned - outstanding debtors | | 9,982 | 10,674 | 10,674 | 1,114 | 5,003 | 4,447 | 556 | 12% | 10,674 |
| Dividends received | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 3,308 | 2,238 | 2,238 | 112 | 344 | 932 | (588) | -63% | 2,238 |
| Licences and permits | | 11,639 | 25,746 | 25,746 | (3,193) | 6,447 | 10,727 | (4,281) | -40% | 25,746 |
| Agency services | | – | – | – | – | – | – | – | | – |
| Transfers and subsidies | | 166,624 | 152,602 | 153,324 | 782 | 64,269 | 63,885 | 384 | 1% | 153,324 |
| Other revenue | | 9,211 | 10,348 | 20,873 | 3,521 | 16,601 | 8,697 | 7,904 | 91% | 20,873 |
| Gains | | 57 | – | – | – | – | – | – | | – |
| **Total Revenue (excluding capital transfers and contributions)** | | **912,263** | **965,400** | **976,647** | **59,734** | **448,011** | **406,936** | **41,075** | **10%** | **976,647** |
| **Expenditure By Type** | | | | | | | | | | |
| Employee related costs | | 335,334 | 378,677 | 378,927 | 40,332 | 145,512 | 167,412 | (21,900) | -13% | 378,927 |
| Remuneration of councillors | | 12,780 | 13,651 | 13,651 | 1,192 | 5,500 | 5,688 | (188) | -3% | 13,651 |
| Debt impairment | | 31,535 | 53,726 | 53,726 | – | – | 22,386 | (22,386) | -100% | 53,726 |
| Depreciation & asset impairment | | 80,852 | 91,830 | 91,830 | 6,521 | 30,095 | 38,263 | (8,167) | -21% | 91,830 |
| Finance charges | | 3,094 | 716 | 716 | 29 | 212 | 298 | (86) | -29% | 716 |
| Bulk purchases - electricity | | 221,040 | 290,000 | 290,000 | 20,752 | 138,194 | 120,833 | 17,360 | 14% | 290,000 |
| Inventory consumed | | 104,693 | 66,261 | 66,238 | 3,330 | 29,107 | 27,599 | 1,508 | 5% | 66,238 |
| Contracted services | | 95,785 | 78,598 | 80,353 | 6,870 | 32,072 | 33,480 | (1,408) | -4% | 80,353 |
| Transfers and subsidies | | 761 | 650 | 650 | – | – | 271 | (271) | -100% | 650 |
| Other expenditure | | 115,349 | 100,339 | 100,224 | 9,524 | 46,123 | 41,759 | 4,364 | 10% | 100,224 |
| Losses | | 2,007 | – | – | – | – | – | – | | – |
| **Total Expenditure** | | **1,003,231** | **1,074,449** | **1,076,316** | **88,548** | **426,813** | **457,988** | **(31,175)** | **-7%** | **1,076,316** |
| **Surplus/(Deficit)** | | **(90,967)** | **(109,049)** | **(99,669)** | **(28,814)** | **21,198** | **(51,052)** | **72,250** | **(0)** | **(99,669)** |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 46,589 | 40,256 | 40,256 | 3,615 | 16,085 | 16,773 | (689) | (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)** | **(25,199)** | **37,283** | **(34,279)** | | | **(59,414)** |
| Taxation | | – | – | – | – | – | – | – | | – |
| **Surplus/(Deficit) after taxation** | | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | | | **(59,414)** |
| Attributable to minorities | | – | – | – | – | – | – | | | – |
| **Surplus/(Deficit) attributable to municipality** | | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | | | **(59,414)** |
| Share of surplus/ (deficit) of associate | | – | – | – | – | – | – | | | – |
| **Surplus/ (Deficit) for the year** | | **(44,379)** | **(68,793)** | **(59,414)** | **(25,199)** | **37,283** | **(34,279)** | | | **(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) – M05 November 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 | 45 | 696 | 1,121 | (425) | -38% | 2,690 |
| Vote 2 - FINANCIAL SERVICES | | 49,578 | 2,210 | 3,124 | 112 | 715 | 1,302 | (587) | -45% | 3,124 |
| Vote 3 - CORPORATE SERVICES | | 2,308 | 1,923 | 2,147 | 33 | 352 | 894 | (543) | -61% | 2,147 |
| Vote 4 - COMMUNITY SERVICES | | (2,458) | 6,110 | 6,675 | 1,903 | 2,058 | 2,781 | (723) | -26% | 6,675 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | 38,142 | 45,230 | 54,675 | 5,509 | 17,597 | 22,781 | (5,184) | -23% | 54,675 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 340 | 670 | 1,154 | 62 | 113 | 481 | (368) | -77% | 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** | **70,465** | **7,665** | **21,530** | **29,360** | **(7,830)** | **-27%** | **70,465** |
| **Single Year expenditure appropriation** | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE COUNCIL | | 91 | 750 | 750 | – | – | 313 | (313) | -100% | 750 |
| Vote 2 - FINANCIAL SERVICES | | (57,971) | 250 | 250 | 13 | 13 | 104 | (91) | -88% | 250 |
| Vote 3 - CORPORATE SERVICES | | 22,363 | – | – | – | – | – | – | | – |
| Vote 4 - COMMUNITY SERVICES | | 681 | 1,380 | 1,380 | 18 | 64 | 575 | (511) | -89% | 1,380 |
| Vote 5 - INFRASTRUCTURE AND ENGINEERING | | (28,215) | – | 400 | 120 | 216 | 167 | 50 | 30% | 400 |
| Vote 6 - PLANNING DEVELOPMENT AND TOURISM | | 686 | 500 | 752 | – | 164 | 313 | (150) | -48% | 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 | 3,532 | 151 | 456 | 1,471 | **(1,015)** | **-69%** | 3,532 |
| **Total Capital Expenditure** | 3 | **25,728** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |
| **Capital Expenditure - Functional Classification** | | | | | | | | | | |
| ***Governance and administration*** | | **16,925** | **8,963** | **11,301** | **339** | **2,079** | **4,709** | (2,630) | -56% | **11,301** |
| Executive and council | | 274 | 2,240 | 3,440 | 45 | 696 | 1,433 | (737) | -51% | 3,440 |
| Finance and administration | | 16,651 | 6,723 | 7,861 | 294 | 1,383 | 3,275 | (1,893) | -58% | 7,861 |
| Internal audit | | – | – | – | – | – | – | – | | – |
| ***Community and public safety*** | | **6,630** | **8,987** | **5,915** | **1,784** | **1,784** | **2,465** | (680) | -28% | **5,915** |
| Community and social services | | – | 570 | 570 | – | – | 238 | (238) | -100% | 570 |
| Sport and recreation | | 243 | 6,217 | 2,580 | 18 | 18 | 1,075 | (1,057) | -98% | 2,580 |
| Public safety | | 6,338 | 2,200 | 2,765 | 1,767 | 1,767 | 1,152 | 615 | 53% | 2,765 |
| Housing | | 340 | – | – | – | – | – | – | | – |
| Health | | (290) | – | – | – | – | – | – | | – |
| ***Economic and environmental services*** | | **(37,205)** | **15,555** | **16,390** | **2,358** | **7,935** | **6,829** | 1,106 | 16% | **16,390** |
| Planning and development | | 1,115 | 1,120 | 2,155 | 183 | 492 | 898 | (406) | -45% | 2,155 |
| Road transport | | (38,320) | 14,435 | 14,235 | 2,175 | 7,442 | 5,931 | 1,511 | 25% | 14,235 |
| Environmental protection | | – | – | – | – | – | – | – | | – |
| ***Trading services*** | | **39,378** | **27,458** | **40,240** | **3,334** | **10,188** | **16,767** | (6,579) | -39% | **40,240** |
| Energy sources | | 12,588 | 9,783 | 9,930 | 348 | 3,656 | 4,137 | (481) | -12% | 9,930 |
| Water management | | 7,172 | 2,245 | 15,283 | 2,234 | 2,518 | 6,368 | (3,850) | -60% | 15,283 |
| Waste water management | | 19,881 | 14,630 | 14,727 | 752 | 3,980 | 6,136 | (2,157) | -35% | 14,727 |
| Waste management | | (263) | 800 | 300 | – | 34 | 125 | (91) | -73% | 300 |
| ***Other*** | | – | 50 | 150 | – | – | 63 | (63) | -100% | 150 |
| **Total Capital Expenditure - Functional Classification** | 3 | **25,728** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |
| **Funded by:** | | | | | | | | | | |
| National Government | | 35,675 | 34,385 | 34,385 | 3,084 | 13,355 | 14,327 | (972) | -7% | 34,385 |
| Provincial Government | | – | – | – | – | – | – | – | | – |
| District Municipality | | 5,713 | 1,600 | 1,600 | 1,299 | 1,299 | 667 | 632 | 95% | 1,600 |
| Other transfers and grants | | – | – | – | – | – | – | – | | – |
| **Transfers recognised - capital** | | **41,388** | **35,985** | **35,985** | **4,383** | **14,654** | **14,994** | **(340)** | **-2%** | **35,985** |
| **Public contributions & donations** | 5 | – | – | – | – | – | – | – | | – |
| **Borrowing** | 6 | – | – | – | – | – | – | – | | – |
| **Internally generated funds** | | (7,061) | 25,028 | 38,011 | 3,433 | 7,333 | 15,838 | (8,505) | -54% | 38,011 |
| **Total Capital Funding** | | **34,327** | **61,013** | **73,996** | **7,816** | **21,986** | **30,832** | **(8,845)** | **-29%** | **73,996** |

## 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 – M05 November 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 | 10,165 | 26,726 | 10,165 |
| Call investment deposits | | 40,490 | 33,116 | 33,116 | 47,963 | 33,116 |
| Consumer debtors | | 79,760 | 67,296 | 67,296 | 49,323 | 67,296 |
| Other debtors | | 142,012 | 48,618 | 48,618 | 31,365 | 48,618 |
| Current portion of long-term receivables | | – | 3 | 3 | – | 3 |
| Inventory | | 12,570 | 8,798 | 8,821 | 1,914 | 8,821 |
| **Total current assets** | | **287,737** | **170,054** | **168,018** | **157,291** | **168,018** |
| | | | | | | |
| **Non current assets** | | | | | | |
| Long-term receivables | | – | 13 | 13 | – | 13 |
| Investments | | – | – | – | – | – |
| Investment property | | 242,552 | 242,552 | 242,552 | 262,646 | 242,552 |
| Investments in Associate | | – | – | – | – | – |
| Property, plant and equipment | | 2,071,777 | 2,042,419 | 2,055,235 | 2,062,518 | 2,055,235 |
| Agricultural | | – | – | – | – | – |
| Biological assets | | – | – | – | – | – |
| Intangible assets | | 1,295 | 2,934 | 3,101 | 1,295 | 3,101 |
| Other non-current assets | | – | – | – | – | – |
| **Total non current assets** | | **2,315,624** | **2,287,917** | **2,300,901** | **2,326,459** | **2,300,901** |
| **TOTAL ASSETS** | | **2,603,361** | **2,457,971** | **2,468,919** | **2,483,750** | **2,468,919** |
| | | | | | | |
| LIABILITIES | | | | | | |
| **Current liabilities** | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Borrowing | | 6,747 | 0 | 0 | 2,062 | 0 |
| Consumer deposits | | 20,774 | 17,378 | 17,378 | 20,854 | 17,378 |
| Trade and other payables | | 177,499 | 135,300 | 136,868 | 49,076 | 136,868 |
| Provisions | | 35,447 | 29,649 | 29,649 | 35,468 | 29,649 |
| **Total current liabilities** | | **240,468** | **182,327** | **183,895** | **107,460** | **183,895** |
| | | | | | | |
| **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** | **347,340** | **283,069** | **347,340** |
| | | | | | | |
| **NET ASSETS** | 2 | **2,187,263** | **2,112,199** | **2,121,579** | **2,200,681** | **2,121,579** |
| | | | | | | |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 2,231,641 | 2,112,199 | 2,112,199 | 2,200,681 | 2,112,199 |
| Reserves | | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | **2,231,641** | **2,112,199** | **2,112,199** | **2,200,681** | **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 – M05 November 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 | 14 074 | 99 548 | 67 800 | 31 747 | 47% | 203 401 |
| Service charges | | 70 769 | 500 464 | 500 464 | 59 293 | 215 551 | 166 821 | 48 730 | 29% | 500 464 |
| Other revenue | | 33 622 | 39 500 | 39 500 | 5 895 | 14 333 | 13 167 | 1 166 | 9% | 39 500 |
| Government - operating | | 152 544 | 152 602 | 152 602 | 2 525 | 65 460 | 65 460 | – | | 152 602 |
| Government - capital | | 2 151 | 40 256 | 40 256 | 8 631 | 15 630 | 15 630 | – | | 40 256 |
| Interest | | 782 820 | 15 706 | 15 706 | 1 199 | 3 861 | 5 235 | (1 375) | -26% | 15 706 |
| Dividends | | – | – | – | | – | – | – | | – |
| **Payments** | | | | | | | | | | |
| Suppliers and employees | | 3 758 | (927 527) | (927 527) | (89 254) | (349 140) | (309 176) | 39 964 | -13% | (927 527) |
| Finance charges | | – | (716) | (716) | (29) | (179) | (239) | (60) | 25% | (716) |
| Transfers and Grants | | – | (650) | (650) | | – | – | – | | (650) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **1 591 350** | **23 037** | **23 037** | **2 334** | **65 064** | **24 699** | **(40 364)** | **-163%** | **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) | (9 536) | (14 740) | (20 338) | (5 597) | 28% | (61 013) |
| **NET CASH FROM/(USED) INVESTING ACTIVITIES** | | **27 043** | **(61 013)** | **(61 013)** | **(9 536)** | **(14 740)** | **(20 338)** | **(5 597)** | **28%** | **(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) | (821) | (3 221) | (2 249) | 972 | -43% | – |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **(20 774)** | **(6 747)** | **(6 747)** | **(821)** | **(3 221)** | **(2 249)** | **972** | **-43%** | **–** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **1 597 619** | **(44 723)** | **(44 723)** | **(8 023)** | **47 102** | **2 113** | | | **(37 976)** |
| 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 | | 102 025 | 92 175 | | | 16 947 |

## 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 30 November 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 30 November 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 | 9,542 | 2,120 | 1,896 | 3,428 | 1,563 | 1,876 | 8,508 | 45,869 | 74,802 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 21,760 | 1,613 | 1,356 | 2,488 | 720 | 591 | 2,606 | 9,512 | 40,647 |
| Receivables from Non-exchange Transactions - Property Rates | 13,938 | 1,308 | 1,066 | 10,604 | 583 | 516 | 2,231 | 25,227 | 55,474 |
| Receivables from Exchange Transactions - Waste Water Management | 5,594 | 1,133 | 1,020 | 1,519 | 831 | 849 | 4,273 | 20,249 | 35,469 |
| Receivables from Exchange Transactions - Waste Management | 4,825 | 1,267 | 1,188 | 1,149 | 1,037 | 986 | 5,450 | 27,078 | 42,980 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – | – | – | – | – | – | – |
| Interest on Arrear Debtor Accounts | 104 | 115 | 138 | 408 | 175 | 188 | 1,357 | 26,322 | 28,807 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – | – | – | – | – | – | – |
| Other | (17,350) | 534 | 497 | 1,073 | 2,639 | 363 | 1,510 | 12,679 | 1,945 |
| **Total By Income Source** | **38,413** | **8,089** | **7,161** | **20,670** | **7,549** | **5,370** | **25,935** | **166,936** | **280,124** |
| | | | | | | | | | – |
| Debtors Age Analysis By Customer Group | | | | | | | | | |
| Organs of State | 1,543 | 614 | 617 | 3,411 | 375 | 231 | 843 | 4,697 | 12,331 |
| Commercial | 7,840 | 401 | 427 | 495 | 268 | 240 | 1,135 | 4,488 | 15,294 |
| Households | 29,030 | 7,074 | 6,117 | 16,763 | 6,906 | 4,899 | 23,958 | 157,751 | 252,499 |
| Other | – | – | – | – | – | – | – | – | – |
| **Total By Customer Group** | **38,413** | **8,089** | **7,161** | **20,670** | **7,549** | **5,370** | **25,935** | **166,936** | **280,124** |

The aforementioned analysis indicates that from 30 June 2021 to 30 November 2021, the overdue debts have increased by R 32,136 million from R 209,574 million to R 241,711 million, as follows:

| R thousands | OVERDUE AMOUNTS AS AT | | |
|---|---|---|---|
| Debtors Age Analysis By Income Source | 30-Jun-21 | 30-Nov-21 | DIFFERENCE |
| Trade and Other Receivables from Exchange Transactions - Water | 58,633 | 65,260 | 6,628 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 17,163 | 18,887 | 1,724 |
| Receivables from Non-exchange Transactions - Property Rates | 33,015 | 41,536 | 8,521 |
| Receivables from Exchange Transactions - Waste Water Management | 26,556 | 29,874 | 3,318 |
| Receivables from Exchange Transactions - Waste Management | 33,908 | 38,155 | 4,247 |
| Receivables from Exchange Transactions - Property Rental Debtors | – | – | – |
| Interest on Arrear Debtor Accounts | 24,963 | 28,703 | 3,740 |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | – | – | – |
| Other | 15,337 | 19,296 | 3,959 |
| **Total By Income Source** | **209,574** | **241,711** | **32,136** |
| | | | |
| Debtors Age Analysis By Customer Group | | | – |
| Organs of State | 5,932 | 10,787 | 4,855 |
| Commercial | 6,886 | 7,454 | 568 |
| Households | 196,756 | 223,469 | 26,713 |
| Other | – | – | – |
| **Total By Customer Group** | **209,574** | **241,711** | **32,136** |

## 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 | 23,784 | – | – | – | – | – | (7) | – | 23,777 |
| Bulk Water | – | – | – | 24 | (9) | (1,740) | – | – | (1,725) |
| PAYE deductions | 4,546 | – | – | – | – | – | – | – | 4,546 |
| VAT (output less input) | | | | | | | | | – |
| Pensions / Retirement deductions | | | | | | | | | – |
| Loan repayments | | | | | | | | | – |
| Trade Creditors | | | | | | | | | – |
| Auditor General | | | | | | | | | – |
| Other | 7,911 | 1,280 | 29 | – | 3 | – | 75 | 1,263 | 10,561 |
| **Total By Customer Type** | **36,242** | **1,280** | **29** | **24** | **(6)** | **(1,740)** | **68** | **1,263** | **37,159** |

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

| | |
|---|---|
| Eskom | R 23,777 million |
| PAYE deductions | R 4,546 million |
| Other Creditors | R 10,561 million |
| Total | **R 37,159 million** |

It is to be noted that the Eskom amount of R 23,777 million, represents the current account for November 2021, which will be fully paid on 23 December 2021.

The PAYE deductions represent employee related costs for the month of November 2021, with the amount only due on 6 December 2021.

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

### Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M05 November 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 | 432 | 62 645 | 62 645 | – | 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 | | 356 | 356 | – | | 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 | 432 | 663 | 663 | – | 0.0% | 1 671 |
| District Municipality: | 1 964 | 1 964 | – | 722 | 722 | – | | 1 964 |
| Enviromental Health Subsidy | 1 964 | 1 964 | | 722 | 722 | – | | 1 964 |
| Provincial Government: | 2 050 | 2 050 | 2 050 | 2 050 | 2 050 | – | | 2 050 |
| Sport and Recreation | 2 050 | 2 050 | 2 050 | 2 050 | 2 050 | – | | 2 050 |
| Total Operating Transfers and Grants | 152 602 | 152 602 | 2 482 | 65 417 | 65 417 | – | 0.0% | 152 602 |
| Capital Transfers and Grants | | | | | | | | – |
| National Government: | 39 542 | 39 542 | 8 199 | 15 198 | 15 198 | – | 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 | 8 199 | 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 | 8 199 | 15 673 | 15 673 | – | 0.0% | 40 256 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 192 858 | 192 858 | 10 681 | 81 090 | 81 090 | – | 0.0% | 192 858 |

### Below is an analysis of the spending associated with the grants as at 30 November 2021:Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M05 November 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 | 26 107 | 43 605 | 49 529 | (5 924) | -12.0% | 148 588 |
| Operational Revenue:General Revenue:Equitable Share | 143 774 | 143 774 | 25 727 | 42 446 | 47 925 | (5 479) | -11.4% | 143 774 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 1 423 | 1 423 | 144 | 365 | 474 | (109) | -23.0% | 1 423 |
| Local Government Financial Management Grant [Schedule 5B] | 1 720 | 1 720 | 80 | 290 | 573 | (284) | -49.5% | 1 720 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 671 | 1 671 | 155 | 504 | 557 | (53) | -9.4% | 1 671 |
| District Municipality: | 1 964 | 1 964 | – | 722 | 722 | – | | 1 964 |
| Enviromental Health Subsidy | 1 964 | 1 964 | | 722 | 722 | – | | 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 | 26 107 | 44 327 | 50 251 | (5 924) | -11.8% | 152 602 |
| Capital expenditure of Transfers and Grants | | | | | | | | – |
| National Government: | 39 542 | 39 542 | 8 540 | 11 812 | 13 181 | (1 369) | -10.4% | 39 542 |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 7 800 | 7 800 | 905 | 2 271 | 2 600 | (329) | -12.6% | 7 800 |
| Municipal Infrastructure Grant [Schedule 5B] | 31 742 | 31 742 | 7 635 | 9 540 | 10 581 | (1 040) | | 31 742 |
| District Municipality: | 714 | 714 | – | – | – | – | | 714 |
| Fire Services Subsidy | 714 | 714 | | | – | – | | 714 |
| Total capital expenditure of Transfers and Grants | 40 256 | 40 256 | 8 540 | 11 812 | 13 181 | (1 369) | -10.4% | 40 256 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 192 858 | 192 858 | 34 646 | 56 138 | 63 432 | (7 294) | -11.5% | 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 369,790 |
| Unspent as at 31 October 2021: | R 1,350,210 |

The spending of the grant amounted to 21.50% as at 30 November 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 530,055 |
| Unspent as at 30 November 2021: | R 465,945 |

The spending of the grant amounted to 53.22% as at 30 November 2021, compared to the amount of the grant received.

## 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 |
| Approved Rollover: | R 5,958,699 |
| Amount of Grant Received: | R 19,219,699 |
| Expenditure to date: | R 11,927,552 |
| Unspent as at 31 October 2021: | R 7,292,147 |

The spending of the grant amounted to 62.06% as at 30 November 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 2,451,014 |
| Unspent as at 30 November 2021: | R 2,748,985 |

The spending of the grant amounted to 47.13% as at 30 November 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 – M05 November 2021.**

| Summary of Employee and Councillor remuneration | 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 | A | B | C | | | | | | D |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| Basic Salaries and Wages | | 8,637 | 9,104 | 9,104 | 769 | 3,577 | 3,793 | (216) | -6% | 9,104 |
| Medical Aid Contributions | | – | – | – | 43 | 188 | – | 188 | #DIV/0! | – |
| Motor Vehicle Allowance | | 2,879 | 3,081 | 3,081 | 256 | 1,195 | 1,284 | (88) | -7% | 3,081 |
| Cellphone Allowance | | 1,265 | 1,465 | 1,465 | 123 | 539 | 611 | (71) | -12% | 1,465 |
| **Sub Total - Councillors** | | **12,780** | **13,651** | **13,651** | **1,192** | **5,500** | **5,688** | **(188)** | **-3%** | **13,651** |
| **% increase** | 4 | | **6.8%** | **6.8%** | | | | | | **6.8%** |
| | | | | | | | | | | |
| **Senior Managers of the Municipality** | 3 | | | | | | | | | |
| Basic Salaries and Wages | | 7,457 | 6,954 | 6,954 | 693 | 2,798 | 2,897 | (100) | -3% | 6,954 |
| Pension and UIF Contributions | | 126 | 106 | 106 | 5 | 36 | 44 | (8) | -19% | 106 |
| Medical Aid Contributions | | 38 | 31 | 31 | 2 | 18 | 13 | 5 | 41% | 31 |
| Performance Bonus | | 612 | 23 | 23 | – | – | 23 | (23) | -100% | 23 |
| Motor Vehicle Allowance | | 640 | 1,605 | 1,605 | 68 | 410 | 669 | (259) | -39% | 1,605 |
| Cellphone Allowance | | 10 | 10 | 10 | 1 | 4 | 4 | (0) | -6% | 10 |
| Other benefits and allowances | | 55 | 1 | 1 | 0 | 0 | 0 | (0) | -8% | 1 |
| Payments in lieu of leave | | 440 | 2,358 | 2,358 | 747 | 1,826 | 982 | 844 | 86% | 2,358 |
| **Sub Total - Senior Managers of Municipality** | | **9,378** | **11,088** | **11,088** | **1,516** | **5,092** | **4,633** | **458** | **10%** | **11,088** |
| **% increase** | 4 | | **18.2%** | **18.2%** | | | | | | **18.2%** |
| | | | | | | | | | | |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | 187,829 | 232,525 | 232,755 | 16,601 | 85,349 | 96,981 | (11,632) | -12% | 232,755 |
| Pension and UIF Contributions | | 31,918 | 36,881 | 36,881 | 2,748 | 13,646 | 15,367 | (1,721) | -11% | 36,881 |
| Medical Aid Contributions | | 16,812 | 23,684 | 23,684 | 1,343 | 6,744 | 9,868 | (3,124) | -32% | 23,684 |
| Overtime | | 30,580 | 31,142 | 31,142 | 2,023 | 9,791 | 12,976 | (3,185) | -25% | 31,142 |
| Performance Bonus | | – | 23 | 23 | 21 | 21 | 10 | 12 | 120% | 23 |
| Motor Vehicle Allowance | | 9,703 | 9,871 | 9,871 | 846 | 4,111 | 4,113 | (1) | 0% | 9,871 |
| Cellphone Allowance | | – | 85 | 85 | 2 | 15 | 36 | (20) | -56% | 85 |
| Housing Allowances | | 900 | 1,787 | 1,787 | 61 | 357 | 745 | (388) | -52% | 1,787 |
| Other benefits and allowances | | 26,052 | 29,863 | 29,883 | 15,146 | 19,788 | 21,964 | (2,175) | -10% | 29,883 |
| Payments in lieu of leave | | 3,812 | 25 | 25 | – | 249 | 10 | 239 | 2299% | 25 |
| Long service awards | | 1,287 | 1,702 | 1,702 | 27 | 349 | 709 | (360) | -51% | 1,702 |
| Post-retirement benefit obligations | 2 | 17,063 | – | – | – | – | – | – | | – |
| **Sub Total - Other Municipal Staff** | | **325,956** | **367,590** | **367,840** | **38,818** | **140,422** | **162,778** | **(22,356)** | **-14%** | **367,840** |
| **% increase** | 4 | | **12.8%** | **12.8%** | | | | | | **12.8%** |
| | | | | | | | | | | |
| **Total Parent Municipality** | | **348,114** | **392,328** | **392,578** | **41,526** | **151,014** | **173,099** | **(22,086)** | **-13%** | **392,578** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **348,114** | **392,328** | **392,578** | **41,523** | **151,011** | **173,099** | **(22,088)** | **-13%** | **392,578** |
| **% increase** | 4 | | **12.7%** | **12.8%** | | | | | | **12.8%** |
| **TOTAL MANAGERS AND STAFF** | | **335,334** | **378,677** | **378,927** | **40,334** | **145,514** | **167,412** | **(21,898)** | **-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 30 November 2021** |
|---|---|---|---|---|---|---|---|
| Capital Charges to Operating Expenditure | Interest & principal paid/Total Operating Expenditure | 1.78% | 1.29% | 1.23% | 1.15% | 0.69% | 1.00% |
| 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 | 1.46 |
| Liquidity Ratio | Monetary assets / current liabilities | 0.47 | 0.75 | 0.87 | 2.61 | 0.2 | 0.69 |
| **Revenue Management** | | | | | | | |
| Annual Debtors Collection Rate | Billed Revenue / Receipted Revenue | 90.73% | 97,62% | 95.42% | 94.41% | 93% | 90.84% |

| 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 30 November 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 | 0.94 |
| Employee Costs | Employee Costs / Total Operating Expenditure | 33.21% | 33.39% | 35.87% | 35.73% | 35.24% | 34.09% |
| Capital Expenditure | Capital Expenditure / Capital Budget | 72.98% | 44.59% | 75.33% | 76.92% | 95% | 29.71% |
| Repairs and Maintenance as % of Total Operating Expenditure | Repairs and Maintenance / Total Operating Expenditure | 3.82% | 5.63% | 5.99% | 6.84% | 4.54% | 4.63% |
| Repairs and Maintenance as % of PPE (Book Value) | Repairs and Maintenance / Net PPE | 1.41% | 2.29% | 2.46% | 2.93% | 2.39% | 0.96% |
| 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% | 82.69% |

The above table is discussed in detail below.

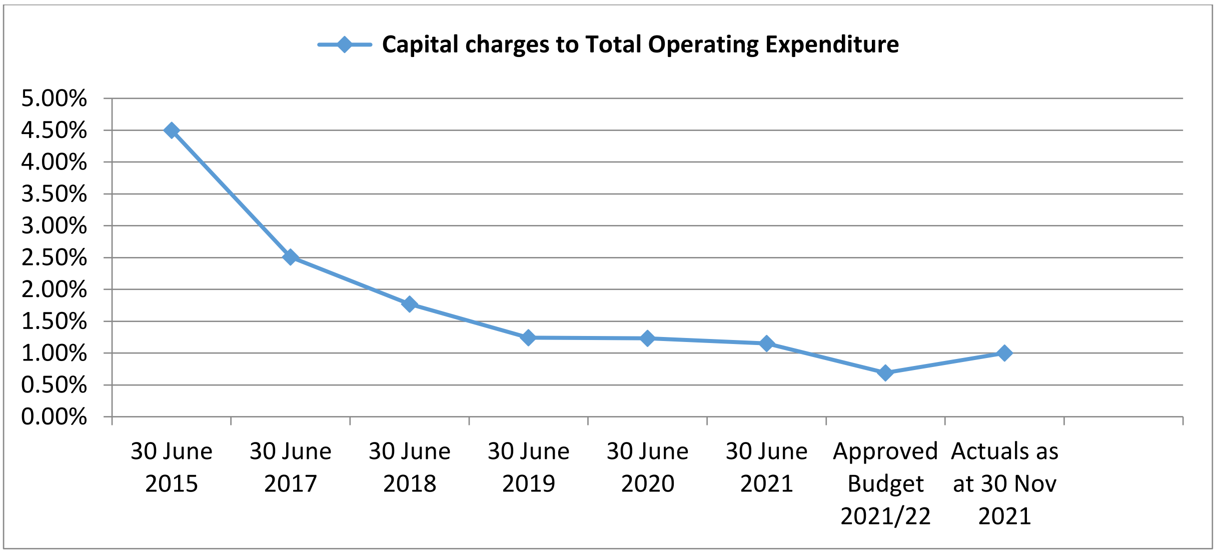
### 4.1. Borrowing Management

#### 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 1.00 % of the Total Operating Expenditure was utilised for capital charges as at 30 November 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.

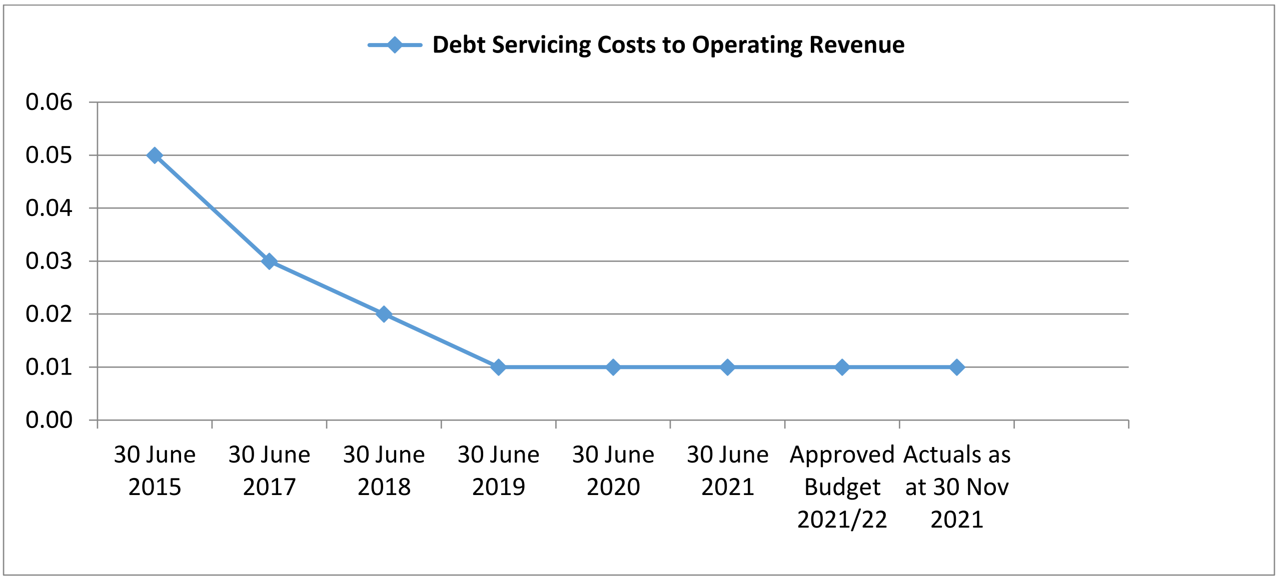
### 4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 30 November 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:

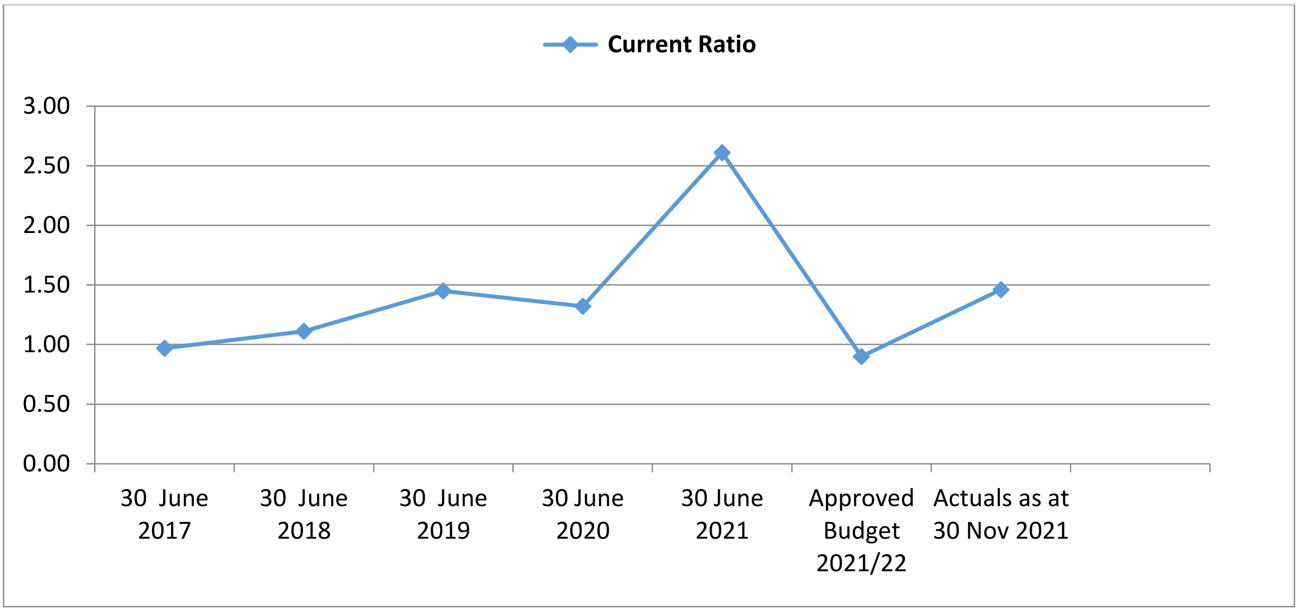
**Current assets/Current liabilities**

The ratio as at 30 November 2021 was 1.46:1, 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

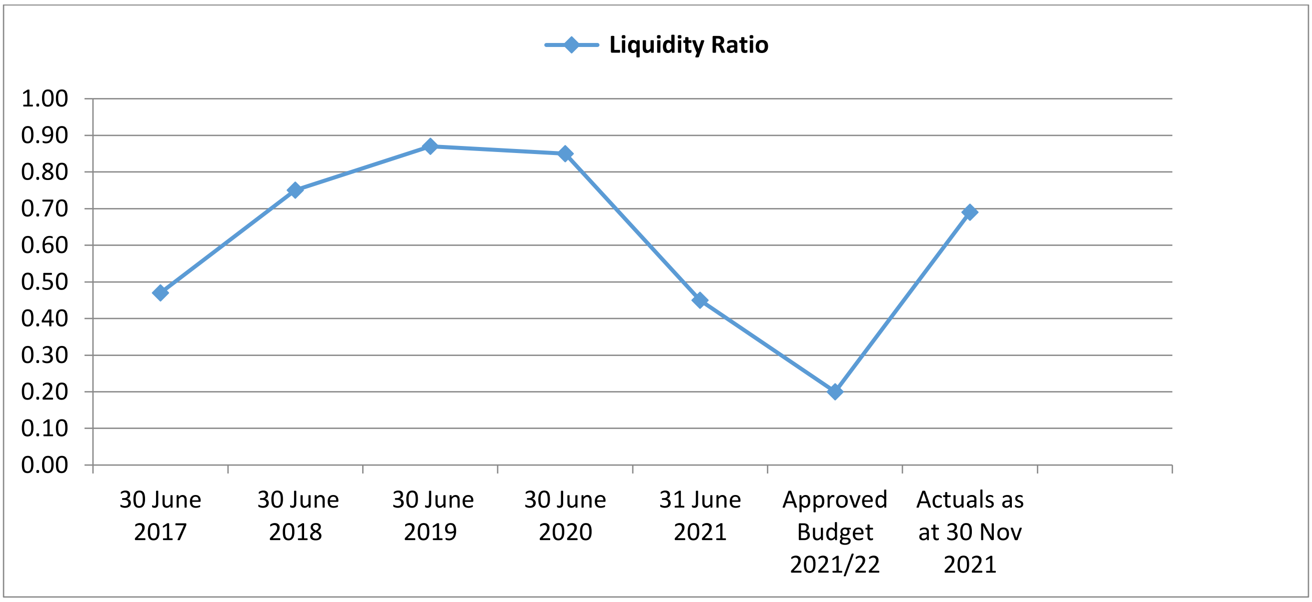
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 30 November 2021 was 0.69:1, 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

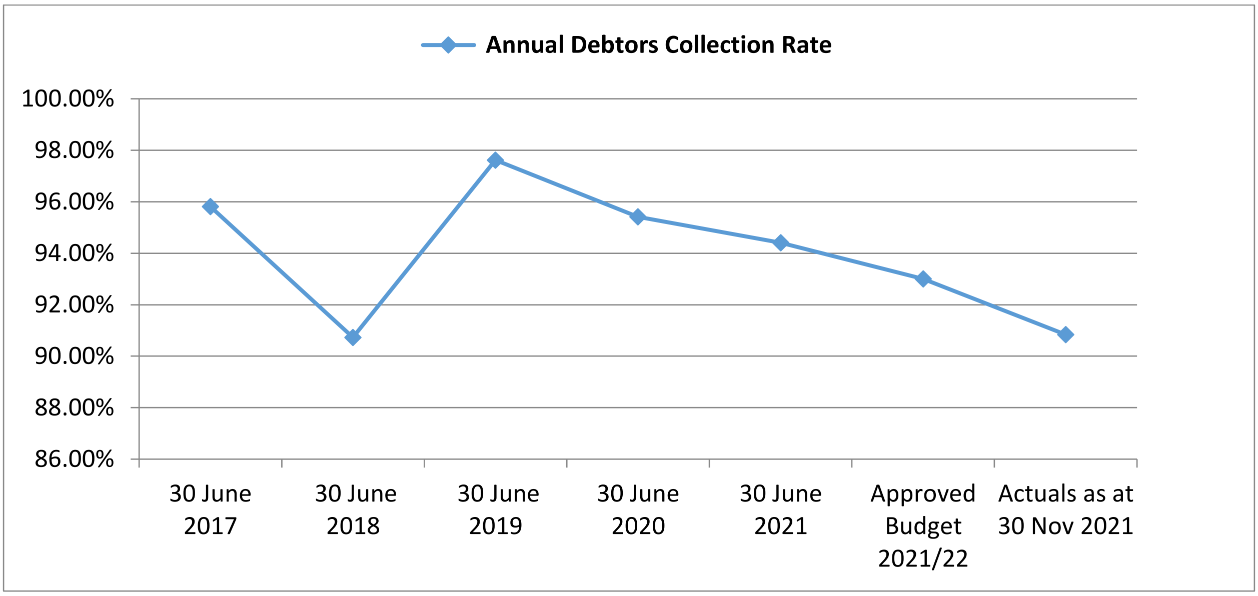
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

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 30 November 2021 was 90.84%, compared to the approved budget collection rate of 93%.




### 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.

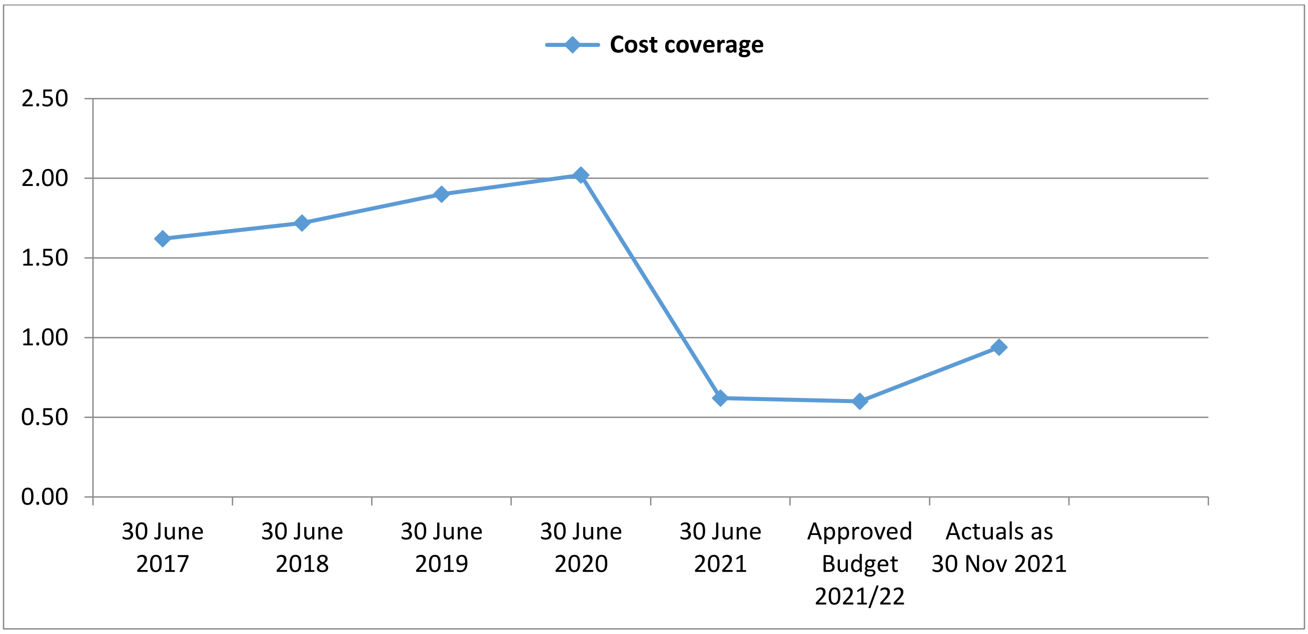
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 30 November 2021, the Ratio was 0.94 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.



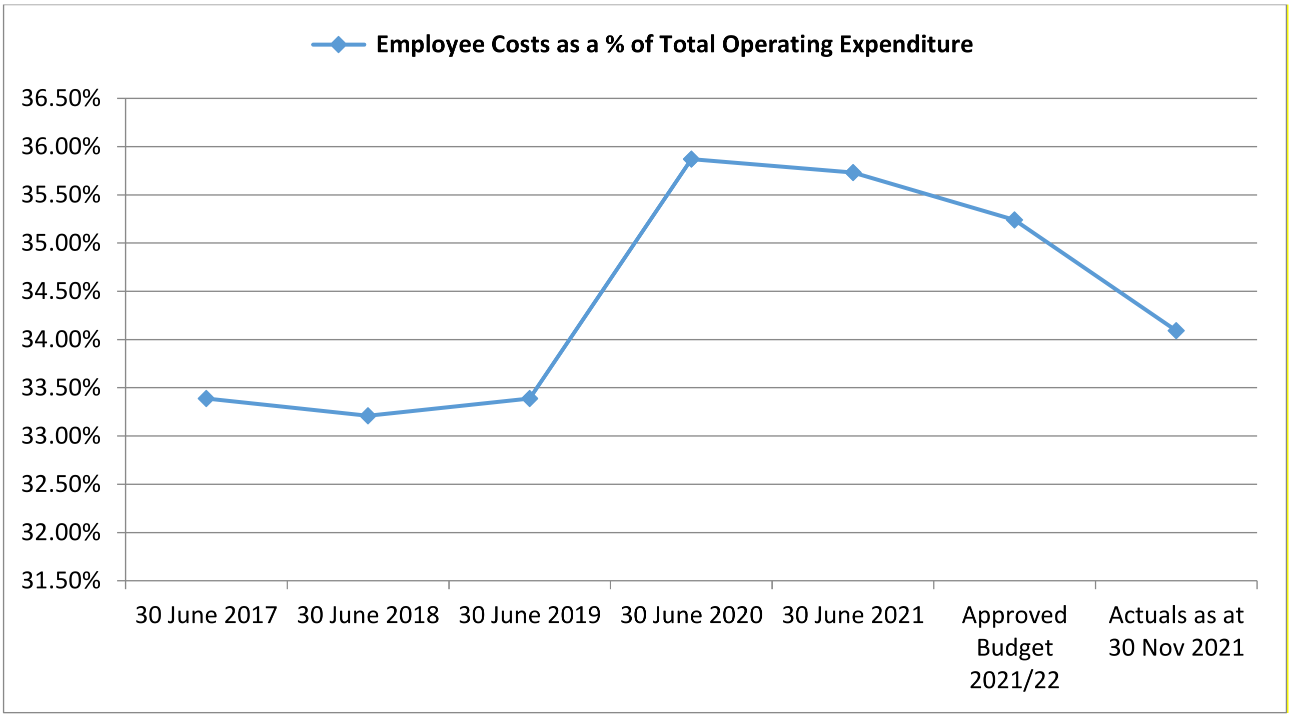

#### 4.4.2. Employee costs as a % of Total Operating Expenditure

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 30 November 2021, Employee Related Costs constituted 34.09% of the Total Operating Expenditure compared to the approved budget ratio 35.24%.



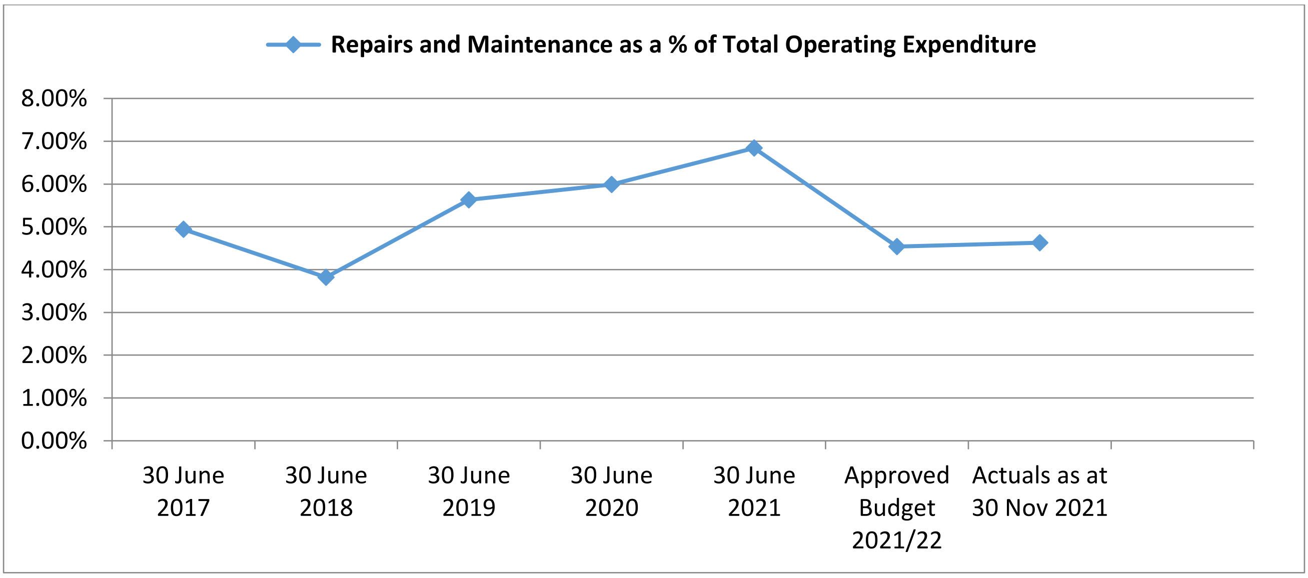

### 4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 November 2021, the ratio was 4.63%, 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)

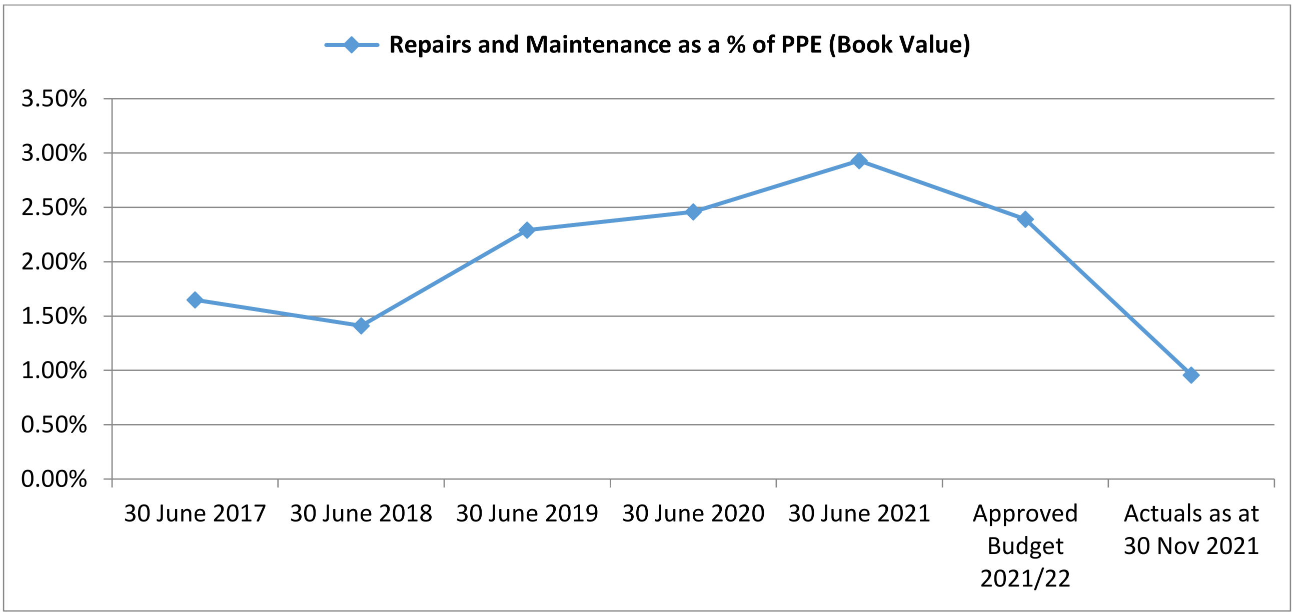
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 November 2021, repairs and maintenance expenditure constituted 0.96% 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%.



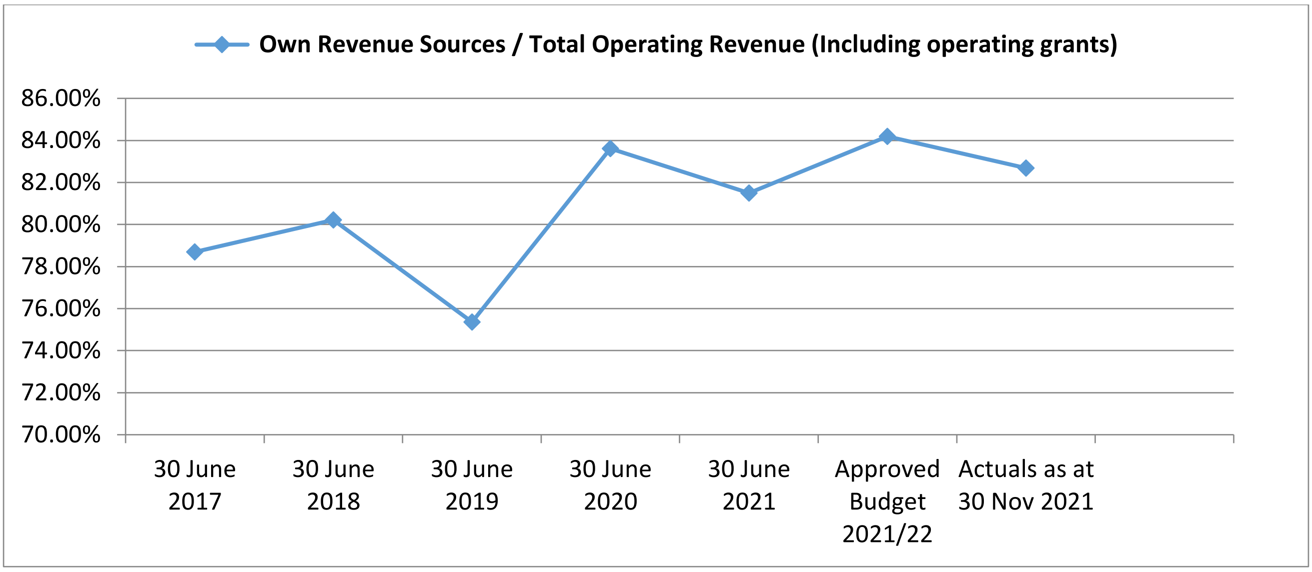

### 4.4.5. Own Revenue Generation

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 30 November 2021, the Municipality's own revenue sources constituted 82.69% 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 November 2021 amounted to 29.71% compared to the approved budget ratio of 95%.