KOUGA MUNICIPALITY (EC108)

FINANCE PORTFOLIO COMMITTEE MEETING

FINANCE

DATE: **ITEM NO:**

………

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2021 TO JUNE 2022 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2022 (2021/22 FINANCIAL YEAR)

1. Purpose

This report is submitted in compliance with Section 71(1) and 52(d) 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 Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

In accordance with regulations 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 June 2022, 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 931,820 million, whilst operating expenditure amounted to R 964,723 million, resulting in an operating deficit of R 32,904 million
- Capital expenditure constituted 87.00% of the 2021/22 Approved Adjusted Capital Budget.
- Overdue consumer debts increased by R 82,018 million (39.14%) since June 2021.
- An amount of R 55,936 million is owing to creditors, of which R 55,660 million (99.51%) represents current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.
- The municipality's investment portfolio has decreased by R 25,543,377 (47.84%) since June 2021, from R 53,393,515 to R 27,850,138.

Below is an analysis of the Investment Portfolio as at 30 June 2022.

	Balance as at 30 June 2021	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 June 2022
Standard Bank	11,424,167	-	419,656	10,596,857		1,246,965
ABSA	(2,924,280)	7,000,000	137,077	2,969,516	20,259	1,223,022
Nedbank	4,505,780	-	168,090	3,448,562		1,225,308
RMB	23,427,726	76,388,013	1,303,501	96,235,672		4,883,568
INVESTEC	4,055,992	-	153,037	2,985,065		1,223,964
Total	**40,489,385**	**83,388,013**	**2,181,361**	**(116,235,672)**	**(20,259)**	**9,802,828**
INVESTMENT	**Balance as at 30 June 2021**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 June 2022**
General Account	29,430,884	27,955,013	1,387,638	49,000,000	20,259	9,753,276
Conditional Grants	11,050,682	55,433,000	793,623	67,227,754	-	49,551
Housing Funds	7,819	-	100	7,918	-	0
Total	**40,489,385**	**83,388,013**	**2,181,361**	**(116,235,672)**	**(20,259)**	**9,802,828**
Bank	12,904,130	5,143,181				18,047,311
Total	**53,393,515**	**88,531,194**	**2,181,361**	**(116,235,672)**	**(20,259)**	**27,850,138**

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

Cash backed Reserves.

Bank Balances and Cash	R 18,047,311
Short-term Investment Deposits	R 9,802,828
	R27,850,138

Application of Cash

Unspent Conditional Grants	23,167
Internally Generated Funds (Capital commitments)	11,613,540
Outstanding Creditors Liability	55,935,706
	67,572,413
Reserves less than commitments	**39,722,275**

The cash backed reserves are less than commitments at this stage by an amount of R 39,722,275.

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 June 2022	Approved Adjusted Budget 2021/22
Current Ratio	1.31:1	1.26:1	2.61:1	1.12:1	0.93:1
Liquidity Ratio	0.84:1	0.61:	0.45:1	0.24:1	0.03:1
Cost Coverage (Excluding unspent conditional grants)	1.97 Months	1.79 Months	0.62 Months	0:37 Months	0.04 Months
Debtors Collection Rate	97.62%	95.42%	94.41%	94.32%	94%
Capital Expenditure	73.82%	75.33%	76.92%	87.00%	95%

4. <u>Detailed Reports</u>

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 June 2022:

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. <u>Recommendation</u>

5.1 That the Executive Mayor notes 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.

6. Municipal Manager's Quality Certificate

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

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature……………………………………………..

Date………14 July 2022…………………………..

Annexure “A1”

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO JUNE 2022.

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	973,163	58,565	931,820	973,163	(41,343)
Total Expenditure	1,074,449	1,111,308	100,264	964,723	1,111,308	(146,585)
Surplus/(Deficit)	(109,049)	(138,146)	(41,699)	(32,904)	(138,146)	105,242

The statement of financial performance reflects an operating deficit of R 32,904 million.

Revenue

Main revenue sources for 2021/22

Description	Budget Year 2021/22		
	Adjusted Budget	YearTD actual	
R thousands			**%**
Revenue By Source			
Property rates	224,085	224,326	100.11%
Service charges - electricity revenue	342,329	314,641	91.91%
Service charges - water revenue	81,646	73,661	90.22%
Service charges - sanitation revenue	57,754	56,405	97.67%
Service charges - refuse revenue	57,811	54,901	94.97%
Rental of facilities and equipment	2,800	3,049	108.88%
Interest earned - external investments	2,811	3,224	114.69%
Interest earned - outstanding debtors	12,820	13,878	108.26%
Fines, penalties and forfeits	794	1,388	174.73%
Licenses and permits	12,873	9,593	75%
Agency services	0	2,560	
Transfers and subsidies	154,418	153,050	99.11%
Other revenue	23,022	21,136	91.81%
Total Revenue (excluding capital transfers and contributions)	**973,163**	**931,820**	**95.75%**

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

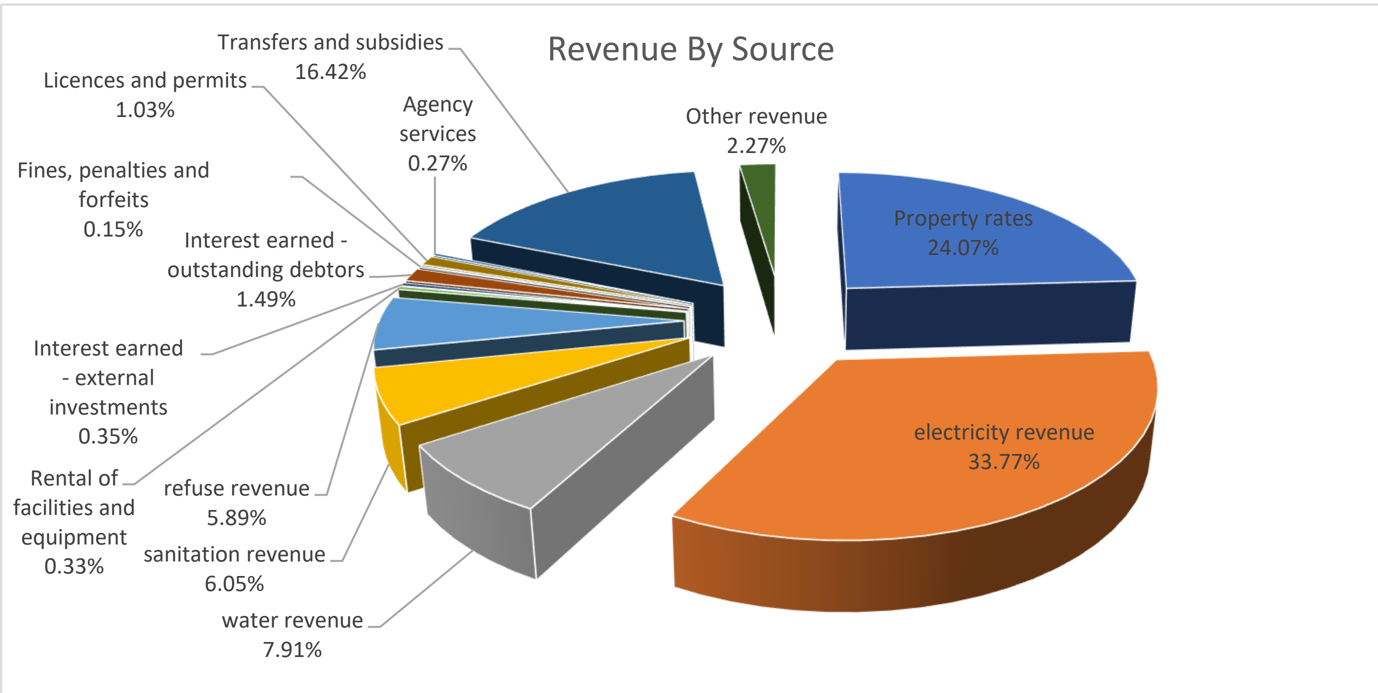
- **Breakdown of Municipal Service Charges**

Municipal Service Charges				
ACTUALS	**Electricity Charges**	**Refuse Removal**	**Sanitation Charges**	**Water Consumption**
INTERNAL BILLING	20,281,860.53	752,824.67	3,368,905.60	8,831,260.26
SERVICE CHARGES	314,641,280.97	57,811,370.00	57,753,509.00	81,646,344.00
	334,923,141.50	**58,564,194.67**	**61,122,414.60**	**90,477,604.26**
BUDGET				
INTERNAL BILLING	24,113,329.00	697,318.00	3,239,776.00	3,512,528.00
SERVICE CHARGES	342,329,023.00	57,811,370.00	57,753,509.00	81,646,344.00
	366,442,352.00	**58,508,688.00**	**60,993,285.00**	**85,158,872.00**
	91.40%	**100.09%**	**100.21%**	**106.25%**

- **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 27,850 million.

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

- **Fines, penalties and forfeits**
  Fines, penalties and forfeits are largely influenced by traffic fines revenue. The traffic fines revenue was significantly reduced during the 2021/22 adjustments budget, due to lower anticipated revenue from traffic fines.



Expenditure

Main expenditure types for 2021/22

Description	Budget Year 2021/22		
	Adjusted Budget	YearTD actual	
R thousands			%
Expenditure By Type			
Employee related costs	377,140	326,610	86.60%
Remuneration of councillors	13,651	13,457	98.58%
Debt impairment	45,817	5,024	10.97%
Depreciation & asset impairment	91,830	75,742	82.48%
Finance charges	716	330	46.12%
Bulk purchases - electricity	300,000	295,220	98.41%
Inventory consumed	68,271	88,648	129.85%
Contracted services	83,152	74,268	89.32%
Transfers and subsidies	550	458	83.27%
Other expenditure	130,181	84,911	65.23%
Total Expenditure	**1,111,308**	**964,723**	**86.81%**

Reasons for major over-/under expenditure per type

- **Employee Related Costs**
  The employee related costs are largely influenced by leave, medical aid and long-service awards budget provisions, amounting to R 18,256 million.

- **Bad Debts**
  Bad debts are written off upon Council approval.

- **Depreciation & asset impairment**
  The depreciation & asset impairment is calculated in line with the municipal asset register.

- **Finance charges**
  Finance charges related to interest on Development Bank of South Africa (DBSA) loan. The loan has been fully paid.

- **Bulk purchases (Electricity)**

Description	Budget Year 2021/22		
	Origin Budget	YearTD actual	%
R thousands			
Bulk purchases – Electricity	300 000 000	295 219 892	98.41%
	300 000 000	**295 219 892**	**98.41%**

- **Inventory Consumed**
  The inventory consumed is due to the water account for the Nelson Mandela Bay Municipality being estimated which resulted in a R 17,992 million over expenditure.

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

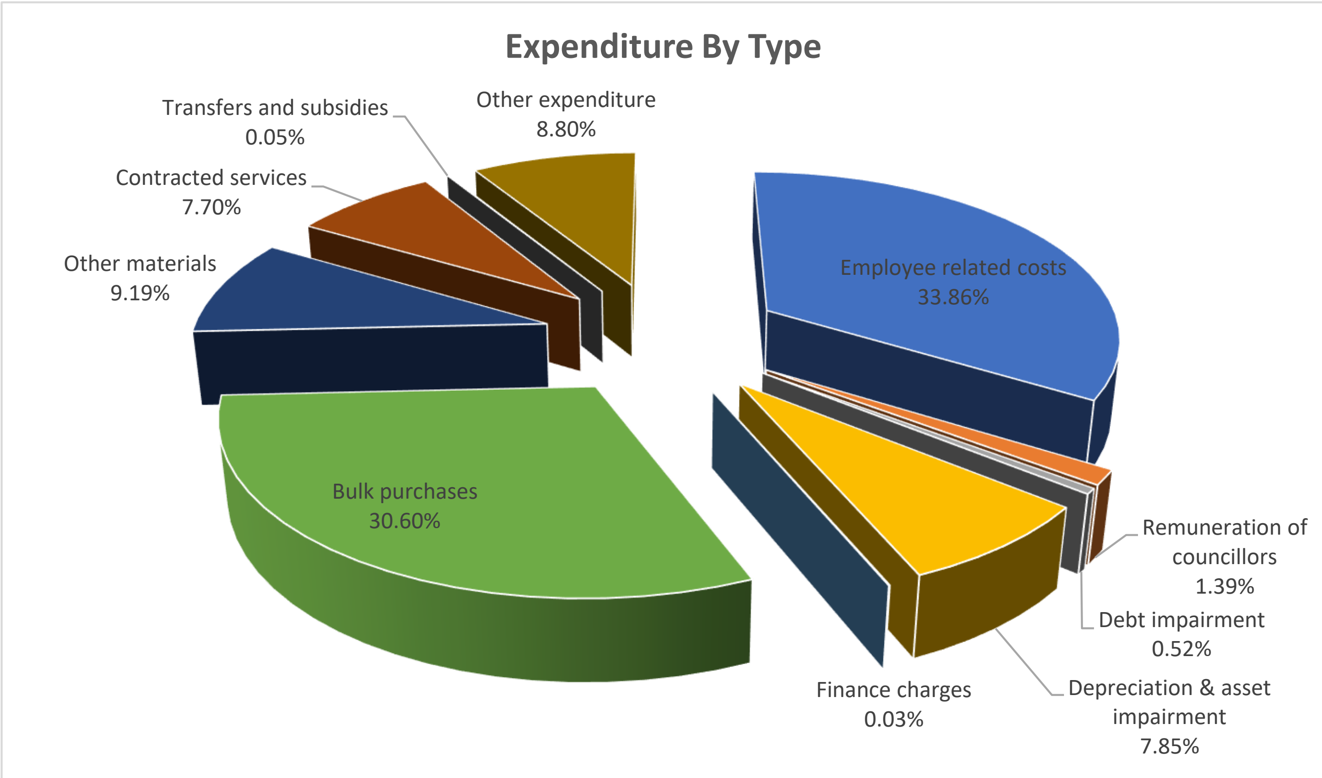
  Contracted services are broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 30 June 2022	%
Animal Care	476,575	473,780	99.41%
Burial Services	180,000	161,456	89.70%
Call Centre	185,000	182,100	98.43%
Catering Services	590,852	480,321	81.29%
Clearing and Grass Cutting Services	1,703,790	1,639,095	96.20%
Consultants and Professional Services	10,834,835	7,393,969	68.24%
Drivers Licence Cards	520,000	512,947	98.64%
Dune Stabilisation	3,578,000	3,456,490	96.60%
Employee Wellness	440,000	222,713	50.62%
Event Promoters	471,174	264,185	56.07%
Internal Auditors	325,000	169,450	52.14%
Laboratory Services:Water	551,000	356,298	64.66%
Legal Advice and Litigation	4,150,000	4,064,745	97.95%
Legal Cost:Collection	1,000,000	672,624	67.26%
LED Strategic Plan	50,304	63,804	126.84%
Litter Picking and Street Cleaning	1,250,000	1,089,370	87.15%
Maintenance of Buildings and Facilities	6,348,833	5,823,924	91.73%
Maintenance of Electrical Infrastructure	2,211,839	1,585,881	71.70%
Maintenance of Equipment	453,950	447,462	98.57%
Maintenance of Sanitation Infrastructure	1,565,000	1,449,660	92.63%
Maintenance of Vehicles	7,312,973	7,509,301	102.68%
Maintenance of Water Infrastructure	1,420,000	1,081,001	76.13%
Medical Health Services & Support	1,150,000	1,009,809	87.81%
Occupational Health and Safety	21,000	-	0.00%
Other Contracted Services	1,712,800	1,596,347	93.20%
Personnel and Labour	7,764,772	8,011,746	103.18%
Professional Staff	437,000	419,571	96.01%
Qualification Verification	1,028,000	868,924	84.53%
Restricted Water Flow	800,000	709,635	88.70%
Roads Maintenance	10,000,000	10,668,393	106.68%
Security Services	4,650,000	4,806,371	103.36%
Special Rating Area	7,500,000	6,679,321	89.06%
Transport Services	189,100	131,147	69.35%
Valuer	2,280,102	265,823	11.66%
Total	**83,151,899**	**74,267,664**	**89.32%**

- **Other Expenditure**

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2021/22	Actuals as at 30 June 2022	%
Accommodation	946,175	617,709	65.28%
Achievements and Awards	1,470,553	1,085,116	73.79%
Advertising, Publicity and Marketing	2,176,590	1,784,899	82.00%
Air Transport	228,967	89,242	38.98%
Bank Charges	900,000	978,960	108.77%
Bargaining Council	3,200,000	-	0.00%
Cellular Contract (Subscription and Calls)	2,855,364	2,394,034	83.84%
Claims paid to Third Parties	250,000	246,290	98.52%
Contributions to Provisions	316,666	-	0.00%
External Audit Fees	4,500,000	4,394,028	97.65%
External Computer Service:Internet Charge	4,264,541	4,254,288	99.76%
Gifts and Promotional Items	153,300	138,864	90.58%
Hire Charges	28,872,430	27,115,048	93.91%
Insurance Claims	316,460	210,325	66.46%
Insurance Underwriting:Premiums	3,087,456	2,796,389	90.57%
Leases:Furniture and Office Equipment	3,499,992	2,196,632	62.76%
Leases:Machinery and Equipment	60,000	-	0.00%
Leases:Other Assets	3,613,740	3,293,181	91.13%
Motor Vehicle Licence and Registrations	1,046,294	621,543	59.40%
Municipal Services	31,562,951	0	0.00%
Non-employees	645,196	563,805	87.39%
Other	1,094,889	476,711	43.54%
Own Transport	753,962	287,167	38.09%
Postage/Stamps/Franking Machines	1,912,500	1,657,036	86.64%
Printing, Publications and Books	1,343,626	1,075,737	80.06%
Registration Fees:Professional and Regulatory Bodies	319,140	220,343	69.04%
Registration Fees:Seminars, Conferences, Workshops	1,958,260	1,718,630	87.76%
Remuneration to Ward Committees	2,137,200	2,640,793	123.56%
Riparian Levies	5,933,700	5,606,028	94.48%
Signage	401,739	342,913	85.36%
Skills Development Fund Levy	3,861,814	3,290,416	85.20%
Software Licences	3,615,779	3,107,473	85.94%
Storage of Files (Archiving)	450,000	267,750	59.50%
Tenders	700,000	630,194	90.03%
Third Party Vendors	5,600,000	4,894,795	87.41%
Uniform and Protective Clothing	3,840,904	3,390,973	88.29%
Vehicle Tracking	625,715	728,644	116.45%
Workmen''s Compensation Fund	1,664,930	1,794,647	107.79%
Total	**130,180,833**	**84,910,603**	**65.23%**


Expenditure By Type
Transfers and subsidies
0.05%
Other expenditure
8.80%
Contracted services
7.70%
Other materials
9.19%
Employee related costs
33.86%
Bulk purchases
30.60%
Remuneration of
councillors
1.39%
Debt impairment
0.52%
Finance charges
0.03%
Depreciation & asset
impairment
7.85%

Repairs and Maintenance

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

Item Description	Budget Year 2021/22		
	Adjusted Budget	Actuals as at 30 June 2022	%
Maintenance of Equipment	599,881	576,199	96.05%
Maintenance of Vehicles	8,832,714	9,015,162	102.07%
Maintenance of Buildings and Facilities	7,184,193	6,547,299	91.13%
Maintenance of Water Infrastructure	4,892,534	4,545,627	92.91%
Roads Maintenance	12,100,000	12,366,062	102.20%
Sport and Recreation Facilities	343,559	341,327	99.35%
Maintenance of Electrical Infrastructure	7,027,487	6,315,309	89.87%
Maintenance of Sanitation Infrastructure	2,787,600	2,314,633	83.03%
Hire Charges	5,741,676	5,506,223	95.90%
Other Contracted Services	3,898,800	3,774,283	96.81%
Total	**53,408,444**	**51,302,123**	**96.06%**

It is to be noted that actual repairs and maintenance expenditure constituted 96.06% of the 2021/22 Approved Adjusted Budget.

Annexure “A2”

CAPITAL BUDGET 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	50,440	13,320	49,997	50,440	(443)	-1%	50,440
Provincial Government	–	–	–	–	–	–		–
District Municipality	1,600	1,638	301	1,600	1,638	(38)	-2%	1,638
Other transfers and grants	–	–	–	–	–	–		–
Transfers recognised - capital	**35,985**	**52,078**	**13,621**	**51,597**	**52,078**	**(481)**	**-1%**	**52,078**
Public contributions & donations	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–		–
Internally generated funds	25,028	40,942	13,125	29,328	40,942	(11,614)	-28%	40,942
Total Capital Funding	**61,013**	**93,020**	**26,746**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**

The capital expenditure as at 30 June 2022, constituted 87% of approved adjusted capital budget and the funding is broken down as follows:

- Grant funding is 99.08% of approved grant funding budget.
- Internally generated funds are 71.63% of approved internal funds budget.

Capital budget by municipal vote for 2021/22

Vote Description	Budget Year 2021/22				
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	%
R thousands					
Multi-Year expenditure appropriation					
Vote 1 - EXECUTIVE COUNCIL	2,740	3,020	187	2,452	81.19%
Vote 2 - FINANCIAL SERVICES	2,460	3,716	479	2,372	63.83%
Vote 3 - CORPORATE SERVICES	1,923	2,230	527	1,741	78.08%
Vote 4 - COMMUNITY SERVICES	7,490	6,154	1,307	5,635	91.57%
Vote 5 - INFRASTRUCTURE AND ENGINEERING	45,230	75,994	24,159	67,485	88.80%
Vote 6 - PLANNING DEVELOPMENT AND TOURISM	1,170	1,905	539	1,240	65.06%
Total Capital Multi-year expenditure	**61,013**	**93,020**	**27,197**	**80,925**	**87.00%**

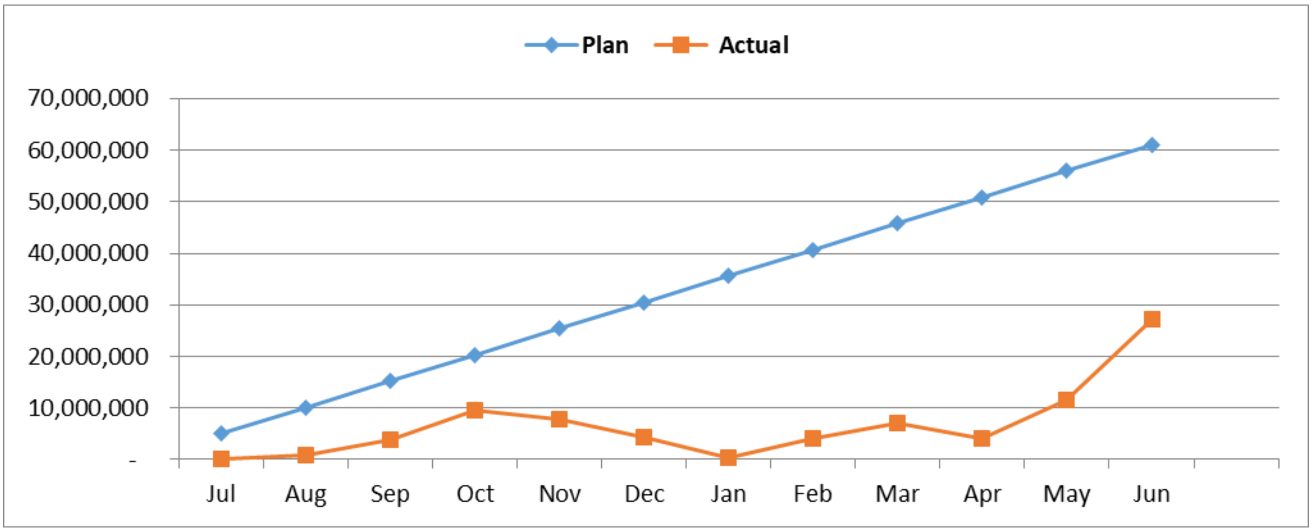
The capital expenditure as at 30 June 2022, constituted 87% of approved adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Executive & Council is 81.19% of R 3,020 million budget.
- Financial Services is 63.83% of R 3,716 million budget.
- Corporate Services is 78.08% of R2,230 million budget.
- Community Services is 91.57% of R 6,154 million budget.
- Infrastructure & Engineering is 88.80% of R 75,994 million budget.
- Planning, Development and Tourism is 65.06% of R 1,905 million budget.

Monthly capital expenditure

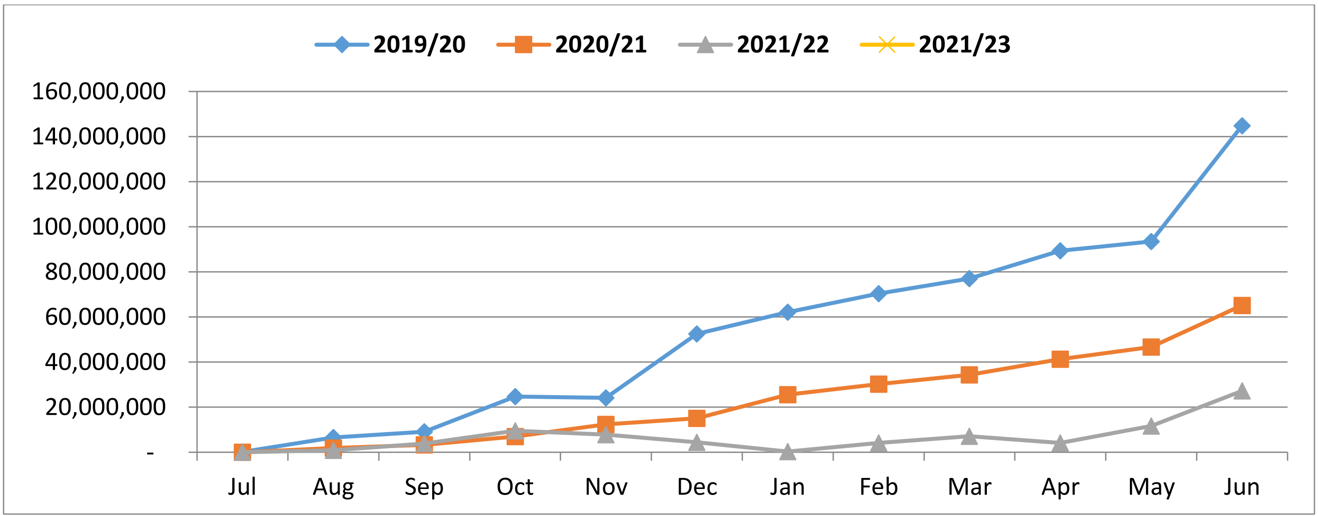
The graph below reflects the municipality's monthly capital expenditure to date measured against the 2021/22 current budget.



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 as at 30 June 2022.

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	Actuals as at 30 June 2022
COMMUNITY SERVICES	FIRE SERVICES	Distr	Fire Vehicle	FT911	1,638,000	1,600,000
COMMUNITY SERVICES	PARKS AND OPEN SPACES	Internal	5X Trailes	101782	200,000	189,410
COMMUNITY SERVICES	Envornmental Management Fee	Internal	Kouga Skip Bins	CP4_EMF	200,000	196,372
COMMUNITY SERVICES	Protection Services	Internal	Machinery and Equipment (Security Cameras System)	PC_1004	300,000	157,784
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Generator)	1011113	230,000	199,978
COMMUNITY SERVICES	Parks & Open Space	Internal	Machinery and Equipment	PC_1003	80,000	64,769
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Radio communication) -	1011115	100,000	41,730
COMMUNITY SERVICES	Sport & Recreation	Internal	Furniture and Equipment	CP_9	100,000	86,327
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Playdetactor (Machinery and Equipment)	1011111	155,000	155,000
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Machinery and Equipment (Quardbike)	1011114	95,598	95,598
COMMUNITY SERVICES	Fire Services	Internal	Fencing Humansdorp Fire Station	CP1_FS	600,000	541,836
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Furniture and Equipment - Operations room	1011112	17,197	17,197
COMMUNITY SERVICES	Fire Services	Internal	Vehicle	CP_23	565,000	564,910
COMMUNITY SERVICES	Beach	Internal	Upgrading of Pellsrus, Kabeljous, Cape St Francis	PC_A001	100,000	96,591
COMMUNITY SERVICES	LAW ENFORCEMENT	Internal	Computer Equipment - Operatons Room	1011116	23,400	23,400
COMMUNITY SERVICES	ENVIRONMENTAL MANAGEMENT	Internal	Machinery and Equipment	PC_1002	-	24,694
COMMUNITY SERVICES	CEMETERIES	Internal	Ablution Facilities New	1011104	150,000	-
COMMUNITY SERVICES	ENVIRONMENTAL MANAGEMENT	Internal	Machinery and Equipment	PC_1002	33,700	26,805
COMMUNITY SERVICES	SPORT & RECREATION	Internal	Fencing Sport and Recreational Facilities	1011118	1,500,000	1,494,095
COMMUNITY SERVICES	ENVIRONMENTAL MANAGEMENT	Internal	Computer Equipment	CP_4	66,300	58,701
					6,154,195	**5,635,196**
CORPORATE SERVICES	Corporate Services	Internal	Computer Software and Applications	CP_60	287,000	- 17,703
CORPORATE SERVICES	Corporate Services	Internal	Fencing of municipal building	PC_1023	629,206	601,068
CORPORATE SERVICES	Corporate Services	Internal	Furniture and Equipment	CP_9	150,000	115,786
CORPORATE SERVICES	Skills Development	Internal	Computer Equipment	CP_4	21,501	21,501
CORPORATE SERVICES	Corporate Services	Internal	Computer Equipment	CP_4	141,843	130,865
CORPORATE SERVICES	ADMINISTRATION SERVICES	Internal	Brand Revitalization - Digital Screens	CORP01	100,000	83,070
CORPORATE SERVICES	ADMINISTRATION SERVICES	Internal	Brand Revitalization - LED SCREEN	CORP02	300,000	224,710
CORPORATE SERVICES	ADMINISTRATION SERVICES	Internal	Bio-metric System	CP_CPS1	600,000	581,596
					2,229,550	**1,740,893**

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	Actuals as at 30 June 2022
EXECUTIVE & COUNCIL	MAYOR	Internal	Furniture and Equipment - Municipal Court	0803217	100,000	-
EXECUTIVE & COUNCIL	Council	Internal	Furniture and Equipment	CP_9	100,000	99,364
EXECUTIVE & COUNCIL	MAYORAL COMMITTEE	Internal	Furniture and Equipment - Ward Councillors Offices	1011101	150,000	147,655
EXECUTIVE & COUNCIL	MAYOR	Internal	Electronic and Computer Equipment	1011120	200,000	188,747
EXECUTIVE & COUNCIL	MAYOR	Internal	Vehicle	CP_23	1,200,000	1,143,760
EXECUTIVE & COUNCIL	MUNICIPAL MANAGER	Internal	Computer Equipment	CP_4	150,000	139,957
EXECUTIVE & COUNCIL	MAYOR	Internal	PA system/Data projector/Screens/Sound	1011102	70,000	40,715
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Ward councilors Capital project	PC_65	300,000	98,857
EXECUTIVE & COUNCIL	WARD COUNCILLORS	Internal	Computer Equipment	CP_4	705,000	591,346
EXECUTIVE & COUNCIL	Risk and Internal Audit Unit	Internal	Furniture and equipment	CP_54	25,000	1,598
EXECUTIVE & COUNCIL	Risk and Internal Audit Unit	Internal	Computer Equipment	CP_4	20,000	-
					3,020,000	**2,451,999**
FINANCE	ASSET MANAGEMENT	Internal	Single Cap Bakkie for stock verification	101773	350,000	347,478
FINANCE	ASSET MANAGEMENT	Internal	Office Equipment	101771	5,998	5,998
FINANCE	ASSET MANAGEMENT	Internal	Office Equipment	101772	12,000	11,957
FINANCE	REVENUE	Internal	2 Single Cab Bakkie	0803219	-	-
FINANCE	Finance: IT	Internal	Furniture and Equipment	CP_9	69,007	69,007
FINANCE	Finance: IT	Internal	Computer Equipment	CP_4	914,244	505,927
FINANCE	Finance: IT	Internal	WIFI Solution	PC_017	100,000	46,141
FINANCE	Finance: IT	Internal	Network Upgrade	CP_2241	250,000	72,000
FINANCE	BUDGET AND FINANCIAL REPORTING	Internal	Furniture and Equipment	CP_9	86,957	80,288
FINANCE	INFORMATION COMMUNICATION TECH	Internal	Cibex Software	CP_075	600,000	-
FINANCE	REVENUE	Internal	2 Single Cab Bakkie	0803219	452,000	451,382
FINANCE	ASSET MANAGEMENT	Internal	Replacement of Transformer - Humansdorp	AM001	863,540	769,461
FINANCE	SCM: DEMAND MANAGEMENT, RISK, PI	Internal	Machinery and Equipment	PC_1003	12,700	12,700
					3,716,446	**2,372,338**

DIRECTORATES	DEPARTMENT	FUNDING	PROJECTS	PROJECT NR	Approved Adjusted Budget 2021/22	Actuals as at 30 June 2022
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Saffery Substation	CP7_ELC	1,000,000	883,238
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Canal Road St Francis Bay	CP7_WAT	163,000	51,536
INFRASTRUCTURE & ENGINEERING	Water	Internal	Repair Leaking Concrete Water Tower Paradise Beach	CP_4WAT	310,000	-
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace Main Waterline Sout Rivier Bridge Crossing	CP5_WAT	295,000	123,777
INFRASTRUCTURE & ENGINEERING	Water	Internal	Replace 250mm Water Main Mimosa Street Jbay	CP6_WAT	104,000	99,907
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	New bypass Sewer Rising Main and Pump Stations Jbay	CP5_SW	591,472	91,472
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Upgrade Sewer Rising Mains Jbay (La Mer-4A-4B) Pre	CP4_SW	326,000	138,441
INFRASTRUCTURE & ENGINEERING	Sewerage	Internal	Piped Reticulation - St Francis Bay	CP7_SEW	295,000	104,848
INFRASTRUCTURE & ENGINEERING	Water	Internal	Machinery & Equipment	CP_10SW	12,792	12,792
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	Internal	Bulk 66kv Overhead lines	CP66KV	2,147,319	2,168,177
INFRASTRUCTURE & ENGINEERING	Sewerage	MIG	Upgrade Sanitation System Old Hankey	PC_012	14,981,698	14,981,698
INFRASTRUCTURE & ENGINEERING	METERING & REVENUE	INEP	Ocean View Electrification	ELEC711	6,782,609	7,178,078
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Mini Fresh Food and Craft Markets in Jbay & Hankey	CP_369	728,750	728,750
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect up 3 x boreholes Soetkloof Hankey	I&E001	-	-
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connect 4 x drilled boreholes to treatment works	I&E002	3,186,606	2,371,171
INFRASTRUCTURE & ENGINEERING	WATER	MDRG	Connect 4 x drilled boreholes to treatment works	I&E002	8,498,394	8,498,394
INFRASTRUCTURE & ENGINEERING	WATER	Internal	WATER TANKS HUMANSDORP - DROUGHT PROJECT	W9802	2,550,000	2,079,356
INFRASTRUCTURE & ENGINEERING	WATER	Internal	WATER TANKS JEFFREYS BAY - DROUGHT PROJECT	W9801	840,000	446,850
INFRASTRUCTURE & ENGINEERING	WATER	Internal	Connecting Kruisfontein Boreholes to Humansdorp Wa	WAT004	7,964,523	3,905,714
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Construct emergency overflow pond Koraal Sewer pu	CP_3SW	-	-
INFRASTRUCTURE & ENGINEERING	SEWERAGE	Internal	Upgrade Loerie sewer pump station	CP_2SW	147,000	26,964
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	MIG	Upgrading of Gravel Roads in Humansdorp	PC_075	14,511,073	13,692,470
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading/Improvement of Sport Facilities within K	MIG01	224,144	224,104
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrading/Improvement of Sport Facilities within K	MIG02	2,342,087	2,321,938
INFRASTRUCTURE & ENGINEERING	WATER	MDRG	Connecting Kruisfontein Boreholes to Humansdorp Wa	WAT004	2,371,171	2,371,171
INFRASTRUCTURE & ENGINEERING	PROJECT MANAGEMENT UNIT (PMU)	Internal	Upgrading/Improvement of Sport Facilities within K	MIG01	400,000	78,159
INFRASTRUCTURE & ENGINEERING	Water	Internal	REVERSE OSMOSIS PLANT	CP98001	5,098,000	4,998,000
INFRASTRUCTURE & ENGINEERING	ROADS AND STORMWATER	Internal	DUINE-WEG EXTENSION PROJECT	CP72001	123,408	107,311
INFRASTRUCTURE & ENGINEERING	Electricity	Internal	Electrcial supply of tri switches St francis Bay	PC_006	-	- 199,660
					75,994,046	**67,484,655**
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Computer Software and Applications	CP_60	220,000	166,003
PLANNING, DEVELOPMENT & TOURISM	Planning & Development	Internal	Furniture and equipment	CP_54	300,000	213,714
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Computer Equipment	CP_4	83,898	77,971
PLANNING, DEVELOPMENT & TOURISM	Economic Development: Tourism	Internal	Restoration of Fisherman Grave Site	CP2_EDT	150,000	29,000
PLANNING, DEVELOPMENT & TOURISM	LAND & PROPERTY ADMINISTRATION	Internal	Furniture and equipment	CP_54	451,528	378,201
PLANNING, DEVELOPMENT & TOURISM	LAND & PROPERTY ADMINISTRATION	Internal	Computer Equipment	CP_4	100,000	124,833
PLANNING, DEVELOPMENT & TOURISM	LOCAL ECONOMIC DEVELOPMENT	Internal	Kouga Business Support Centre	CP1_EDB	600,000	250,000
					1,905,426	**1,239,721**
				Total	**93,019,663**	**80,924,801**

Annexure “A3”

PROJECTED CASH FLOW STATEMENT FOR THE 2021/22 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 June 2022

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 – M12 June 2022

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		545,688	203,401	212,184	16,783	222,671	212,184	10,488	5%	212,184
Service charges		70,769	500,464	711,473	42,500	639,511	711,473	(71,962)	-10%	711,473
Other revenue		33,622	39,500	57,614	1,609	30,315	57,614	(27,298)	-47%	57,614
Government - operating		152,544	152,602	154,418	1,378	154,182	154,418	(236)	0%	154,418
Government - capital		2,151	40,256	53,680	–	53,336	53,680	(344)	-1%	53,680
Interest		782,820	15,706	2,811	1,607	7,164	2,811	4,353	155%	2,811
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		3,573	(927,527)	(1,142,665)	(98,460)	(1,039,064)	(1,142,665)	(103,602)	9%	(1,142,665)
Finance charges		–	(716)	(716)	–	(289)	(716)	(427)	60%	(716)
Transfers and Grants		–	(650)	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,591,166**	**23,037**	**48,798**	**(34,583)**	**67,826**	**48,798**	**(19,027)**	**-39%**	**48,798**
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)	93,020	(27,197)	(87,242)	(91,341)	(4,099)	4%	(91,341)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**27,043**	**(61,013)**	**93,020**	**(27,197)**	**(87,242)**	**(91,341)**	**(4,099)**	**4%**	**(91,341)**
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)	–	(6,128)	(6,747)	(619)	9%	(6,747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(20,774)**	**(6,747)**	**(6,747)**	**–**	**(6,128)**	**(6,747)**	**(619)**	**9%**	**(6,747)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,597,435**	**(44,723)**	**135,071**	**(61,781)**	**(25,544)**	**(49,289)**			**(49,289)**
Cash/cash equivalents at beginning:		141,033	90,062	53,394		53,394	53,394			53,394
Cash/cash equivalents at month/year end:		1,738,468	45,339	188,466		27,850	4,105			4,105

Annexure "A4"

MUNICIPAL MONTHLY BUDGET TABLES

1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2021/22 budget performance for the period of June 2022 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M12 June 2022

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	224,085	14,052	224,326	224,085	242	0%	224,085
Service charges	469,219	538,133	539,540	39,947	499,608	539,540	(39,932)	-7%	539,540
Investment revenue	4,192	5,780	2,811	316	3,224	2,811	413	15%	2,811
Transfers and subsidies	166,982	152,602	154,418	921	153,050	154,418	(1,368)	-1%	154,418
Other own revenue	36,543	50,174	52,309	3,329	51,611	52,309	(698)	-1%	52,309
Total Revenue (excluding capital transfers and contributions)	**887,140**	**965,400**	**973,163**	**58,565**	**931,820**	**973,163**	**(41,343)**	**-4%**	**973,163**
Employee costs	335,334	378,677	377,140	24,505	326,610	377,140	(50,530)	-13%	377,140
Remuneration of Councillors	12,780	13,651	13,651	945	13,457	13,651	(194)	-1%	13,651
Depreciation & asset impairment	80,852	91,830	91,830	6,521	75,742	91,830	(16,088)	-18%	91,830
Finance charges	3,094	716	716	41	330	716	(386)	-54%	716
Materials and bulk purchases	325,733	356,261	368,271	47,718	383,868	368,271	15,597	4%	368,271
Transfers and subsidies	761	650	550	8	458	550	(92)	-17%	550
Other expenditure	220,345	232,664	259,150	20,526	164,258	259,150	(94,892)	-37%	259,150
Total Expenditure	**978,900**	**1,074,449**	**1,111,308**	**100,264**	**964,723**	**1,111,308**	**(146,585)**	**-13%**	**1,111,308**
Surplus/(Deficit)	**(91,760)**	**(109,049)**	**(138,146)**	**(41,699)**	**(32,904)**	**(138,146)**	**105,242**	**-76%**	**(138,146)**
Transfers and subsidies - capital (monetary alloc	46,787	40,256	59,643	16,403	59,276	59,643	(367)	-1%	59,643
Contributions & Contributed assets	–	0	–	1	20	–	20	#DIV/0!	–
Surplus/(Deficit) after capital transfers & contributions	**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**	**104,895**	**-134%**	**(78,502)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**	**104,895**	**-134%**	**(78,502)**
Capital expenditure & funds sources									
Capital expenditure	**25,728**	**61,013**	**93,020**	**27,197**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**
Capital transfers recognised	41,388	35,985	52,078	13,621	51,597	52,078	(481)	-1%	52,078
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(7,061)**	**25,028**	**40,942**	**13,125**	**29,328**	**40,942**	**(11,614)**	**-28%**	**40,942**
Total sources of capital funds	**34,327**	**61,013**	**93,020**	**26,746**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**
Financial position									
Total current assets	292,547	170,054	148,448		337,964				148,448
Total non current assets	2,315,624	2,287,917	2,319,832		2,321,570				2,319,832
Total current liabilities	245,872	182,327	159,637		265,514				159,637
Total non current liabilities	175,631	163,445	191,375		176,200				191,375
Community wealth/Equity	**2,231,641**	**2,112,199**	**2,115,918**		**2,191,554**				**2,115,918**
Cash flows									
Net cash from (used) operating	1,624,159	(1,493,258)	(1,895,191)	145,211	1,879,736	(1,895,191)	(3,774,927)	199%	(1,895,191)
Net cash from (used) investing	27,033	(61,013)	(93,020)	(9,165)	(2,302)	(93,020)	(90,717)	98%	(93,020)
Net cash from (used) financing	(2,698)	–	–	275	(2,899)	–	2,899	#DIV/0!	–
Cash/cash equivalents at the month/year end	**1,789,526**	**(1,464,209)**	**(1,934,816)**	**–**	**1,927,930**	**(1,934,816)**	**(3,862,746)**	**200%**	**(1,934,816)**

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	32,612	7,576	7,082	6,586	6,412	5,453	39,420	186,451	291,593
Creditors Age Analysis									
Total Creditors	55,483	609	177	21	20	39	58	2,327	58,735

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) – M12 June 2022

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		**316,505**	**334,164**	**338,358**	**15,588**	**391,947**	**338,358**	53,589	16%	**338,358**
Executive and council		926	29	1,490	28	387	1,490	(1,102)	-74%	1,490
Finance and administration		315,579	334,135	336,869	15,559	391,560	336,869	54,692	16%	336,869
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**12,619**	**11,799**	**15,811**	**221**	**13,086**	**15,811**	(2,725)	-17%	**15,811**
Community and social services		2,427	2,516	2,483	42	2,469	2,483	(14)	-1%	2,483
Sport and recreation		5,800	6,302	8,506	169	7,082	8,506	(1,424)	-17%	8,506
Public safety		1,529	735	1,651	2	1,310	1,651	(341)	-21%	1,651
Housing		–	–	–	–	–	–	–		–
Health		2,863	2,246	3,170	9	2,225	3,170	(945)	-30%	3,170
Economic and environmental services		**15,708**	**27,734**	**15,144**	**1,576**	**16,357**	**15,144**	1,213	8%	**15,144**
Planning and development		7,589	6,870	7,376	1,090	7,614	7,376	238	3%	7,376
Road transport		6,952	19,419	6,375	482	7,341	6,375	966	15%	6,375
Environmental protection		1,167	1,446	1,393	4	1,402	1,393	9	1%	1,393
Trading services		**589,095**	**631,958**	**663,493**	**57,584**	**569,725**	**663,493**	(93,768)	-14%	**663,493**
Energy sources		310,687	349,113	357,466	24,413	323,592	357,466	(33,874)	-9%	357,466
Water management		108,540	109,904	117,805	14,305	90,895	117,805	(26,910)	-23%	117,805
Waste water management		96,238	99,787	107,236	13,772	96,317	107,236	(10,919)	-10%	107,236
Waste management		73,630	73,154	80,986	5,094	58,921	80,986	(22,065)	-27%	80,986
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**933,927**	**1,005,656**	**1,032,806**	**74,970**	**991,116**	**1,032,806**	**(41,690)**	**-4%**	**1,032,806**
Expenditure - Functional										
Governance and administration		**222,313**	**243,963**	**255,621**	**17,954**	**194,642**	**255,621**	(60,978)	-24%	**255,621**
Executive and council		50,007	50,592	50,797	5,441	46,966	50,797	(3,830)	-8%	50,797
Finance and administration		172,304	193,351	204,804	12,513	147,656	204,804	(57,148)	-28%	204,804
Internal audit		2	20	20	–	20	20	(0)	-2%	20
Community and public safety		**93,963**	**107,514**	**104,469**	**7,055**	**95,896**	**104,469**	(8,572)	-8%	**104,469**
Community and social services		9,090	11,186	10,483	880	9,675	10,483	(808)	-8%	10,483
Sport and recreation		49,442	54,230	54,178	3,293	50,194	54,178	(3,984)	-7%	54,178
Public safety		23,565	29,328	27,336	2,019	25,042	27,336	(2,294)	-8%	27,336
Housing		6,238	5,884	5,895	318	5,149	5,895	(746)	-13%	5,895
Health		5,628	6,886	6,575	546	5,836	6,575	(740)	-11%	6,575
Economic and environmental services		**141,070**	**157,693**	**146,991**	**10,426**	**114,175**	**146,991**	(32,816)	-22%	**146,991**
Planning and development		34,140	45,303	40,451	3,409	31,602	40,451	(8,849)	-22%	40,451
Road transport		103,535	109,560	103,489	6,703	80,014	103,489	(23,475)	-23%	103,489
Environmental protection		3,395	2,830	3,051	314	2,559	3,051	(492)	-16%	3,051
Trading services		**520,428**	**561,444**	**600,565**	**62,684**	**556,413**	**600,565**	(44,152)	-7%	**600,565**
Energy sources		291,126	354,858	381,557	32,020	333,584	381,557	(47,973)	-13%	381,557
Water management		95,724	86,287	92,149	20,561	97,424	92,149	5,275	6%	92,149
Waste water management		71,285	59,888	60,915	5,190	65,365	60,915	4,449	7%	60,915
Waste management		62,294	60,412	65,943	4,913	60,040	65,943	(5,903)	-9%	65,943
Other		**1,125**	**3,834**	**3,863**	**2,147**	**3,725**	**3,863**	**(139)**	**-4%**	**3,863**
Total Expenditure - Functional	3	**978,900**	**1,074,449**	**1,111,508**	**100,266**	**964,851**	**1,111,508**	**(146,658)**	**-13%**	**1,111,508**
Surplus/ (Deficit) for the year		**(44,973)**	**(68,793)**	**(78,702)**	**(25,297)**	**26,265**	**(78,702)**	**104,968**	**-133%**	**(78,702)**

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 – M12 June 2022

Vote Description	Ref	2020/21	Budget Year 2021/22							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		867	–	1,070	–	278	1,070	(792)	-74.0%	1,070
Vote 2 - FINANCIAL SERVICES		328,986	332,484	335,875	15,725	389,519	335,875	53,644	16.0%	335,875
Vote 3 - CORPORATE SERVICES		565	319	721	28	763	721	42	5.9%	721
Vote 4 - COMMUNITY SERVICES		96,379	105,755	103,834	5,590	80,509	103,834	(23,325)	-22.5%	103,834
Vote 5 - INFRASTRUCTURE AND ENGINEERING		502,543	563,015	586,305	52,957	514,890	586,305	(71,415)	-12.2%	586,305
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		4,586	4,082	5,001	669	5,156	5,001	155	3.1%	5,001
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	**933,927**	**1,005,656**	**1,032,806**	**74,970**	**991,116**	**1,032,806**	**(41,690)**	**-4.0%**	**1,032,806**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE COUNCIL		51,232	52,647	54,950	4,859	50,153	54,950	(4,797)	-8.7%	54,950
Vote 2 - FINANCIAL SERVICES		80,189	107,877	100,944	5,549	69,329	100,944	(31,616)	-31.3%	100,944
Vote 3 - CORPORATE SERVICES		56,843	45,011	64,037	4,214	40,539	64,037	(23,498)	-36.7%	64,037
Vote 4 - COMMUNITY SERVICES		195,873	213,660	213,895	15,796	197,261	213,895	(16,634)	-7.8%	213,895
Vote 5 - INFRASTRUCTURE AND ENGINEERING		572,561	621,597	646,706	64,961	583,091	646,706	(63,615)	-9.8%	646,706
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		22,202	33,658	30,976	4,888	24,479	30,976	(6,498)	-21.0%	30,976
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	**978,900**	**1,074,449**	**1,111,508**	**100,266**	**964,851**	**1,111,508**	**(146,658)**	**-13.2%**	**1,111,508**
Surplus/ (Deficit) for the year	2	**(44,973)**	**(68,793)**	**(78,702)**	**(25,297)**	**26,265**	**(78,702)**	**104,968**	**-133.4%**	**(78,702)**

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) – M12 June 2022

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 Source										
Property rates		210,205	218,711	224,085	14,052	224,326	224,085	242	0%	224,085
Service charges - electricity revenue		281,916	334,173	342,329	24,167	314,641	342,329	(27,688)	-8%	342,329
Service charges - water revenue		80,983	89,581	81,646	6,609	73,661	81,646	(7,985)	-10%	81,646
Service charges - sanitation revenue		52,346	58,635	57,754	4,475	56,405	57,754	(1,348)	-2%	57,754
Service charges - refuse revenue		53,974	55,744	57,811	4,696	54,901	57,811	(2,911)	-5%	57,811
Rental of facilities and equipment		2,347	1,169	2,800	288	3,049	2,800	249	9%	2,800
Interest earned - external investments		4,192	5,780	2,811	316	3,224	2,811	413	15%	2,811
Interest earned - outstanding debtors		9,982	10,674	12,820	1,446	13,878	12,820	1,059	8%	12,820
Dividends received		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		3,308	2,238	794	(163)	1,388	794	594	75%	794
Licences and permits		11,639	25,746	12,873	460	9,593	12,873	(3,280)	-25%	12,873
Agency services		–	–	0	131	2,560	0	2,560	########	0
Transfers and subsidies		166,982	152,602	154,418	921	153,050	154,418	(1,368)	-1%	154,418
Other revenue		9,211	10,348	23,022	1,160	21,136	23,022	(1,886)	-8%	23,022
Gains		57	–	(0)	7	7	(0)	7	-693570%	(0)
Total Revenue (excluding capital transfers and contributions)		**887,140**	**965,400**	**973,163**	**58,565**	**931,820**	**973,163**	**(41,343)**	**-4%**	**973,163**
Expenditure By Type										
Employee related costs		335,334	378,677	377,140	24,505	326,610	377,140	(50,530)	-13%	377,140
Remuneration of councillors		12,780	13,651	13,651	945	13,457	13,651	(194)	-1%	13,651
Debt impairment		31,535	53,726	45,817	1,921	5,024	45,817	(40,793)	-89%	45,817
Depreciation & asset impairment		80,852	91,830	91,830	6,521	75,742	91,830	(16,088)	-18%	91,830
Finance charges		3,094	716	716	41	330	716	(386)	-54%	716
Bulk purchases - electricity		254,058	290,000	300,000	29,386	295,220	300,000	(4,780)	-2%	300,000
Inventory consumed		71,675	66,261	68,271	18,331	88,648	68,271	20,377	30%	68,271
Contracted services		95,785	78,598	83,152	10,299	74,268	83,152	(8,884)	-11%	83,152
Transfers and subsidies		761	650	550	8	458	550	(92)	-17%	550
Other expenditure		91,018	100,339	130,181	8,250	84,911	130,181	(45,270)	-35%	130,181
Losses		2,007	–	–	56	56	–	56	#DIV/0!	–
Total Expenditure		**978,900**	**1,074,449**	**1,111,308**	**100,264**	**964,723**	**1,111,308**	**(146,585)**	**-13%**	**1,111,308**
Surplus/(Deficit)		**(91,760)**	**(109,049)**	**(138,146)**	**(41,699)**	**(32,904)**	**(138,146)**	**105,242**	**(0)**	**(138,146)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		46,787	40,256	59,643	16,403	59,276	59,643	(367)	**(0)**	59,643
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	0	–	1	20	–	20	**#DIV/0!**	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**			**(78,502)**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**			**(78,502)**
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**			**(78,502)**
Share of surplus/ (deficit) of associate		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(44,973)**	**(68,793)**	**(78,502)**	**(25,294)**	**26,392**	**(78,502)**			**(78,502)**

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) – M12 June 2022

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	2,695	363	2,352	2,695	(343)	-13%	2,695
Vote 2 - FINANCIAL SERVICES		49,578	2,210	3,704	479	2,360	3,704	(1,344)	-36%	3,704
Vote 3 - CORPORATE SERVICES		2,308	1,923	2,230	527	1,741	2,230	(489)	-22%	2,230
Vote 4 - COMMUNITY SERVICES		(2,458)	6,110	5,740	1,300	5,361	5,740	(379)	-7%	5,740
Vote 5 - INFRASTRUCTURE AND ENGINEERING		38,142	45,230	75,265	23,885	66,756	75,265	(8,509)	-11%	75,265
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		340	670	1,154	324	648	1,154	(506)	-44%	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**	**90,788**	**26,878**	**79,217**	**90,788**	**(11,571)**	**-13%**	**90,788**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE COUNCIL		91	750	325	(176)	100	325	(225)	-69%	325
Vote 2 - FINANCIAL SERVICES		(57,971)	250	13	–	13	13	–		13
Vote 3 - CORPORATE SERVICES		22,363	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		681	1,380	414	7	274	414	(140)	-34%	414
Vote 5 - INFRASTRUCTURE AND ENGINEERING		(28,215)	–	729	274	729	729	–		729
Vote 6 - PLANNING DEVELOPMENT AND TOURISM		686	500	752	215	592	752	(160)	-21%	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	2,232	320	1,708	2,232	**(524)**	**-23%**	2,232
Total Capital Expenditure	3	**25,728**	**61,013**	**93,020**	**27,197**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**
Capital Expenditure - Functional Classification										
Governance and administration		**16,925**	**8,963**	**9,887**	**1,193**	**7,256**	**9,887**	(2,631)	-27%	**9,887**
Executive and council		274	2,240	2,975	188	2,450	2,975	(525)	-18%	2,975
Finance and administration		16,651	6,723	6,887	1,005	4,804	6,887	(2,083)	-30%	6,887
Internal audit		–	–	25	–	2	25	(23)	-94%	25
Community and public safety		**6,630**	**8,987**	**7,899**	**2,258**	**7,262**	**7,899**	(637)	-8%	**7,899**
Community and social services		–	570	150	–	–	150	(150)	-100%	150
Sport and recreation		243	6,217	4,946	1,392	4,555	4,946	(391)	-8%	4,946
Public safety		6,338	2,200	2,803	866	2,707	2,803	(96)	-3%	2,803
Housing		340	–	–	–	–	–	–		–
Health		(290)	–	–	–	–	–	–		–
Economic and environmental services		**(37,205)**	**15,555**	**17,119**	**3,237**	**15,739**	**17,119**	(1,379)	-8%	**17,119**
Planning and development		1,115	1,120	2,484	852	1,939	2,484	(545)	-22%	2,484
Road transport		(38,320)	14,435	14,634	2,385	13,800	14,634	(835)	-6%	14,634
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**39,378**	**27,458**	**57,965**	**20,548**	**50,638**	**57,965**	(7,326)	-13%	**57,965**
Energy sources		12,588	9,783	9,930	674	10,030	9,930	100	1%	9,930
Water management		7,172	2,245	31,393	16,905	24,959	31,393	(6,435)	-20%	31,393
Waste water management		19,881	14,630	16,341	2,933	15,343	16,341	(998)	-6%	16,341
Waste management		(263)	800	300	37	307	300	7	2%	300
Other		–	50	150	(39)	29	150	(121)	-81%	150
Total Capital Expenditure - Functional Classification	3	**25,728**	**61,013**	**93,020**	**27,197**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**
Funded by:										
National Government		35,675	34,385	50,440	13,320	49,997	50,440	(443)	-1%	50,440
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		5,713	1,600	1,638	301	1,600	1,638	(38)	-2%	1,638
Other transfers and grants		–	–	–	–	–	–	–		–
Transfers recognised - capital		**41,388**	**35,985**	**52,078**	**13,621**	**51,597**	**52,078**	**(481)**	**-1%**	**52,078**
Public contributions & donations	5	–	–	–	–	–	–	–		–
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(7,061)	25,028	40,942	13,125	29,328	40,942	(11,614)	-28%	40,942
Total Capital Funding		**34,327**	**61,013**	**93,020**	**26,746**	**80,925**	**93,020**	**(12,095)**	**-13%**	**93,020**

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 – M12 June 2022

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		12,188	12,224	3,117	18,047	3,117
Call investment deposits		40,490	33,116	987	9,803	987
Consumer debtors		85,286	67,296	86,056	61,607	86,056
Other debtors		142,012	48,618	47,032	21,958	47,032
Current portion of long-term receivables		–	3	–	–	–
Inventory		12,570	8,798	12,256	16,107	12,256
Total current assets		**292,547**	**170,054**	**149,448**	**127,521**	**149,448**
Non current assets						
Long-term receivables		–	13	–	–	–
Investments		–	–	–	–	–
Investment property		242,552	242,552	262,645	262,645	262,645
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2,071,777	2,042,419	2,053,106	2,052,671	2,053,106
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		1,295	2,934	2,402	1,443	2,402
Other non-current assets		–	–	–	–	–
Total non current assets		**2,315,624**	**2,287,917**	**2,318,153**	**2,316,760**	**2,318,153**
TOTAL ASSETS		**2,608,171**	**2,457,971**	**2,467,601**	**2,657,897**	**2,467,601**
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		6,747	–	–	–	–
Consumer deposits		20,774	17,378	20,774	23,614	20,774
Trade and other payables		182,904	135,300	101,587	55,959	101,587
Provisions		35,447	29,649	38,275	34,696	38,275
Total current liabilities		**245,872**	**182,327**	**160,637**	**114,269**	**160,637**
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		175,631	163,445	191,375	176,381	191,375
Total non current liabilities		**175,631**	**163,445**	**191,375**	**178,401**	**191,375**
TOTAL LIABILITIES		**421,502**	**345,772**	**352,012**	**412,170**	**352,012**
NET ASSETS	2	**2,186,668**	**2,112,199**	**2,115,589**	**2,245,727**	**2,115,589**
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		2,231,641	2,112,199	2,115,918	2,191,553	2,115,918
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,231,641**	**2,112,199**	**2,115,918**	**2,191,553**	**2,115,918**

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 – M12 June 2022

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		545,688	203,401	212,184	16,783	222,671	212,184	10,488	5%	212,184
Service charges		70,769	500,464	711,473	42,500	639,511	711,473	(71,962)	-10%	711,473
Other revenue		33,622	39,500	57,614	1,609	30,315	57,614	(27,298)	-47%	57,614
Government - operating		152,544	152,602	154,418	1,378	154,182	154,418	(236)	0%	154,418
Government - capital		2,151	40,256	53,680	–	53,336	53,680	(344)	-1%	53,680
Interest		782,820	15,706	2,811	1,607	7,164	2,811	4,353	155%	2,811
Dividends		–	–	–		–	–	–		–
Payments										
Suppliers and employees		3,573	(927,527)	(1,142,665)	(98,460)	(1,039,064)	(1,142,665)	(103,602)	9%	(1,142,665)
Finance charges		–	(716)	(716)	–	(289)	(716)	(427)	60%	(716)
Transfers and Grants		–	(650)	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,591,166**	**23,037**	**48,798**	**(34,583)**	**67,826**	**48,798**	**(19,027)**	**-39%**	**48,798**
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)	93,020	(27,197)	(87,242)	(91,341)	(4,099)	4%	(91,341)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**27,043**	**(61,013)**	**93,020**	**(27,197)**	**(87,242)**	**(91,341)**	**(4,099)**	**4%**	**(91,341)**
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)	–	(6,128)	(6,747)	(619)	9%	(6,747)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(20,774)**	**(6,747)**	**(6,747)**	**–**	**(6,128)**	**(6,747)**	**(619)**	**9%**	**(6,747)**
NET INCREASE/ (DECREASE) IN CASH HELD		**1,597,435**	**(44,723)**	**135,071**	**(61,781)**	**(25,544)**	**(49,289)**			**(49,289)**
Cash/cash equivalents at beginning:		141,033	90,062	53,394		53,394	53,394			53,394
Cash/cash equivalents at month/year end:		1,738,468	45,339	188,466		27,850	4,105			4,105

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 June 2022.

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**

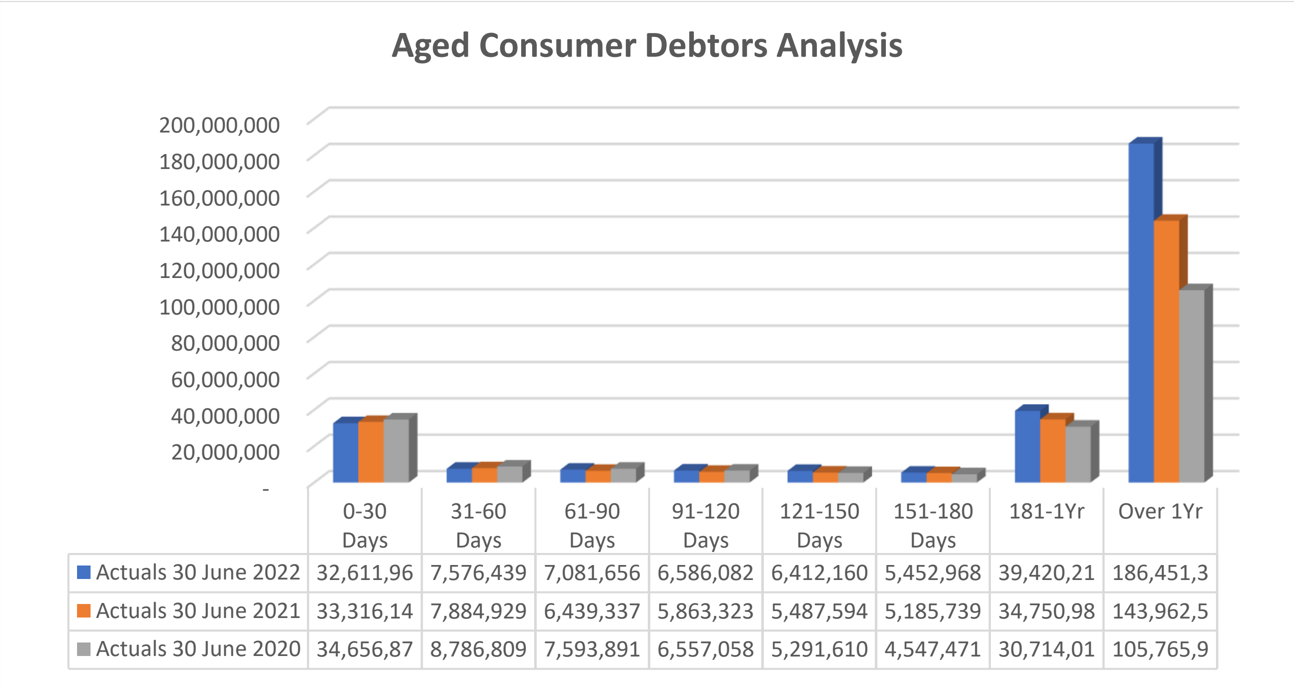
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2022.

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	10,891	2,264	2,465	2,115	2,334	1,841	10,051	52,869	84,829
Trade and Other Receivables from Exchange Transactions - Electricity	19,651	1,380	1,057	1,059	708	622	3,335	9,910	37,721
Receivables from Non-exchange Transactions - Property Rates	11,960	1,015	825	805	692	520	8,224	22,205	46,245
Receivables from Exchange Transactions - Waste Water Management	6,010	1,195	1,085	1,019	1,045	908	5,155	23,856	40,273
Receivables from Exchange Transactions - Waste Management	5,083	1,248	1,165	1,124	1,106	1,093	6,084	32,208	49,111
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	189	90	126	161	186	189	2,133	31,885	34,957
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(21,171)	386	359	303	343	281	4,438	13,519	(1,542)
Total By Income Source	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**
2020/21 - totals only									–
Debtors Age Analysis By Customer Group									
Organs of State	1,090	511	399	436	253	269	2,704	4,396	10,058
Commercial	6,597	374	309	266	303	211	1,103	4,916	14,079
Households	24,925	6,691	6,374	5,885	5,857	4,974	35,612	177,139	267,456
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**32,612**	**7,576**	**7,082**	**6,586**	**6,412**	**5,453**	**39,420**	**186,451**	**291,593**

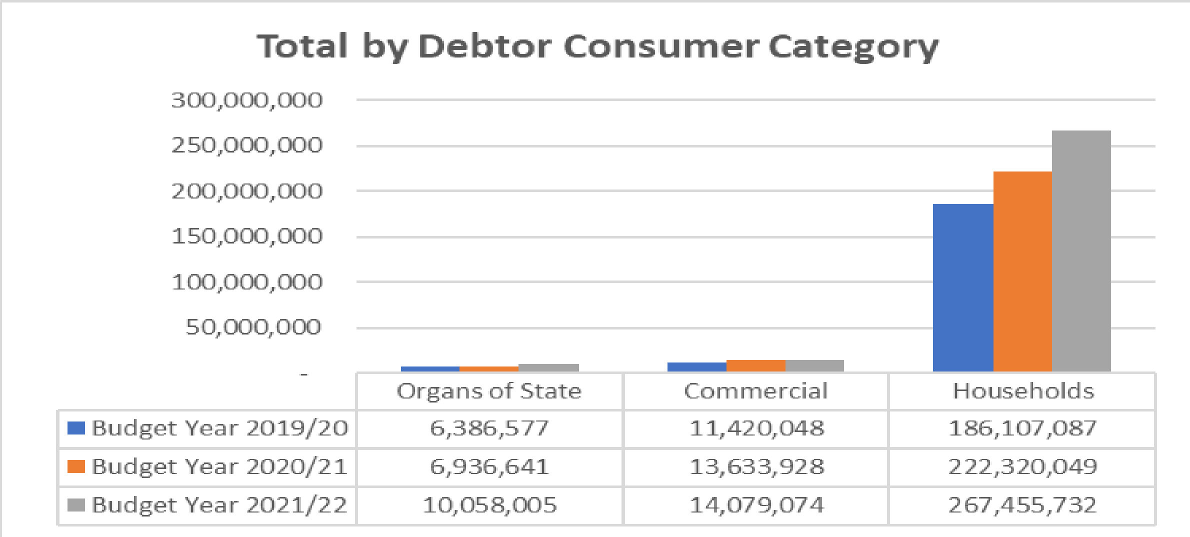
The aforementioned analysis indicates that from 30 June 2021 to 30 June 2022, the overdue debts have increased by R 82,018 million from R 209,574 million to R 291,593 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-21**	**30-Jun-22**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	58,633	84,829	26,196
Trade and Other Receivables from Exchange Transactions - Electricity	17,163	37,721	20,558
Receivables from Non-exchange Transactions - Property Rates	33,015	46,245	13,230
Receivables from Exchange Transactions - Waste Water Management	26,556	40,273	13,716
Receivables from Exchange Transactions - Waste Management	33,908	49,111	15,202
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	24,963	34,957	9,995
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15,337	(1,542)	(16,879)
Total By Income Source	**209,574**	**291,593**	**82,018**
Debtors Age Analysis By Customer Group			
Organs of State	5,932	10,058	4,126
Commercial	6,886	14,079	7,193
Households	196,756	267,456	70,700
Other	–	–	–
Total By Customer Group	**209,574**	**291,593**	**82,018**

Graphical Analysis of consumer debtors



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



2. Overview of Creditors position

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

Description	Budget Year 2021/22								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	33,716	–	–	–	–	–	–	–	33,716
Bulk Water	4,907	38	15	16	18	18	58	(1,740)	3,330
PAYE deductions	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–
Trade Creditors	17,036	394	86	81	2	21	1	1,268	18,889
Auditor General	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total By Customer Type	**55,660**	**432**	**101**	**97**	**20**	**39**	**58**	**(471)**	**55,936**

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

Eskom	R 33,716 million
NMBM	R 3,330 million
Other Creditors	R 18,889 million
Total	**R 55,936 million**

It is to be noted that the Eskom amount of R 4,907 million, represents the current account for June 2022, which will be fully paid on 23 July 2022.

3. Allocation and Grants receipts and expenditure for the 2021/22 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M12 June 2022.

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	–	112,093	112,093	–	0.0%	148,588
Operational Revenue:General Revenue:Equitable Share	143,774	143,774	–	107,831	107,831	–	0.0%	143,774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,423	1,423	–	1,423	1,423	–		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	–	1,119	1,119	–	0.0%	1,671
District Municipality:	1,964	2,888	–	2,166	2,166	–		2,888
Enviromental Health Subsidy	1,964	2,888	–	2,166	2,166	–		2,888
Provincial Government:	2,050	2,050	–	2,050	2,050	–		2,050
Sport and Recreation	2,050	2,050		2,050	2,050	–		2,050
Other grant providers:		892	–	892	892	–	–	892
South Africa Local Government Association (SALGA)		722		722	722			722
Foreign Government and International Organisations		170		170	170			170
Total Operating Transfers and Grants	152,602	154,418	–	117,201	117,201	–	0.0%	154,418
Capital Transfers and Grants								–
National Government:	39,542	58,005	–	48,642	48,642	–	0.0%	58,005
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7,800	7,800	–	7,800	7,800	–	0.0%	7,800
Municipal Disaster Relief Grant		12,500	–	12,500	12,500			12,500
Municipal Infrastructure Grant [Schedule 5B]	31,742	37,705	–	28,342	28,342	–	0.0%	37,705
District Municipality:	714	1,638	–	475	475	–		1,638
Fire Services Subsidy	714	1,638		475	475	–		1,638
Other grant providers:		39,263	–	–	–			39,263
Transfer from Operational Revenue		39,263						39,263
Total Capital Transfers and Grants	40,256	98,906	–	49,117	49,117	–	0.0%	98,906
TOTAL RECEIPTS OF TRANSFERS & GRANTS	192,858	253,324	–	166,318	166,318	–	0.0%	253,324

Below is an analysis of the spending associated with the grants as at 30 June 2022:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M12 June 2022.

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	921	148,588	110,639	37,949	34.3%	148,588
Operational Revenue:General Revenue:Equitable Share	143,774	143,774	37	143,774	107,831	35,943	33.3%	143,774
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	1,423	1,423	–	1,423	830	593	71.4%	1,423
Local Government Financial Management Grant [Schedule 5B]	1,720	1,720	716	1,720	1,003	717	71.4%	1,720
Municipal Infrastructure Grant [Schedule 5B]	1,671	1,671	169	1,671	975	696	71.4%	1,671
District Municipality:	1,964	2,888	–	2,135	2,166	(32)		2,888
Enviromental Health Subsidy	1,964	2,888	–	2,135	2,166	(32)		2,888
Provincial Government:	2,050	2,050	–	2,050	2,050	–		2,050
Sport and Recreation	2,050	2,050		2,050	2,050	–		2,050
Other grant providers:		892	–	892	892			892
South Africa Local Government Association (SALGA)		722		722	722			722
Foreign Government and International Organisations		170		170	170			170
Total operating expenditure of Transfers and Grants:	152,602	154,418	921	153,664	115,747	37,917	32.8%	154,418
Capital expenditure of Transfers and Grants								–
National Government:	39,542	58,005	16,403	57,982	26,545	18,937	71.3%	58,005
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	7,800	7,800	139	7,800	4,550	3,250	71.4%	7,800
Municipal Disaster Relief Grant		12,500	7,200	12,500	–			12,500
Municipal Infrastructure Grant [Schedule 5B]	31,742	37,705	9,064	37,682	21,995	15,687		37,705
District Municipality:	714	1,638	–	1,299	1,299	–		1,638
Fire Services Subsidy	714	1,638		1,299	1,299	–		1,638
Other grant providers:		39,263	2,723	15,752	15,752			39,263
Transfer from Operational Revenue		39,263	2,723	15,752	15,752			39,263
Total capital expenditure of Transfers and Grants	40,256	98,906	19,126	75,033	43,596	18,937	43.4%	98,906
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	192,858	253,324	20,047	228,697	159,343	56,854	35.7%	253,324

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 1,720,000
Unspent as at 30 June 2022:	R 0.00

The spending of the grant amounted to 100% as at 30 June 2022, 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 1,423,000
Expenditure to date:	R 1,423,000
Unspent as at 30 June 2022:	R 0.00

The spending of the grant amounted to 100% as at 30 June 2022, 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 5,962,915
Amount of Grant Received:	R 33,413,000
Expenditure to date:	R 39,352,748
Unspent as at 30 June 2022:	R 23,167

The spending of the grant amounted to 99.94% as at 30 June 2022, 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 7,800,000
Expenditure to date:	R 7,800,000
Unspent as at 30 June 2022:	R 0.00

The spending of the grant amounted to 100% as at 30 June 2022, compared to the amount of the grant received.

Municipal Disaster Relief Grant (MDRG)
The purpose of the approved funding is to augment the resources of the municipality with regard to the following prioritised area:

a) Development and equipping of 4 boreholes in Humansdorp.

DORA Allocation:	R 12,500,000
Amount of Grant Received:	R 12,500,000
Expenditure to date:	R 12,500,000
Unspent as at 30 June 2022:	R 0.00

The spending of the grant amounted to 100% as at 30 June 2022, 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 – M12 June 2022.

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	886	9,004	9,104	(100)	-1%	9,104
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	(419)	61	–	61	#DIV/0!	–
Motor Vehicle Allowance		2,879	3,081	3,081	495	3,204	3,081	123	4%	3,081
Cellphone Allowance		1,265	1,465	1,465	(16)	1,187	1,465	(278)	-19%	1,465
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**12,780**	**13,651**	**13,651**	**945**	**13,457**	**13,651**	**(194)**	**-1%**	**13,651**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,457	6,954	6,323	436	6,126	6,323	(198)	-3%	6,323
Pension and UIF Contributions		126	106	107	5	70	107	(37)	-35%	107
Medical Aid Contributions		38	31	31	2	35	31	5	16%	31
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		612	23	1,273	1,086	1,086	1,273	(187)	-15%	1,273
Motor Vehicle Allowance		640	1,605	1,405	48	796	1,405	(609)	-43%	1,405
Cellphone Allowance		10	10	10	1	10	10	(1)	-6%	10
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		55	1	1	0	1	1	(0)	-19%	1
Payments in lieu of leave		440	2,358	4,703	575	4,529	4,703	(173)	-4%	4,703
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**9,378**	**11,088**	**13,853**	**2,153**	**12,653**	**13,853**	**(1,200)**	**-9%**	**13,853**
Other Municipal Staff										
Basic Salaries and Wages		187,829	232,525	211,848	15,758	200,324	211,848	(11,523)	-5%	211,848
Pension and UIF Contributions		31,918	36,881	35,748	2,595	32,144	35,748	(3,604)	-10%	35,748
Medical Aid Contributions		16,812	23,684	21,437	1,573	16,592	21,437	(4,846)	-23%	21,437
Overtime		30,580	31,142	23,860	(47)	23,027	23,860	(833)	-3%	23,860
Performance Bonus		–	23	43	–	21	43	(22)	-51%	43
Motor Vehicle Allowance		9,703	9,871	12,290	836	9,966	12,290	(2,324)	-19%	12,290
Cellphone Allowance		–	85	93	2	92	93	(1)	-1%	93
Housing Allowances		900	1,787	1,782	59	782	1,782	(1,000)	-56%	1,782
Other benefits and allowances		26,052	29,863	35,478	1,340	29,081	35,478	(6,397)	-18%	35,478
Payments in lieu of leave		3,812	25	767	101	975	767	208	27%	767
Long service awards		1,287	1,702	1,686	136	953	1,686	(732)	-43%	1,686
Post-retirement benefit obligations	2	17,063	–	18,256	–	–	18,256	(18,256)	-100%	18,256
Sub Total - Other Municipal Staff		**325,956**	**367,590**	**363,287**	**22,352**	**313,958**	**363,287**	**(49,330)**	**-14%**	**363,287**
Total Parent Municipality		**348,114**	**392,328**	**390,791**	**25,450**	**340,067**	**390,791**	**(50,724)**	**-13%**	**390,791**
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		**348,114**	**392,328**	**390,991**	**25,453**	**340,194**	**390,991**	**(50,797)**	**-13%**	**390,991**

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 Adjusted Budget 2021/22**	**Actuals as at 30 June 2022**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.78%	1.29%	1.22%	1.13%	0.67%	0.67%
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	1.31	1.26	2.61	0.93	1.12
Liquidity Ratio	Monetary assets / current liabilities	0.47	0.84	0.61	0.45	0.03	0.24
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	90.73%	97,62%	95.42%	94.41%	94%	94.32%

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 Adjusted Budget 2020/21	Actuals as at 30 June 2022
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	1.97	1.79	0.62	0.04	0.37
Employee Costs	Employee Costs / Total Operating Expenditure	33.21%	33.39%	32.53%	34.26%	33.91%	33.86%
Capital Expenditure	Capital Expenditure / Capital Budget	72.98%	44.59%	75.33%	76.92%	95%	87%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.82%	5.63%	6.68%	7.00%	4.57%	5.32%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	1.41%	2.29%	2.90%	3.33%	2.48%	2.52%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	80.22%	75.36%	71.88%	77.11%	84.13%	83.67%

The above table is discussed in detail below.

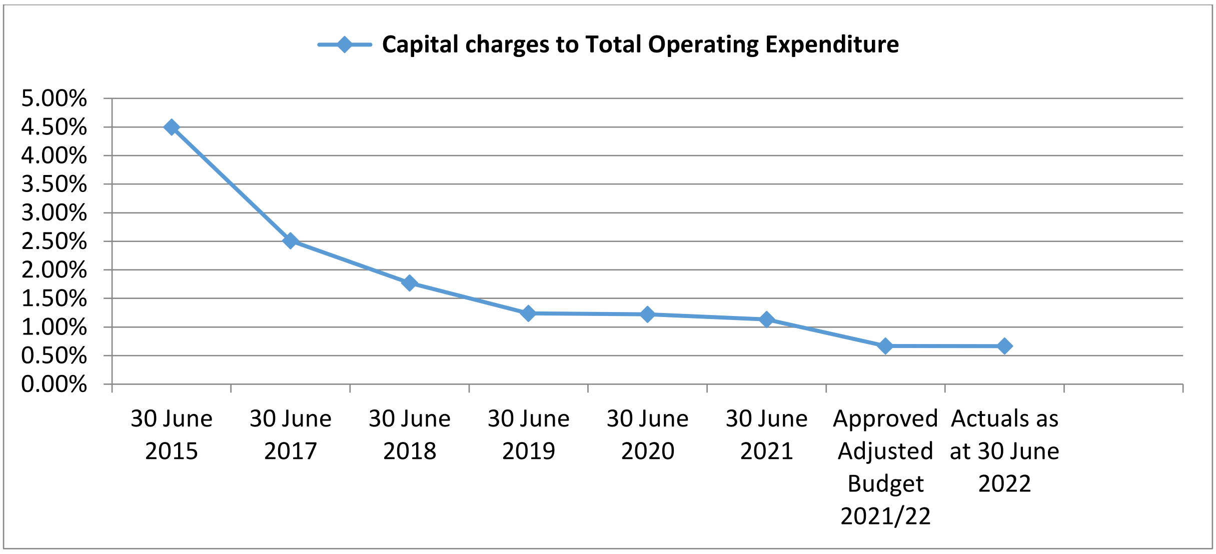
4.1. Borrowing Management

4.1.1. Capital charges to Operating Expenditure.

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

Capital charges/Total Operating Expenditure to date

The ratio indicates that 0.67% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2022, compared to the approved adjusted budget ratio of 0.67%.



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.

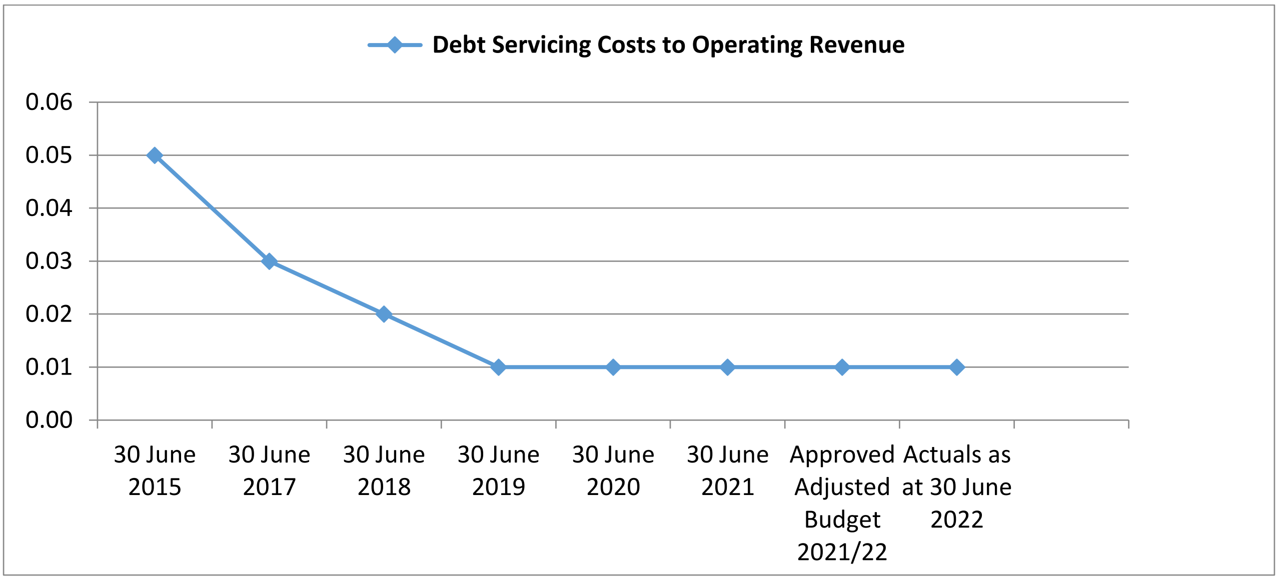
4.1.3. Debt Servicing Costs to Operating Revenue Ratio

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 June 2022, the ratio was 0.01:1, compared to the approved adjusted 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:

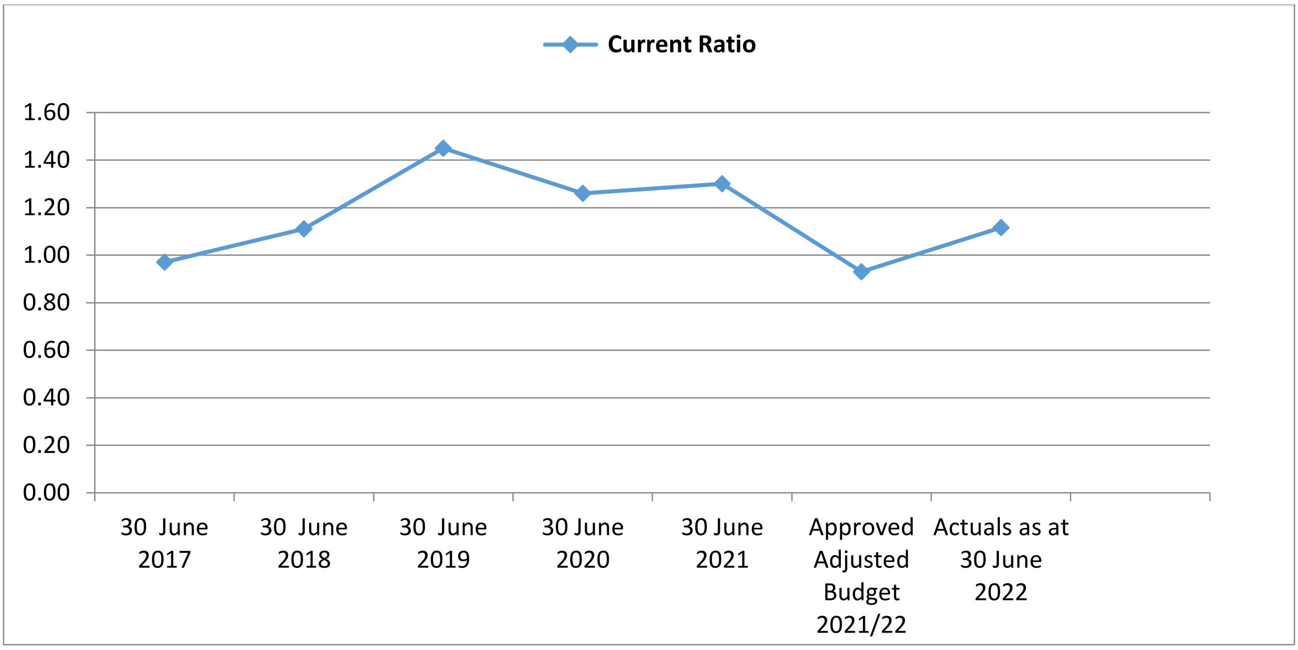
Current assets/Current liabilities

The ratio as at 30 June 2022 was 1.12:1, compared to the approved adjusted budget ratio of 0.93:1.

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

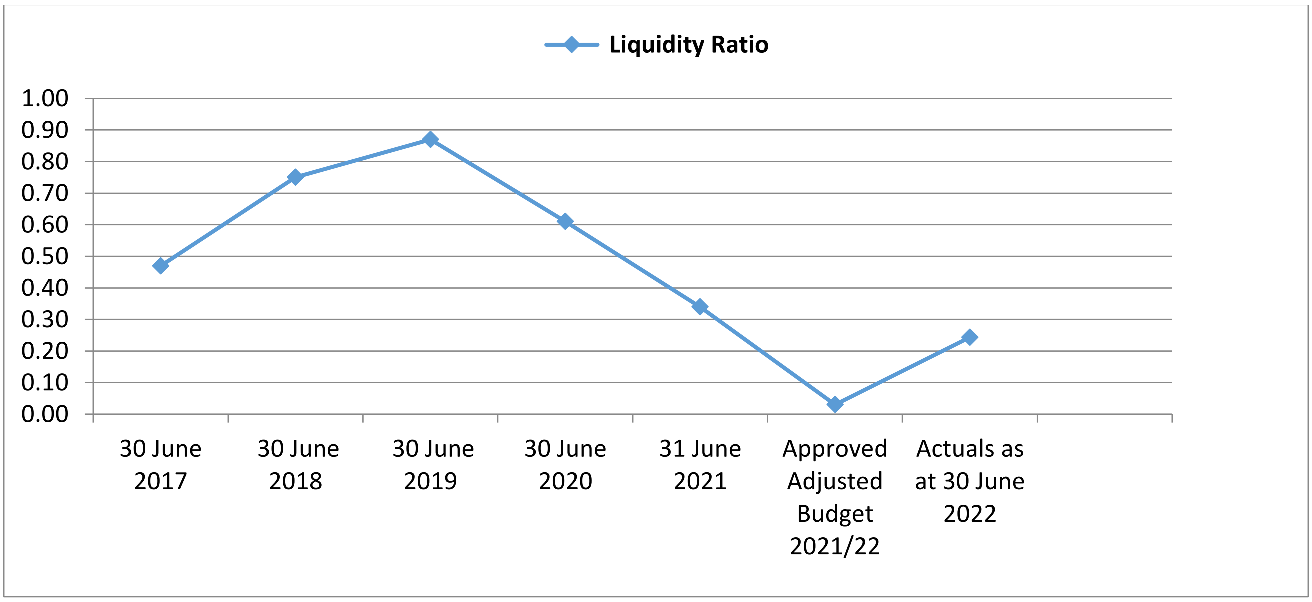
The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

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 June 2022 was 0.24:1, compared to the approved adjusted budget ratio of 0.03:1.

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



4.3. Revenue Management

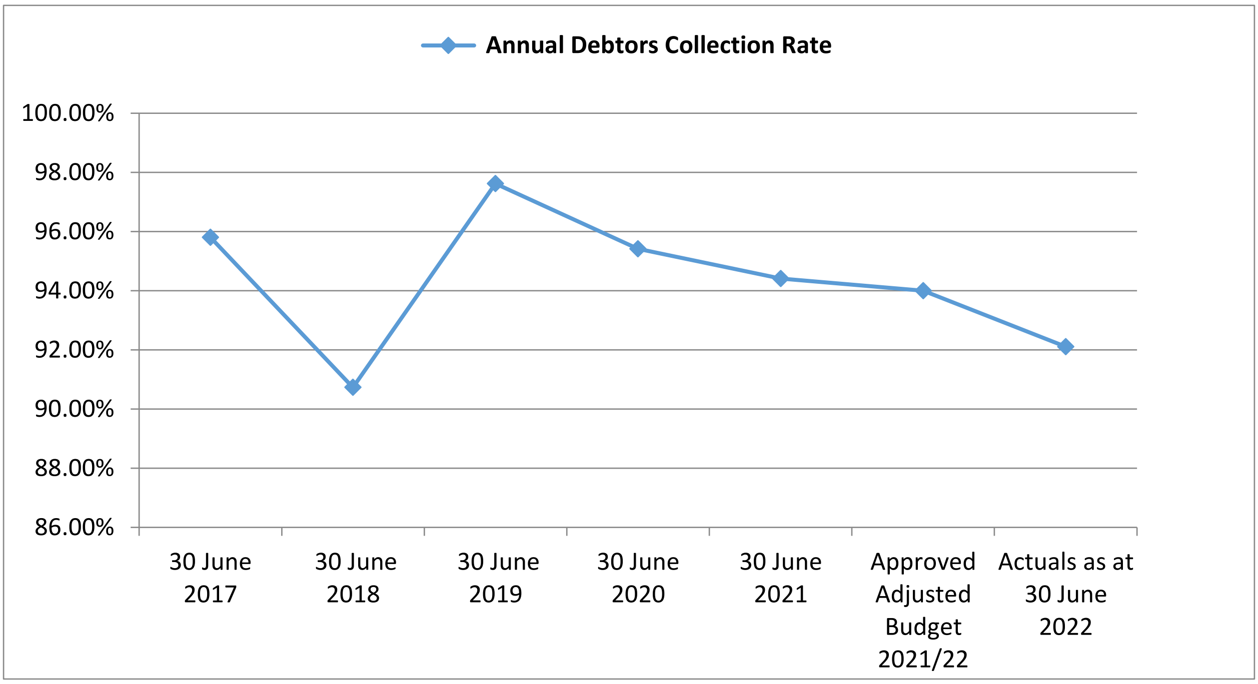
4.3.1. Annual Debtors Collection Rate

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:

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

The average collection rate as at 30 June 2022 was 98%, compared to the approved adjusted budget collection rate of 94%. The actual collection rate for June is 94.32%.



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.

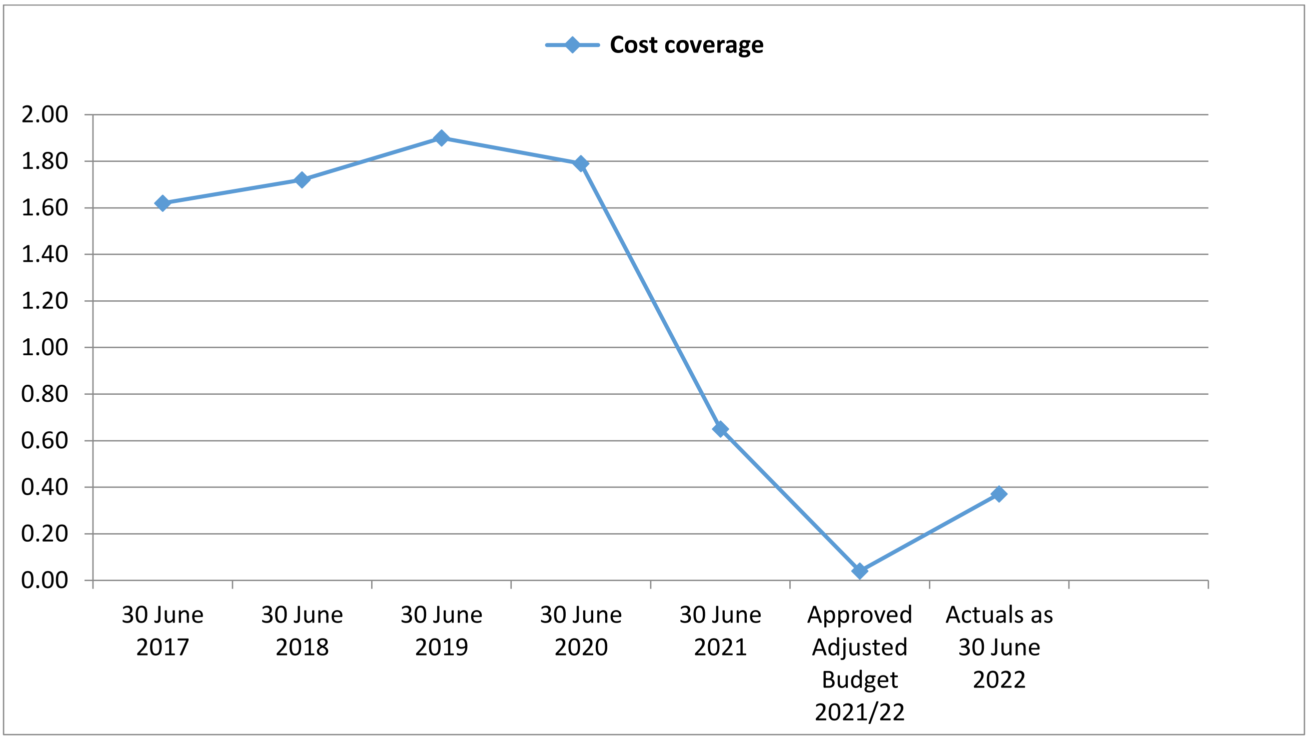
The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.

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 June 2022, the Ratio was 0.37 months, compared to the approved adjusted budget ratio of 0.04 months.

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



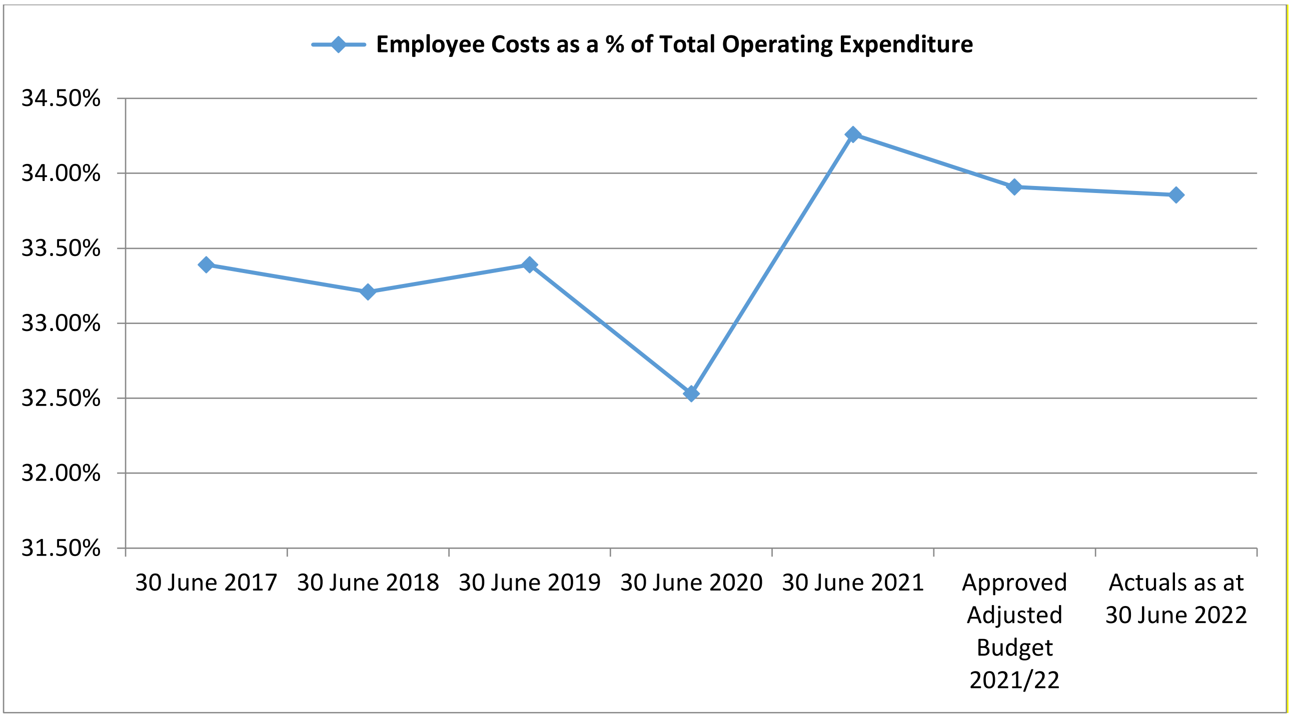
4.4.2. Employee costs as a % of Total Operating Expenditure

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 June 2022, Employee Related Costs constituted 33.86% of the Total Operating Expenditure compared to the approved adjusted budget ratio 33.91%.



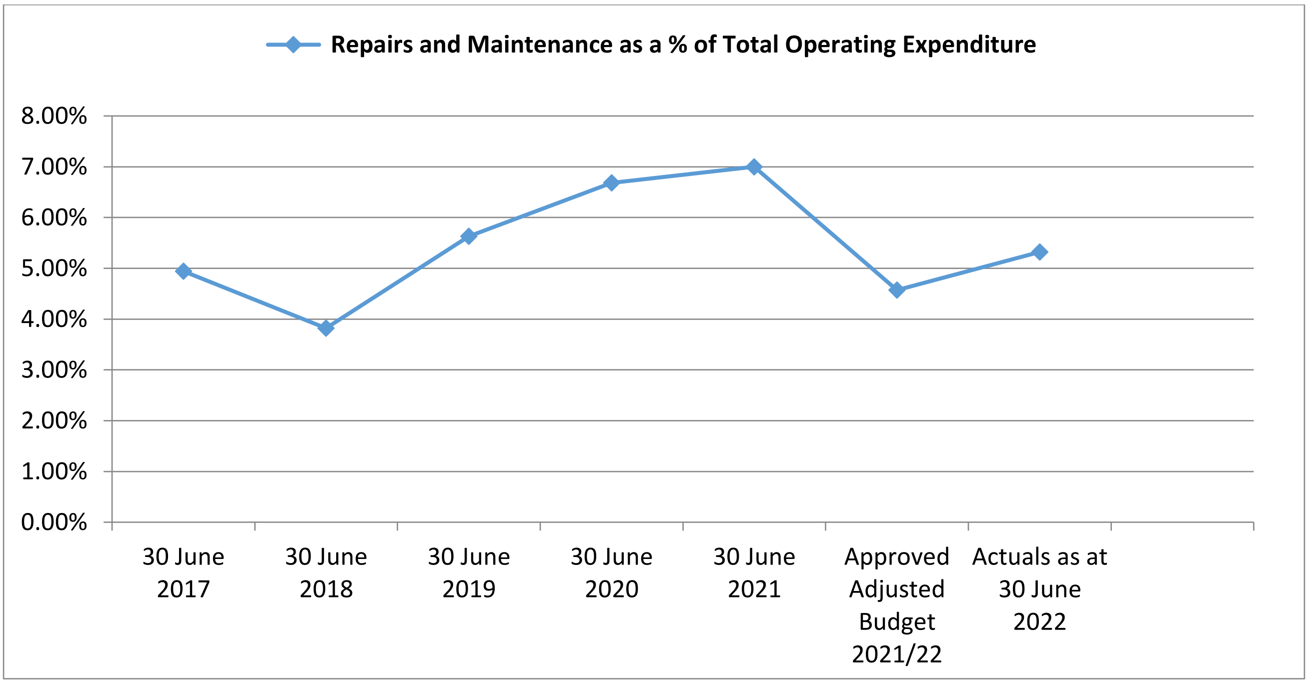
4.4.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 June 2022, the ratio was 5.32%, compared to the approved adjusted budget ratio of 4.57%.



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

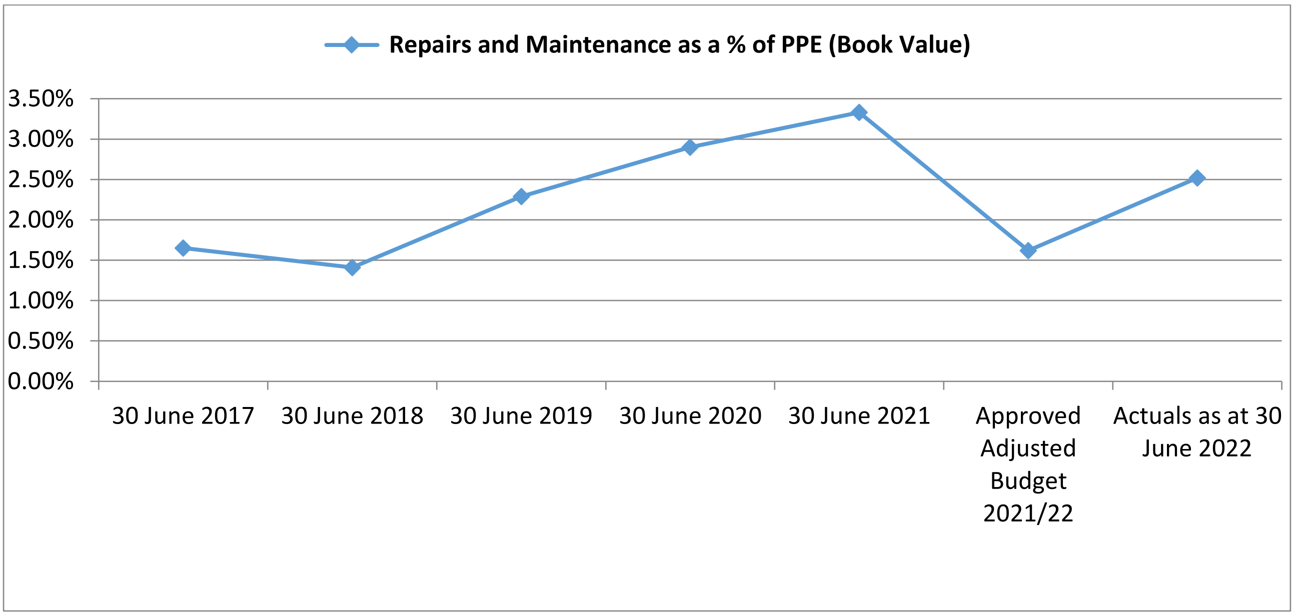
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 June 2022, repairs and maintenance expenditure constituted 2.52% of the book value of PPE, compared to the approved adjusted budget ratio of 2.48%.

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



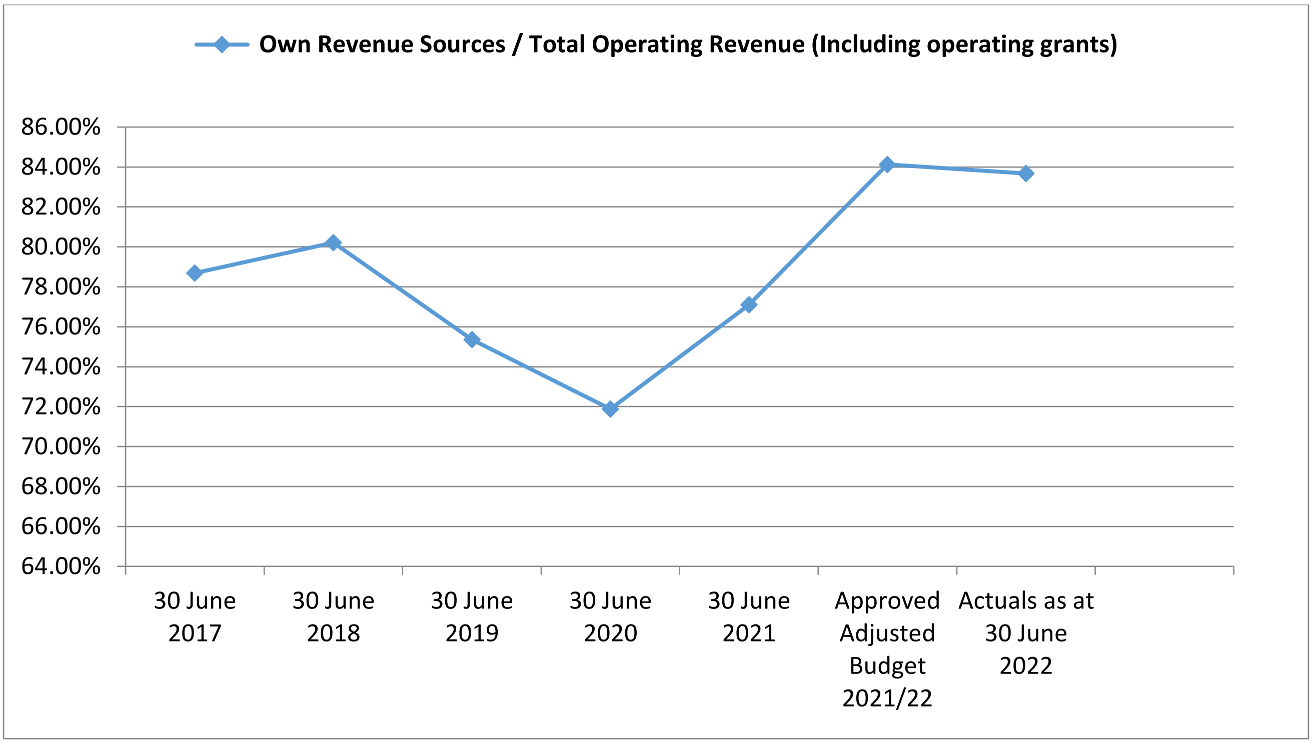
4.4.5. Own Revenue Generation

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 June 2022, the Municipality's own revenue sources constituted 83.67% of its total Operating Income, compared to the approved adjusted budget ratio of 84.13%.



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 June 2022 amounted to 87% compared to the approved adjusted budget ratio of 95%.