

**3rd QUARTER – MONTHLY BUDGET STATEMENT REPORT OF  
GREATER KOKSTAD MUNICIPALITY**

**31 March 2020**

**AS PER MFMA S52 (d)**

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## Table of Contents

### PART 1 – S52(d) MONTHLY BUDGET STATEMENT

1.1	Mayors Report as at 31 March 2020.....	3
1.2	Council Resolutions .....	5
1.3	Executive Summary .....	5
1.4	Monthly Budget Statement Tables.....	14
	• Table C1 Monthly Budget Statement Summary .....	14
	• Table C2 Monthly Budget Statement – Financial Performance.....	16
	• Table C3 Monthly Budget Statement – Financial Performance by municipal vote.....	17
	• Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure).....	19
	• Table C5 Monthly Budget Statement – Capital Expenditure.....	21
	• Table C6 Monthly Budget Statement - Financial Position.....	23
	• Table C7 Monthly Budget Statement - Cash Flows.....	24

### PART 2 – SUPPORTING DOCUMENTATION

	Table SC2 Monthly Budgeted Statement – Performance indicator .....	25
	Table SC5 Monthly Budget Statement – investment portfolio.....	26
	Table SC6 Monthly Budget Statement – transfers and grants receipts .....	27
	Table SC7 (1) Monthly Budget Statement – transfers and grants expenditure .....	28
	Table SC8 Monthly Budget Statement – Councilors and staff benefits .....	29
	Table SC9 Monthly Budget Statement – actual and revised target for cash receipts .....	30
	TableSC12Monthly Budget Statement - capital expenditure trend.....	31
	Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class .....	32
	Table SC13c Consolidated Monthly Budget Statement – expenditure on repairs and maintenance by asset class.....	33
	Table SC13d Monthly Budget Statement - depreciation by asset class.....	34
	Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class.....	35
1.5	Legislation compliance status.....	37
1.6	Municipal manager’s quality certificate.....	38

# **Part 1 – S52(d) MONTHLY BUDGET STATEMENT**

**3rd QUARTER – FINANCIAL SERVICES DEPARTMENT: S52(d) REPORT AS AT 31 MARCH 2020**

File no. 9/1/2/3  
(Author: CFO/TM)  
(1st Level – BTO Committee 15/04/2020)  
(2nd Level – EXCO 21/04/2020)  
(3<sup>rd</sup> Level - Audit Committee /04/2020)  
(4th Level – Council 30/04/2020)

## **1. PURPOSE**

The purpose is to report on the implementation of the budget and also on the financial state of affairs of the municipality, in terms of Municipal Finance Management Act no 56 of 2003, S52 (d)

## **2. BACKGROUND**

In terms of the MFMA no. 56 of 2003, S52 (d) the 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 a municipality. The municipality started the implementation of budget on the 01 January 2019, thus the report will talk to revenue collected, expenditure incurred during the first quarter. We will focus on the following areas,

## **3. DISCUSSIONS**

As at 31 March 2020, the implementation of budget and the financial state of affairs of the municipality is as follows.

1. Financial Position
2. Financial Performance
3. Cash flow Statement
4. Debtors Ageing
5. Creditors Ageing
6. Assets and Liabilities
7. Cost Containment In Year Report

#### **4. LEGAL IMPLICATIONS**

In terms of the MFMA no. 56 of 2003, S52 (d) the 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 a municipality. The municipality is implementing its budget on a monthly basis, thus the report will talk to revenue collected, expenditure incurred during the first quarter.

We will focus on the following areas,

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure, per vote;
- Actual capital expenditure, per vote;
- The amount of any allocations received;
- Actual expenditure on those allocations gazetted in terms of Division of Revenue Act
- The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.

#### **5. LABOUR IMPLICATIONS**

There are no additional labour implications.

#### **6. FINANCIAL IMPLICATIONS**

Financial implications are as detailed in the report.

#### **7. RISKS**

The risk of non-submitting the report to the Council, Provincial and National Treasury will result to non-compliance which might lead to qualification by Auditor General and withholding of funds by National Treasury

#### **8. ANNEXURES**

Annexure "A": C Schedule

## 1.2 COUNCIL RESOLUTION

That the council notes the S52 (d) report for the quarter end 31 March 2020.

The Council of Greater Kokstad Municipality met in the Council Chambers to consider the Monthly budget statement of the municipality for the financial year 2019/20.

The Council notes the Monthly budget statement of the municipality for the financial year 2019/20 as set out in the following tables:

- Monthly Budget Statement Summary **(Table C1)**
- Monthly Budget Statement – Financial Performance **(Table C2)**
- Monthly Budget Statement – Financial Performance by municipal vote **(Table C3)**
- Monthly Budget Statement – Financial Performance (revenue and expenditure **(Table C4)**
- Monthly Budget Statement – Capital Expenditure **(Table C5)**
- Monthly Budget Statement - Financial Position **(Table C6)**
- Monthly Budget Statement - Cash Flows **(Table C7)**

The Council note that the cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

The Council note the Cost Containment In Year report for the quarter ending 31 March 2020 compiled in terms of the MFMA circular 97.

## 1.3 EXECUTIVE SUMMARY

In terms of the MFMA the Accounting Officer of a municipality must by no later than 24 working days after the end of each month submit to the Mayor and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

As at 31 March 2020, the implementation of budget and the financial state of affairs of the municipality is as follows.

### **1.3.1 Financial Position – M09 March 2020**

The **total assets** are R 1 111,580m whereas the **total liabilities** are (R 332,250m) Therefore the financial position of the municipality has the **accumulated surplus** of R 779,329m.

### **1.3.2 Cash Flow Statement – M09 March 2020**

The cash flow statement for nine months period ending 31 March 2020 reflects the positive cash and cash equivalent of R 161,090m.

#### ➤ **Bank and cash**

The closing balance as per bank statement as at 31 March 2020 has a favorable balance of R 30,398m with outstanding deposits and payments amounting to a net of R 219,874 resulting to a reconciled cash book balance of R 30,617m.

#### ➤ **Investments**

The Council has investments of R 136,735m as at 31 March 2020 as per bank statement. Being: R 111,545m is unconditional; R 25,190m is conditional investments balance, the accrued interest amounted to R 6,262m. The reconciled cash and cash equivalent is R161,090m as at end March 2020. The conditional balances are in respect of conditional grants funding like MIG, FMG and Housing.

## Investment Analysis as at end March 2020

Name of Investment	Name of organ of state or municipal entity	Opening Balance 2018/2019	Quarterly Receipts			Total Receipts	Quarterly Withdrawals				Unspent portion 2019/2020
			July to	Oct to	Jan to		July to	Oct to	Jan to	Total withdrawals	
		financial statements	Sept	Dec	Mar		Sept	Dec	Mar		financial statements
			1	2	3		1	2	3		
Reserve Account	FNB	44 621 696	596 084	554 652	545 336	1 696 072				-	46 317 768
						-					
PHP	FNB	23 835	77	284	280	641				-	24 476
						-					
MIG	FNB	1 000	6 002 630	72 829	9 133 866	15 209 325			15 000 000.00	15 000 000	210 325
						-					
MSIG PC	FNB	218 745	20 851.10	2 938.94	2 898	26 688				-	245 433
						-					
FMG	FNB	7 186	31	1 811 689	19 581	1 831 300			775 545.31	775 545	1 062 941
						-					
HHP	FNB	1 020 812	12 977	12 681	12 497	38 154				-	1 058 966
						-					
Arts and Culture	FNB	1 000	4 004	38	2 193 736	2 197 777			1 122 738.53	1 122 739	1 076 038
						-					-
Housing Op	FNB	2 687 152	33 882	33 377	32 607	99 866				-	2 787 018
						-					-
GKM Properties Rentals	FNB	2 235	2	-	-	2				-	2 237
						-					
Small Towns Rehab	STD	1 836 423	27 606	28 095	26 663	82 364				-	1 918 787
						-					
EPWP	NEDBANK	7 293	927 193	14 918	2 807 756	3 749 866			2 717 686.65	2 717 687	1 039 473
						-					
Municipal Excellence Awards	NEDBANK	81 566	1 312.42	1 323	1 258	3 893				-	85 459
						-					
DOE	STD	4 641 228	13 097 317	267 362	245 740	13 610 419			2 683 828.22	2 683 828	15 567 818
						-					
Sports and Recreation	NEDBANK	108 502	1 746	1 760	1 673	5 179				-	113 680
						-					
Nedbank Reserve Acc	NEDBANK	20 488 104	329 617.40	332 327	315 941	977 886				-	21 465 990
						-					
Standard Bank Reserve Acc	STD	20 789 529	407 220	558 587	401 943	1 367 750				-	22 157 279
						-				-	-
ABSA Reserve Acc	ABSA	20 363 457	420 157	424 608	393 321	1 238 086				-	21 601 543
						-					
Ithala Reserve Account	ITHALA					-				-	-
		116 899 762.47	21 882 704.84	4 117 468	16 135 096	42 135 269	-	-	22 299 799	22 299 799	136 735 232.22

### **1.3.3 Financial Performance – M09 March 2020**

The **total revenue** of R 272,997m (including capital grants) as compared to the **total expenditure** as at 31 March 2020 is (R 245,429m), and resulted to an operating surplus of R 45,586m.

The following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

#### **Consolidated Overview of the MFMA S52 monthly report**

	Budget Year	Adjusted Budget Year	Monthly Actual	Year to date Actual	YTD Variance
	2019/20	2019/20	Mar-20	2019/20	%
Total operating Revenue	389 176	391 883	31 358	272 997	70%
Total operating Expenditure	431 413	436 088	25 873	245 429	56%
<b>Surplus (deficit) for the year</b>	<b>(42 238)</b>	<b>(44 206)</b>	<b>5 485</b>	<b>27 568</b>	-62%
Transfers recognised Capital	50 318	75 488	2 227	18 025	24%
<b>Surplus (deficit) for the year after Capital</b>	<b>8 080</b>	<b>31 282</b>	<b>6 807</b>	<b>45 586</b>	146%
Capital expenditure	<b>125 492</b>	<b>152 922</b>	<b>10 140</b>	<b>48 924</b>	32%

Total operating revenue is 70 per cent or R 272,997 as at end March 2020 when compared to the 2019/20 Original Budget.

Total operating expenditure as at end March 2020 is 56per cent or R 245,429m when compared to the 2019/20 Original Budget. The surplus will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

Total capital expenditure as at end March 2020 is 32per cent or R48,924m when compared to the 2019/2020 Original Budget.

- **Operating Revenue Framework**

Greater Kokstad Municipality needs to generate the required revenue in order to continue improving the quality of services to the community. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The following table is a summary of the MFMA Section 52(d) Quarterly Report (classified by main revenue source.



## Summary of revenue classified by main revenue source

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		129 809	131 746	131 746	4 291	102 063	29 684	72 379	244%	131 746
Service charges - electricity revenue		109 142	135 932	136 069	9 122	88 712	47 357	41 354	87%	136 069
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		23 496	25 487	25 487	1 381	2 285	23 202	(20 917)	-90%	25 487
Rental of facilities and equipment		2 145	1 329	1 729	147	1 439	289	1 150	397%	1 729
Interest earned - external investments		8 877	8 972	8 972	23	1 036	7 936	(6 900)	-87%	8 972
Interest earned - outstanding debtors		4 453	4 809	4 809	281	2 767	2 042	725	35%	4 809
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 732	1 850	1 850	66	416	1 434	(1 017)	-71%	1 850
Licences and permits		3 174	4 380	4 380	223	2 666	1 715	951	55%	4 380
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		59 598	69 940	69 570	15 416	66 819	2 751	64 068	2329%	69 570
Other revenue		8 079	4 729	7 269	407	4 795	2 475	2 320	94%	7 269
Gains on disposal of PPE		1 652	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		352 158	389 176	391 883	31 358	272 997	118 885	154 112	130%	391 883

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. The total percentage revenue generated from rates and services charges is R193million or 49per cent of the total revenue budgeted.

Property rates are the largest revenue source totaling 37per cent or R102m rand. The second largest revenue source is service charges totaling to 33per cent or R 91m rand. The third source of revenue is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees amounting to R11m which is 5per cent of the total revenue.

Transfers recognized revenue totals R67m which is 24per cent of the total revenue.

### • Operating Expenditure Framework

The Municipality's Monthly expenditure framework for March 2020 is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the MFMA S52(d) Monthly budget report (classified per main type of operating expenditure)

## Summary of operating expenditure by standard classification item

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Expenditure By Type</b>										
Employee related costs		116 743	144 230	144 230	10 302	94 811	49 419	45 392	92%	144 230
Remuneration of councillors		7 201	8 279	8 279	613	5 483	2 796	2 687	96%	8 279
Debt impairment		8 957	14 400	14 400	–	2 828	11 572	(8 743)	-76%	14 400
Depreciation & asset impairment		34 728	44 967	44 967	–	–	29 978	(29 978)	-100%	44 967
Finance charges		–	–	–	–	–	–	–	–	–
Bulk purchases		86 853	111 358	111 358	6 360	77 825	33 533	44 292	132%	111 358
Other materials		4 797	6 371	7 344	316	4 375	2 969	1 407	47%	7 344
Contracted services		20 607	55 975	57 063	5 405	32 858	24 204	8 654	36%	57 063
Transfers and subsidies		–	–	1 000	–	–	–	–	–	1 000
Other expenditure		55 039	45 834	47 448	2 878	27 248	20 200	7 048	35%	47 448
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>334 925</b>	<b>431 413</b>	<b>436 088</b>	<b>25 873</b>	<b>245 429</b>	<b>174 671</b>	<b>70 758</b>	<b>41%</b>	<b>436 088</b>

The Original Budgeted allocation for employee related costs is R144 million, which equals 33per cent of the total operating expenditure. Employee related costs together with the remuneration of councilor's totals to R100m which is 41per cent of the total expenditure.

The provision of debt impairment was determined based on an annual collection rate of 91 per cent and the Debt Write-off Policy of the Municipality. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. The Original budget appropriations in this regard total R44 million for the 2019/20 financial and equates to 10 per cent of the total operating expenditure. There is no depreciation calculated for the month of March 2020.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. The Original budget allocation for bulk purchases is R111million which equals 26per cent of the total operating expenditure. Expenditure to date for bulk purchases amounted to R77m which is 70% of the total budget.

The budget allocation for contracted services amounts to R57 million which equals to 13per cent of the total operating expenditure. The expenditure to date for contracted services amounts to R33m which is 57% of the total budget.

Other expenditure comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemical, collection costs, audit R47 million which equals to 11 per cent of the total operating expenditure. The expenditure to date for other expenditure amounts to R27m which is 57% of the total budget.

### 1.3.4 Monthly Budgeted Statement - Age Debtors

The opening balance for outstanding debtors as at 01 January 2020 amounted to R 80,784m; total billing amounted to R33,182, total collected amounted to R 49,914m and the closing balance is R64,052m.

#### Summary of Debtors analysis

PAYMENT RATE %		BILLING	PAYMENTS	CLOSING BALANCE
<b>OPENING BALANCE</b>				<b>68 750</b>
Jul/19	11%	83 093	17 119	134 724
Aug/19	10%	18 194	15 359	137 558
Sep/19	23%	(6 682)	30 507	100 369
Oct/19	19%	11 828	21 834	90 364
Nov/19	16%	12 701	16 609	86 455
Dec/19	19%	13 808	19 479	80 784
Jan/20	20%	9 055	18 102	71 737
Feb/20	18%	11 398	14 934	68 201
Mar/20	21%	12 729	16 878	64 052
Apr/20				
May/20				
Jun/20				
<b>DEBTORS BALANCE</b>		<b>166 124</b>	<b>170 822</b>	<b>64 052</b>

The outstanding debtors as at 31 March 2020 amounted to R 64,052m of which R 12,390m of this amount is current (i.e. 0 - 30 days).

The following table is the Debtors Aged Analysis as at end March 2020.

Description	NT Code	Budget Year 2019/20										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 594	1 315	224	(210)	112	2 552	-	-	9 589	2 454	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	4 608	1 565	777	532	376	29 081	-	-	36 938	29 988	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 409	1 330	605	487	433	5 931	-	-	10 195	6 851	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	307	527	278	256	250	6 268	-	-	7 886	6 774	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	472	(373)	(59)	(89)	(63)	(443)	-	-	(556)	(595)	-	-	-
Total By Income Source	2000	12 390	4 364	1 825	976	1 108	43 388	-	-	64 052	45 472	-	-	-
2018/19 - totals only										-	-			
Debtors Age Analysis By Customer Group														
Organs of State	2200	405	209	69	60	41	11 802	-	-	12 586	11 903	-	-	-
Commercial	2300	7 679	1 285	454	318	235	4 563	-	-	14 534	5 116	-	-	-
Households	2400	4 295	2 869	1 302	603	846	15 836	-	-	25 751	17 285	-	-	-
Other	2500	12	1	(0)	(6)	(13)	11 187	-	-	11 181	11 168	-	-	-
Total By Customer Group	2600	12 390	4 364	1 825	976	1 108	43 388	-	-	64 052	45 472	-	-	-

### 1.3.5 Monthly Budget Statement: Creditors

There were no payments made after 30 days for quarter ending 31 March 2020.

### 1.3.6 Monthly Budget Statement: Transfers and Grants

The opening balance for unspent grant as at 01 January 2020 amounted to R32,953m. Grants received during the quarter ending 31 March 2020 amounted to R 24,178m and expenditure incurred during the month amounted to R 30,721m. The closing balance on transfers and grants at the end of March 2020 amounted to R 26,410m.

Name of Grants	Unspent portion 2018/2019 financial statements	Adjustments and Transfers	Quarterly Receipts				Quarterly Expenditure				Unspent portion 2019/2020 financial statements
			July to Sept	Oct to Dec	Jan to Mar	Total Receipts	July to Sept	Oct to Dec	Jan to Mar	Total Expenditure	
			1	2	3		1	2	3		
Equitable Share			25 693 000	20 554 000	15 416 000	61 663 000	25 693 000	20 554 000	15 416 000	61 663 000	-
MIG	-11 067 535		6 000 000	9 000 000	6 318 000	21 318 000	3 583 834	2 932 575	5 143 306	11 659 715	-1 409 250
FMG	0		1 800 000			1 800 000	261 642	445 904	102 000	809 545	990 455
MSIG	-					-				-	-
SPORTS AND RECREATION	20 806					-				-	20 806
ARTS AND CULTURE	-			2 182 000		2 182 000	430 864	404 455	431 129	1 266 448	915 552
HOUSING	140 916		5 430 762.66	5 433 761	1 321 680	12 186 203	286 296	5 433 761	3 407 997	9 128 054	3 199 065
SMALL TOWNS REHABILITATION	95 508					-	-			-	95 508
HORSESHOE HOUSING	1 476 418		12 976.97	12 681	12 497	38 154				-	1 514 572
PEOPLES HOUSING	28 143		77	284	280	641				-	28 784
EXPANDED PUBLIC WORKS PRO	-		925 000	1 665 000	1 110 000	3 700 000	687 108	1 050 068	1 408 021	3 145 197	554 803
IDP	85 672					-				-	85 672
SHAYAMOYA ECO-COMPLEX	31 743					-				-	31 743
LIGHT INDUSTRIAL PARK	177 382					-				-	177 382
DOE	-					-				-	-
ENERGY EFFICIENCY GRANT	3 457 964		13 000 000			13 000 000		1 500 565	-	1 500 565	14 957 399
SETA						-				-	-
FURNITURE WORLD	226 413					-				-	226 413
CULTURAL VILLAGE	55 541			15 000 000		15 000 000	1 700 026	3 562 326	4 813 000	10 075 353	4 980 188
MASSIFICATION	41 354					-				-	41 354
EMERGENCY EQUIPMENT GRANT										-	-
	5 229 675.48	-	52 861 816.60	53 847 726	24 178 457	130 887 999	32 642 770	35 883 653	30 721 454	99 247 876	26 410 447.00

### 1.3.7 Monthly Budgeted Statement – Capital Expenditure

The budget allocation for capital projects for 2019/2020 is R152,922m which equals 23per cent of the total budget, R48,923m spent as at end March 2020 which equals to 32per cent of the capital budget

Finand: Function	SegmentDesc	TotalBudget	202003	TotalActual	RemainingBudget	Pending	Amended Budget	% Spending
2020 Finance: Budget and Treas	Computer equipment ( Finance)	300 000.00	-	-	300 000.00	15 000.00	300 000.00	0%
2020 Electricity: Electrical Servic	Design Software ( Rectic Master)	170 000.00	-	-	170 000.00	133 218.00	70 000.00	0%
2020 Corporate Wide Strategic P	Refridgerated shed	1 500 000.00	-	-	1 500 000.00	-	-	0%
2020 Corporate Wide Strategic P	Fencing of cooperative sites	500 000.00	-	-	500 000.00	-	-	0%
2020 Project Management Unit: Horseshoe	Early Child development	3 300 000.00	-	2 787.83	3 297 212.17	-	1 300 000.00	0%
2020 Fire Fighting and Protectio	Fire station development	606 000.00	-	514 348.99	91 651.01	-	106 000.00	85%
2020 Community Parks (includir	Upgrade town entrances	300 000.00	-	-	300 000.00	-	-	0%
2020 Cemeteries Funeral Parlou	Cemetery Development	5 000 000.00	1 604.35	313 864.35	4 686 135.65	5 600.00	-	6%
2020 Project Management Unit: Thuthukani	hall	4 900 000.00	-	1 329 951.60	3 570 048.40	-	600 000.00	27%
2020 Community Halls and Facili	Shayamoya Hall	-	-	148 014.45	148 014.45	-	-	-
2020 Community Halls and Facili	Upgrade of Bhongweni Hostel	1 503 200.00	-	1 199 042.76	304 157.24	-	496 800.00	80%
2020 Corporate Wide Strategic P	Borehole	800 000.00	-	-	800 000.00	-	600 000.00	0%
2020 Community Halls and Facili	Shayamoya hall ward 10	869 120.00	-	869 145.93	25.93	-	165 120.00	100%
2020 Community Halls and Facili	Ward 4 and ward 8 halls	911 804.00	-	792 873.38	118 930.62	-	911 804.00	87%
2020 Project Management Unit: Jim payne	sport complex ( own fund)	1 212 000.00	-	-	1 212 000.00	-	8 870 000.00	0%
2020 Corporate Wide Strategic P	Informal trade stalls	1 000 000.00	-	-	1 000 000.00	-	-	0%
2020 Corporate Wide Strategic P	Bulk buying -trader development	2 200 000.00	-	-	2 200 000.00	-	600 000.00	0%
2020 Corporate Wide Strategic P	Computer Equipment ( led)	30 000.00	-	-	30 000.00	20 000.00	30 000.00	0%
2020 Information Technology: Ir	Computer Equipment new ICT	800 000.00	-	198 553.89	601 446.11	-	600 000.00	25%
2020 Electricity: Electrical Servic	Standby Quarters Phase 2	-	-	181 834.00	181 834.00	-	-	-
2020 Electricity: Electrical Servic	Electrification of farms ward2	150 000.00	-	-	150 000.00	-	150 000.00	0%
2020 Electricity: Electrical Servic	Upgrade of Mini substations Transfor	1 700 000.00	-	-	1 700 000.00	-	1 700 000.00	0%
2020 Electricity: Electrical Servic	Standby quarters phase 3	500 000.00	-	42 000.00	458 000.00	-	250 000.00	8%
2020 Electricity: Electrical Servic	Upgrading of central substation switch	336 000.00	-	335 781.85	218.15	-	3 664 000.00	100%
2020 Electricity: Electrical Servic	MV cable phase 3	1 300 000.00	171 502.51	1 229 621.60	70 378.40	-	2 200 000.00	95%
2020 Electricity: Electrical Servic	MV cable ugrade phase 4	5 000 000.00	42 571.78	287 359.53	4 712 640.47	-	5 000 000.00	6%
2020 Electricity: Electrical Servic	Upgrading of substation switch gear ( l	4 670 000.00	51 554.53	347 993.09	4 322 006.91	-	4 670 000.00	7%
2020 Administrative and Corpor	Biometrics/ Clocking machine	180 000.00	-	-	180 000.00	149 001.99	180 000.00	0%
2020 Administrative and Corpor	Office furniture and equipment 001( f	50 000.00	-	-	50 000.00	15 000.00	50 000.00	0%
2020 Community Halls and Facili	Halls Furniture	400 000.00	-	90 027.00	309 973.00	-	100 000.00	23%
2020 Police Forces Traffic and St	Office furniture and equipment traffic	150 000.00	-	-	150 000.00	-	150 000.00	0%
2020 Corporate Wide Strategic P	Filling Cabinets ( led)	15 000.00	-	-	15 000.00	12 000.00	15 000.00	0%
2020 Finance: Budget and Treasi	Office Furniture ( Finance)	650 000.00	-	-	650 000.00	-	650 000.00	0%
2020 Community Parks (includir	Brushcutters Parks	100 000.00	-	82 217.41	17 782.59	5 000.00	100 000.00	82%
2020 Fire Fighting and Protectio	Fire fighting equipment	200 000.00	-	175 587.00	24 413.00	-	-	88%
2020 Project Management Unit: plate	compactor	110 000.00	-	-	110 000.00	-	-	0%
2020 Solid Waste Removal: Clea	Garden Refuse trailer	150 000.00	-	105 200.00	44 800.00	39 000.00	50 000.00	70%
2020 Electricity: Electrical Servic	Generators	1 150 000.00	-	-	1 150 000.00	840 000.00	900 000.00	0%
2020 Roads: Roads (333) Infrastr	Kransfontein Landfill Site	10 300 000.00	2 045 995.36	10 135 993.72	164 006.28	-	2 200 000.00	98%
2020 Project Management Unit: Instal	ation of alarm system for munic	500 000.00	-	-	500 000.00	-	500 000.00	0%
2020 Project Management Unit: Fenc	ing of municipal buildings	900 000.00	-	-	900 000.00	-	900 000.00	0%
2020 Roads: Roads (333) Infrastr	Kokstad CBD roads	4 000 000.00	-	-	4 000 000.00	-	-	0%
2020 Roads: Roads (333) Infrastr	Stormwater upgrade Murray streets	9 968 000.00	788 152.92	2 361 638.10	7 606 361.90	-	1 945 000.00	24%
2020 Electricity: Electrical Servic	Motor vehicle Electrical	700 000.00	-	-	700 000.00	-	700 000.00	0%
2020 Mayor and Council: Council	22 Seater mini bus	600 000.00	-	-	600 000.00	-	50 000.00	0%
2020 Solid Waste Removal: Clea	Refuse removal truck and skips 110	-	-	-	-	49 940.00	-	-
		69 681 124.00	3 101 381.45	20 743 776.48	48 937 347.52	1 283 759.99	3 312 124.00	30%
2020 Roads: Roads (333) Infrastr	kokstad Midblock roads	320 000.00	-	287 573.24	32 426.76	-	40 000.00	90%
2020 Project Management Unit: Jim	Payne sport complex	3 818 000.00	-	257 484.50	3 560 515.50	-	-	7%
2020 Roads: Roads (333) Infrastr	Landfill Site	-	-	-	-	-	-	-
2020 Roads: Roads (333) Infrastr	Horseshoe roads upgrade phase 3	8 351 000.00	377 293.50	1 735 877.30	6 615 122.70	-	3 351 000.00	21%
2020 Roads: Roads (333) Infrastr	Upgrade of Roads Ext 7	2 040 239.00	-	2 040 238.85	0.15	-	40 239.00	100%
2020 Roads: Roads (333) Infrastr	Upgrade of Roads Bhongweni Area 5	391 000.00	-	-	391 000.00	-	21 000.00	0%
2020 Roads: Roads (333) Infrastr	shayamoya roads upgrade	7 238 000.00	1 589 418.91	5 855 189.95	1 382 810.05	-	1 262 000.00	81%
		22 158 239.00	1 966 712.41	10 176 363.84	11 981 875.16	-	2 190 239.00	46%
2020 Electricity: Electrical Servic	Bulk infrastructure	16 457 964.00	-	1 304 839.00	15 153 125.00	-	3 457 964.00	8%
		16 457 964.00	-	1 304 839.00	15 153 125.00	-	3 457 964.00	8%
2020 Housing: Human settlemer	CRU Housing project	20 000 000.00	931 895.59	5 905 857.97	14 094 142.03	-	-	30%
2020 Housing: Human settlemer	Emergency Housing Project	5 219 721.00	1 430 327.91	2 031 580.24	3 188 140.76	-	5 219 721.00	39%
		25 219 721.00	2 362 223.50	7 937 438.21	17 282 282.79	-	5 219 721.00	31%
2020 Town Planning Building Re	Building plans management system	500 000.00	-	-	500 000.00	-	500 000.00	0%
2020 Project Management Unit: Cul	tural village	8 905 000.00	2 709 213.30	8 761 177.29	143 822.71	-	3 905 000.00	98%
2020 Roads: Roads (333) Infrastr	Upgrading of shayamoya internal road	10 000 000.00	-	-	10 000 000.00	85 000.00	10 000 000.00	0%
		19 405 000.00	2 709 213.30	8 761 177.29	10 643 822.71	85 000.00	14 405 000.00	45%
		152 922 048.00	10 139 530.66	48 923 594.82	103 998 453.18	1 368 759.99	28 585 048.00	32%

### **1.3.8 Disclosures of cost containment measures**

- 1.1 In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilised to ensure value for money is achieved.
- 1.2 The disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in -year budget reports and annual costs savings disclosed in the annual report.
- 1.3 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritisation of cost savings and on the implementation of the cost containment measures must be submitted to the Municipal Council for review and resolution.
- 1.4 The municipal council can refer such reports to an appropriate Council Committee for further recommendations and actions.
- 1.5 The reports referred to in sub -regulation (2) must be copied to the National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to municipal council.
- 1.6 As directed by the MFMA Circular No.82 of March 2016 and 97 of July 2019 it was resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non – essential expenditure.
  - Excessive and wasteful expenditure has been reduced and that increased action has been taken to manage unnecessary expenditure especially on the following items:
    - Travel and subsistence
    - Domestic accommodation
    - Sponsorships, events and catering
    - Communication
  - The reduction in spending on repairs and maintenance of municipal assets is 25 per cent less when compared with the budget for quarter three. The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to prevent breakdowns and interruptions to service delivery. The norm is 8 per cent and the municipality is below the standard norm and due to low spending, budget allocation will not increase to meet the standards as per the MFMA Circular No. 71.
  - Below is the cost containment In Year report for quarter 3.

## Total Cost Savings Disclosure in the In-Year Report for Quarter 3

### Cost Containment In-Year Report

Measures	Adjustment Budget	Quarter3 Budget	Actual Q3	Savings	% Savings
Use of consultants	57,062,669	42,797,002	33,737,693	9,059,309	21%
Sponsorships, events and catering	2,621,414	1,966,061	879,258	1,086,802	55%
Vehicles used for political office -bearers	875,000	656,250	523,070	133,180	20%
Travel and subsistence	3,551,197	2,663,398	800,641	1,862,757	70%
Domestic accommodation	2,038,434	1,528,826	754,934	773,892	51%
Communication	1,973,433	1,480,075	1,209,887	270,188	18%
Other related expenditure items	369,587,608	277,190,706	209,281,757	67,908,949	24%
<b>TOTAL</b>	<b>435,088,341</b>	<b>325,660,006</b>	<b>245,784,911</b>	<b>79,875,094</b>	<b>25%</b>



## 1.4 Monthly Budget Statement Tables

The following pages present the twelve main Monthly budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table C1 – Monthly Budget Statement Summary**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	129 809	131 746	131 746	4 291	102 063	29 684	72 379	244%	131 746
Service charges	132 639	161 420	161 556	10 502	90 997	70 559	20 437	29%	161 556
Investment revenue	8 877	8 972	8 972	23	1 036	7 936	(6 900)	-87%	8 972
Transfers and subsidies	59 598	69 940	69 570	15 416	66 819	2 751	64 068	2329%	69 570
Other own revenue	21 235	17 098	20 038	1 124	12 083	7 955	4 128	52%	20 038
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>352 158</b>	<b>389 176</b>	<b>391 883</b>	<b>31 358</b>	<b>272 997</b>	<b>118 885</b>	<b>154 112</b>	<b>130%</b>	<b>391 883</b>
Employee costs	116 743	144 230	144 230	10 302	94 811	49 419	45 392	92%	144 230
Remuneration of Councillors	7 201	8 279	8 279	613	5 483	2 796	2 687	96%	8 279
Depreciation & asset impairment	34 728	44 967	44 967	–	–	29 978	(29 978)	-100%	44 967
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	91 650	117 728	118 702	6 676	82 200	36 502	45 698	125%	118 702
Transfers and subsidies	–	–	1 000	–	–	–	–	–	1 000
Other expenditure	84 603	116 209	118 910	8 282	62 934	55 976	6 959	12%	118 910
<b>Total Expenditure</b>	<b>334 925</b>	<b>431 413</b>	<b>436 088</b>	<b>25 873</b>	<b>245 429</b>	<b>174 671</b>	<b>70 758</b>	<b>41%</b>	<b>436 088</b>
<b>Surplus/(Deficit)</b>	<b>17 233</b>	<b>(42 238)</b>	<b>(44 206)</b>	<b>5 485</b>	<b>27 568</b>	<b>(55 785)</b>	<b>83 354</b>	<b>-149%</b>	<b>(44 206)</b>
Transfers and subsidies - capital (monetary alloc	65 022	50 318	75 488	1 322	18 018	57 470	(39 452)	-69%	75 488
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>82 255</b>	<b>8 080</b>	<b>31 282</b>	<b>6 807</b>	<b>45 586</b>	<b>1 685</b>	<b>43 901</b>	<b>2605%</b>	<b>31 282</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>82 255</b>	<b>8 080</b>	<b>31 282</b>	<b>6 807</b>	<b>45 586</b>	<b>1 685</b>	<b>43 901</b>	<b>2605%</b>	<b>31 282</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>2 306</b>	<b>125 492</b>	<b>152 922</b>	<b>10 140</b>	<b>48 924</b>	<b>83 595</b>	<b>(34 671)</b>	<b>-41%</b>	<b>152 922</b>
Capital transfers recognised	–	50 318	75 488	2 227	18 025	57 462	(39 437)	-69%	75 488
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	75 174	77 434	7 912	30 898	26 132	4 766	18%	77 434
<b>Total sources of capital funds</b>	<b>–</b>	<b>125 492</b>	<b>152 922</b>	<b>10 140</b>	<b>48 924</b>	<b>83 595</b>	<b>(34 671)</b>	<b>-41%</b>	<b>152 922</b>
<b>Financial position</b>									
Total current assets	391 689	490 126	102 868		442 883				102 868
Total non current assets	619 773	725 981	752 733		668 697				752 733
Total current liabilities	267 967	330 275	44 506		317 257				44 506
Total non current liabilities	15 016	20 440	20 157		14 993				20 157
Community wealth/Equity	<b>728 479</b>	<b>865 392</b>	<b>790 938</b>		<b>779 329</b>				<b>790 938</b>
<b>Cash flows</b>									
Net cash from (used) operating	93 370	53 463	53 038	6 724	55 536	123 792	68 257	55%	53 038
Net cash from (used) investing	(91 689)	(125 492)	(152 922)	(10 140)	44 603	(38 784)	(83 387)	215%	(152 922)
Net cash from (used) financing	128	–	–	(0)	167	(34 097)	(34 264)	100%	–
<b>Cash/cash equivalents at the month/year end</b>	<b>116 071</b>	<b>64 065</b>	<b>16 187</b>	<b>–</b>	<b>161 090</b>	<b>166 982</b>	<b>5 892</b>	<b>4%</b>	<b>(39 099)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	12 390	4 364	1 825	976	1 108	43 388	–	–	64 052
<b>Creditors Age Analysis</b>									
Total Creditors	–	–	72	–	–	–	–	–	72

## **Explanatory notes to MBRR Table C1 – Monthly Budget Statement Summary**

- Table C1 is a Monthly budget statement summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognized is reflected on the Financial Performance Budget;
    - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2019/20, when a small surplus is reflected.

**Table C2 – Monthly Budgeted Financial Performance (revenue and expenditure by standard classification)**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>207 366</b>	<b>214 853</b>	<b>217 565</b>	<b>20 251</b>	<b>173 505</b>	<b>42 699</b>	130 806	306%	<b>217 565</b>
Executive and council		–	4 084	4 084	–	–	2 723	(2 723)	-100%	4 084
Finance and administration		207 366	210 769	213 481	20 251	173 505	39 976	133 529	334%	213 481
Internal audit		–	–	–	–	–	–	–		–
<i><b>Community and public safety</b></i>		<b>16 835</b>	<b>31 680</b>	<b>36 851</b>	<b>1 833</b>	<b>18 156</b>	<b>18 694</b>	(538)	-3%	<b>36 851</b>
Community and social services		3 617	3 728	3 533	141	2 199	1 334	865	65%	3 533
Sport and recreation		330	563	563	27	226	337	(112)	-33%	563
Public safety		10 570	7 389	7 394	344	3 545	3 848	(303)	-8%	7 394
Housing		2 318	20 000	25 361	1 322	12 186	13 174	(988)	-8%	25 361
Health		–	–	–	–	–	–	–		–
<i><b>Economic and environmental services</b></i>		<b>39 926</b>	<b>18 193</b>	<b>34 729</b>	<b>83</b>	<b>7 203</b>	<b>28 507</b>	(21 304)	-75%	<b>34 729</b>
Planning and development		7 604	870	2 311	82	2 871	422	2 449	581%	2 311
Road transport		32 322	17 323	32 418	1	4 333	28 086	(23 753)	-85%	32 418
Environmental protection		–	–	–	–	–	–	–		–
<i><b>Trading services</b></i>		<b>152 822</b>	<b>174 768</b>	<b>178 226</b>	<b>10 512</b>	<b>92 151</b>	<b>86 076</b>	6 075	7%	<b>178 226</b>
Energy sources		129 456	149 281	152 739	9 128	90 189	62 550	27 639	44%	152 739
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		23 366	25 487	25 487	1 385	1 962	23 526	(21 564)	-92%	25 487
<i><b>Other</b></i>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>416 949</b>	<b>439 494</b>	<b>467 370</b>	<b>32 679</b>	<b>291 015</b>	<b>175 976</b>	<b>115 039</b>	<b>65%</b>	<b>467 370</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>123 476</b>	<b>149 548</b>	<b>154 861</b>	<b>9 106</b>	<b>86 875</b>	<b>67 985</b>	18 890	28%	<b>154 861</b>
Executive and council		18 391	20 452	20 382	1 133	12 571	7 812	4 759	61%	20 382
Finance and administration		105 085	129 095	134 478	7 973	74 304	60 174	14 130	23%	134 478
Internal audit		–	–	–	–	–	–	–		–
<i><b>Community and public safety</b></i>		<b>37 492</b>	<b>45 719</b>	<b>48 984</b>	<b>3 593</b>	<b>31 451</b>	<b>17 532</b>	13 919	79%	<b>48 984</b>
Community and social services		6 904	8 643	8 534	619	5 295	3 239	2 056	63%	8 534
Sport and recreation		2 043	2 947	4 750	541	2 148	2 602	(453)	-17%	4 750
Public safety		28 545	34 128	35 700	2 432	24 008	11 692	12 316	105%	35 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
<i><b>Economic and environmental services</b></i>		<b>24 421</b>	<b>74 051</b>	<b>72 148</b>	<b>3 431</b>	<b>25 211</b>	<b>47 104</b>	(21 894)	-46%	<b>72 148</b>
Planning and development		13 800	38 410	35 912	2 167	15 197	20 882	(5 685)	-27%	35 912
Road transport		10 622	35 640	36 236	1 264	10 014	26 222	(16 208)	-62%	36 236
Environmental protection		–	–	–	–	–	–	–		–
<i><b>Trading services</b></i>		<b>149 535</b>	<b>162 097</b>	<b>160 096</b>	<b>9 743</b>	<b>101 892</b>	<b>58 204</b>	43 687	75%	<b>160 096</b>
Energy sources		131 722	135 624	135 713	7 991	84 894	50 819	34 075	67%	135 713
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		17 813	26 473	24 383	1 752	16 998	7 385	9 612	130%	24 383
<i><b>Other</b></i>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>–</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>334 925</b>	<b>431 413</b>	<b>436 088</b>	<b>25 873</b>	<b>245 429</b>	<b>190 826</b>	<b>54 602</b>	<b>29%</b>	<b>436 088</b>
<b>Surplus/ (Deficit) for the year</b>		<b>82 024</b>	<b>8 080</b>	<b>31 282</b>	<b>6 807</b>	<b>45 586</b>	<b>(14 851)</b>	<b>60 437</b>	<b>-407%</b>	<b>31 282</b>

## Explanatory notes to MBRR Table C2 – Monthly Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table C2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table C4.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue.

## Table C3 – Monthly Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		–	4 084	4 084	–	–	4 084	(4 084)	-100.0%	4 084
Vote 2 - Finance and administration		203 747	206 478	209 023	20 032	172 973	36 051	136 922	379.8%	209 023
Vote 3 - Community and public safety		11 767	29 065	34 236	1 553	14 715	19 521	(4 806)	-24.6%	34 236
Vote 4 - Economic and environmental services		48 612	25 099	41 665	581	11 177	31 470	(20 293)	-64.5%	41 665
Vote 5 - Trading services		152 822	174 768	178 226	10 512	92 151	86 076	6 075	7.1%	178 226
Vote 6 - Null		–	–	–	–	–	–	–	–	–
Vote 7 - Null		–	–	–	–	–	–	–	–	–
Vote 8 - Null		–	–	–	–	–	–	–	–	–
Vote 9 - Null		–	–	–	–	–	–	–	–	–
Vote 10 - Null		–	–	–	–	–	–	–	–	–
Vote 11 - Null		–	–	–	–	–	–	–	–	–
Vote 12 - Null		–	–	–	–	–	–	–	–	–
Vote 13 - Null		–	–	–	–	–	–	–	–	–
Vote 14 - Null		–	–	–	–	–	–	–	–	–
Vote 15 - Null		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	416 949	439 494	467 233	32 679	291 015	177 201	113 814	64.2%	467 233
Expenditure by Vote	1									
Vote 1 - Executive and council		27 153	29 733	29 267	1 668	17 324	11 943	5 381	45.1%	16 853
Vote 2 - Finance and administration		74 087	106 713	109 177	6 232	58 503	53 504	4 999	9.3%	109 177
Vote 3 - Community and public safety		16 580	27 341	29 990	1 929	15 947	14 043	1 904	13.6%	29 990
Vote 4 - Economic and environmental services		45 334	105 528	102 339	5 386	43 348	59 158	(15 810)	-26.7%	102 339
Vote 5 - Trading services		149 535	162 097	160 096	10 658	110 307	57 939	52 368	90.4%	160 096
Vote 6 - Null		–	–	–	–	–	–	–	–	–
Vote 7 - Null		–	–	–	–	–	–	–	–	–
Vote 8 - Null		–	–	–	–	–	–	–	–	–
Vote 9 - Null		–	–	–	–	–	–	–	–	–
Vote 10 - Null		–	–	–	–	–	–	–	–	–
Vote 11 - Null		–	–	–	–	–	–	–	–	–
Vote 12 - Null		–	–	–	–	–	–	–	–	–
Vote 13 - Null		–	–	–	–	–	–	–	–	–
Vote 14 - Null		–	–	–	–	–	–	–	–	–
Vote 15 - Null		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	312 688	431 413	430 869	25 873	245 429	196 587	48 842	24.8%	418 455
Surplus/ (Deficit) for the year	2	104 260	8 081	36 364	6 806	45 585	(19 387)	64 972	-335.1%	48 779

### **Explanatory notes to MBRR Table C3 - Monthly Budgeted Financial Performance (revenue and expenditure by municipal vote)**

- Table C3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.
- Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services*

**Table C4 – Monthly Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		129 809	131 746	131 746	4 291	102 063	29 684	72 379	244%	131 746
Service charges - electricity revenue		109 142	135 932	136 069	9 122	88 712	47 357	41 354	87%	136 069
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		23 496	25 487	25 487	1 381	2 285	23 202	(20 917)	-90%	25 487
Rental of facilities and equipment		2 145	1 329	1 729	147	1 439	289	1 150	397%	1 729
Interest earned - external investments		8 877	8 972	8 972	23	1 036	7 936	(6 900)	-87%	8 972
Interest earned - outstanding debtors		4 453	4 809	4 809	281	2 767	2 042	725	35%	4 809
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 732	1 850	1 850	66	416	1 434	(1 017)	-71%	1 850
Licences and permits		3 174	4 380	4 380	223	2 666	1 715	951	55%	4 380
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		59 598	69 940	69 570	15 416	66 819	2 751	64 068	2329%	69 570
Other revenue		8 079	4 729	7 269	407	4 795	2 475	2 320	94%	7 269
Gains on disposal of PPE		1 652	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		352 158	389 176	391 883	31 358	272 997	118 885	154 112	130%	391 883
Expenditure By Type										
Employee related costs		116 743	144 230	144 230	10 302	94 811	49 419	45 392	92%	144 230
Remuneration of councillors		7 201	8 279	8 279	613	5 483	2 796	2 687	96%	8 279
Debt impairment		8 957	14 400	14 400	-	2 828	11 572	(8 743)	-76%	14 400
Depreciation & asset impairment		34 728	44 967	44 967	-	-	29 978	(29 978)	-100%	44 967
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		86 853	111 358	111 358	6 360	77 825	33 533	44 292	132%	111 358
Other materials		4 797	6 371	7 344	316	4 375	2 969	1 407	47%	7 344
Contracted services		20 607	55 975	57 063	5 405	32 858	24 204	8 654	36%	57 063
Transfers and subsidies		-	-	1 000	-	-	-	-	-	1 000
Other expenditure		55 039	45 834	47 448	2 878	27 248	20 200	7 048	35%	47 448
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		334 925	431 413	436 088	25 873	245 429	174 671	70 758	41%	436 088
Surplus/(Deficit)		17 233	(42 238)	(44 206)	5 485	27 568	(55 785)	83 354	(0)	(44 206)
Transfers and subsidies - capital (monetary allocations), (National / Provincial and District)		65 022	50 318	75 488	1 322	18 018	57 470	(39 452)	(0)	75 488
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		82 255	8 080	31 282	6 807	45 586	1 685			31 282
Tax ation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		82 255	8 080	31 282	6 807	45 586	1 685			31 282
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		82 255	8 080	31 282	6 807	45 586	1 685			31 282
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		82 255	8 080	31 282	6 807	45 586	1 685			31 282

#### **Explanatory notes to Table C4 – Monthly Budgeted Financial Performance (revenue and expenditure)**

- Total revenue amounted to R273m as at March 2020 (excluding capital transfers and contributions). Revenue generated from property rates is R102m which represents 37per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
- Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R 91m as at March 2020. This growth can mainly be attributed to the increase in the bulk prices of electricity.
- Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases.
- Bulk purchases as at end March 2020 amounted to R 78m.
- Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table C5 – Monthly Budget Capital Expenditure by vote, standard classification and funding source**

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	-	-	-	-	-	-	-
Vote 3 - Community and public safety		-	-	-	-	-	-	-	-	-
Vote 4 - Economic and environmental services		-	-	-	-	-	-	-	-	-
Vote 5 - Trading services		-	-	-	-	-	-	-	-	-
Vote 6 - Null		-	-	-	-	-	-	-	-	-
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	555	600	-	-	370	(370)	-100%	600
Vote 2 - Finance and administration		-	200	1 980	-	199	133	65	49%	1 980
Vote 3 - Community and public safety		2 306	29 204	35 260	2 364	12 123	19 469	(7 347)	-38%	35 260
Vote 4 - Economic and environmental services		-	74 333	82 798	7 510	32 768	49 555	(16 787)	-34%	82 798
Vote 5 - Trading services		-	21 200	32 284	266	3 835	14 067	(10 232)	-73%	32 284
Vote 6 - Null		-	-	-	-	-	-	-	-	-
Vote 7 - Null		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	2 306	125 492	152 922	10 140	48 924	83 595	(34 671)	-41%	152 922
<b>Total Capital Expenditure</b>		2 306	125 492	152 922	10 140	48 924	83 595	(34 671)	-41%	152 922
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		(9 109)	755	2 580	-	199	503	(305)	-61%	2 580
Executive and council		517	555	600	-	-	370	(370)	-100%	600
Finance and administration		(9 626)	200	1 980	-	199	133	65	49%	1 980
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		14 451	30 354	35 260	2 364	12 123	20 236	(8 113)	-40%	35 260
Community and social services		6 528	8 204	8 684	2	3 413	5 469	(2 056)	-38%	8 684
Sport and recreation		0	300	400	-	82	200	(118)	-59%	400
Public safety		5 616	1 850	956	-	690	1 233	(543)	-44%	956
Housing		2 306	20 000	25 220	2 362	7 937	13 333	(5 396)	-40%	25 220
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		39 846	73 183	82 798	7 510	32 950	48 789	(15 839)	-32%	82 798
Planning and development		7 930	32 510	30 190	2 709	10 351	21 673	(11 322)	-52%	30 190
Road transport		31 916	40 673	52 608	4 801	22 598	27 115	(4 517)	-17%	52 608
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		26 043	21 200	32 284	266	3 653	14 133	(10 481)	-74%	32 284
Energy sources		26 898	21 100	32 134	266	3 548	14 067	(10 519)	-75%	32 134
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		(855)	100	150	-	105	67	39	58%	150
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	71 231	125 492	152 922	10 140	48 924	83 661	(34 738)	-42%	152 922
<b>Funded by:</b>										
National Government		-	30 318	33 776	1 329	5 656	28 120	(22 464)	-80%	33 776
Provincial Government		-	20 000	41 712	898	12 370	29 342	(16 973)	-58%	41 712
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	50 318	75 488	2 227	18 025	57 462	(39 437)	-69%	75 488
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	75 174	77 434	7 912	30 898	26 132	4 766	18%	77 434
<b>Total Capital Funding</b>		-	125 492	152 922	10 140	48 924	83 595	(34 671)	-41%	152 922



## **Explanatory notes to Table C5 – Monthly Budgeted Capital Expenditure by vote, standard classification and funding source**

- Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality.  
The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses

**Table C6 – Monthly Budgeted Financial Position**

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		42 507	(115 599)	7 215	13 967	7 215
Call investment deposits		73 564	266 234	8 972	147 123	8 972
Consumer debtors		47 347	92 331	82 389	49 210	82 389
Other debtors		226 516	243 744	2 538	231 159	2 538
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 755	3 416	1 755	1 424	1 755
<b>Total current assets</b>		<b>391 689</b>	<b>490 126</b>	<b>102 868</b>	<b>442 883</b>	<b>102 868</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		—	96 651	96 651	96 651	96 651
Investments in Associate		—	—	—	—	—
Property, plant and equipment		518 993	623 726	653 733	569 983	651 967
Biological		—	—	—	—	—
Intangible		2 063	1 709	2 349	2 063	2 049
Other non-current assets		98 717	3 895	—	—	2 066
<b>Total non current assets</b>		<b>619 773</b>	<b>725 981</b>	<b>752 733</b>	<b>668 697</b>	<b>752 733</b>
<b>TOTAL ASSETS</b>		<b>1 011 462</b>	<b>1 216 107</b>	<b>855 601</b>	<b>1 111 580</b>	<b>855 601</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		5 556	9 853	4 445	5 601	4 445
Trade and other payables		246 372	317 552	36 996	295 618	36 996
Provisions		16 039	2 870	3 065	16 039	3 065
<b>Total current liabilities</b>		<b>267 967</b>	<b>330 275</b>	<b>44 506</b>	<b>317 257</b>	<b>44 506</b>
<b>Non current liabilities</b>						
Borrowing		—	—	—	—	—
Provisions		15 016	20 440	20 157	14 993	20 157
<b>Total non current liabilities</b>		<b>15 016</b>	<b>20 440</b>	<b>20 157</b>	<b>14 993</b>	<b>20 157</b>
<b>TOTAL LIABILITIES</b>		<b>282 983</b>	<b>350 715</b>	<b>64 663</b>	<b>332 250</b>	<b>64 663</b>
<b>NET ASSETS</b>	2	<b>728 479</b>	<b>865 392</b>	<b>790 938</b>	<b>779 329</b>	<b>790 938</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		728 479	865 392	790 938	779 329	790 938
Reserves		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>728 479</b>	<b>865 392</b>	<b>790 938</b>	<b>779 329</b>	<b>790 938</b>

**Explanatory notes to Table C6 - Budgeted Financial Position**

- Table C6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;
- Changes in net assets; and
- Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

**Table C7 - Budgeted Cash Flow Statement**

Description	Ref	2018/19	Budget Year 2019/20							
		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		95 215	146 619	146 619	7 704	94 128	52 491	41 637	79%	146 619
Serv ice charges		136 251	132 562	109 072	7 191	104 530	4 542	99 988	2201%	109 072
Other revenue		1 379	12 289	15 229	844	9 316	5 913	3 403	58%	15 229
Gov ernment - operating		59 598	69 940	69 570	15 416	66 819	2 751	64 068	2329%	69 570
Gov ernment - capital		65 022	50 318	75 488	1 322	33 018	42 470	(9 453)	-22%	75 488
Interest		8 877	13 781	13 781	120	3 803	9 978	(6 175)	-62%	13 781
Div idends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employ ees		(272 974)	(372 046)	(375 721)	(25 873)	(256 078)	5 647	261 724	4635%	(375 721)
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	-	(1 000)	-	-	-	-		(1 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES		93 370	53 463	53 038	6 724	55 536	123 792	68 257	55%	53 038
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1 044	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receiv ables		-	-	-	-	93 526	(0)	93 526	#####	-
Decrease (increase) in non-current inv estments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(92 733)	(125 492)	(152 922)	(10 140)	(48 924)	(38 784)	10 140	-26%	(152 922)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(91 689)	(125 492)	(152 922)	(10 140)	44 603	(38 784)	(83 387)	215%	(152 922)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrow ing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	(0)	190	7 078	(6 888)	-97%	-
Payments										
Repay ment of borrowing		128	-	-	-	(23)	(41 175)	(41 152)	100%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		128	-	-	(0)	167	(34 097)	(34 264)	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD										
		1 809	(72 029)	(99 884)	(3 416)	100 305	50 911			(99 884)
Cash/ cash equiv alents at beginning:		114 262	136 094	116 071		60 785	116 071			60 785
Cash/ cash equiv alents at month/ y ear end:		116 071	64 065	16 187		161 090	166 982			(39 099)

**Explanatory notes to Table C7 - Budgeted Cash Flow Statement**

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- The 2019/20 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term

## Part 2 – Supporting Documentation

Supporting Table SC2 Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	Ref	2018/19	Budget Year 2019/20			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	10.4%	10.3%	0.0%	1.9%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		33.8%	36.7%	4.7%	37.9%	4.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	146.2%	148.4%	231.1%	139.6%	231.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		43.3%	45.6%	36.4%	50.8%	36.4%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		77.8%	86.4%	21.7%	102.7%	21.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		33.2%	37.1%	36.8%	34.7%	36.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.9%	11.6%	11.5%	0.0%	2.1%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

# **KZN433 Greater Kokstad - Supporting Table SC5 Monthly Budget Statement - investment portfolio**

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<b>Municipality</b>									
RESERVE ACCOUNT					170		46 147		46 318
PEOPLE'S HOUSING PROCESS					0		24		24
MUNICIPAL INFRASTRUCTURE GRANT - MIG					37		15 173	15 000	210
MSIG PROJECT CONSOLIDATE					1		244		245
FMG					5		1 833	776	1 063
HORSESHOE HOUSING					4		1 055		1 059
ARTS AND CULTURE					8		2 191	1 123	1 060
HOUSING OPERATING ACCOUNT					10		2 777		2 787
GKM PROPERTIES RENTAL					-		2		2
SMALL TOWN REHABILITATION					9		1 910	-	1 919
EXPANDED PUBLIC WORKS PROGRAM					13		2 634	2 718	(71)
MUNICIPALITY EXCELLENCE AWARDS					0		85		85
SPORTS AND RECREATION					1		113		114
DOE					75		18 177	2 684	15 568
NEDBANK RESERVE ACCOUNT					70		14 587		14 657
NEW NEDBANK RESERVE ACCOUNT					33		6 776		6 809
ABSA RESERVE ACCOUNT					95		14 674		14 769
NEW ABSA RESERVE ACCOUNT					44		6 789		6 832
STANDARD BANK RESERVE ACCOUNT					84		15 023		15 106
NEW STANDARD BANK RESERVE ACCOUNT					38		7 013		7 051
<b>Municipality sub-total</b>					696		157 229	22 300	135 609

## KZN433 Greater Kokstad - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		58 794	67 163	67 163	15 416	65 156	2 007	63 149	3146.8%	67 163
Local Government Equitable Share		55 683	61 663	61 663	15 416	61 663	—	61 663	#DIV/0!	61 663
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
	3	—	—	—	—	—	—	—	—	—
EPWP Incentiv e		1 311	3 700	3 700	—	2 718	982	1 735	176.7%	3 700
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Finance Management		1 800	1 800	1 800	—	776	1 024	(249)	-24.3%	1 800
Provincial Government:		2 070	2 777	2 407	—	1 123	1 059	63	6.0%	2 407
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Seta		—	—	225	—	—	—	—	—	225
Arts and culture		2 070	2 777	2 182	—	1 123	1 059	63	6.0%	2 182
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Other grant providers:		1 356	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
Sports and Recreation		1 356	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
<b>Total Operating Transfers and Grants</b>	5	62 220	69 940	69 570	15 416	66 279	3 066	63 213	2061.7%	69 570
<b>Capital Transfers and Grants</b>										
National Government:		40 463	30 318	30 318	—	8 713	21 605	(2 893)	-13.4%	30 318
Municipal Infrastructure Grant (MIG)		22 549	17 318	17 318	—	7 212	10 106	(2 893)	-28.6%	17 318
Regional Bulk Infrastructure		17 914	13 000	13 000	—	1 501	11 499	—	—	13 000
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Other capital transfers [insert description]		—	—	—	—	—	—	—	—	—
Provincial Government:		—	20 000	45 170	—	6 321	38 848	(32 527)	-83.7%	45 170
Housing		—	20 000	20 000	—	5 720	14 280	(8 560)	-59.9%	20 000
Small town		—	—	25 170	—	601	24 568	—	—	25 170
		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
<b>Total Capital Transfers and Grants</b>	5	40 463	50 318	75 488	—	15 034	60 453	(35 420)	-58.6%	75 488
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	102 683	120 258	145 058	15 416	81 313	63 519	27 793	43.8%	145 058

# KZN433 Greater Kokstad - Supporting Table SC7 (1) Monthly Budget Statement - transfers and grant expenditure

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	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:		58 794	67 163	67 163	15 878	50 202	15 971	34 231	214.3%	67 163
Local Government Equitable Share		55 683	61 663	61 663	15 416	46 247	15 416	30 831	200.0%	61 663
EPWP Incentiv e		1 311	3 700	3 700	428	3 145	555	2 590	466.9%	3 700
								-		
								-		
								-		
Finance Management		1 800	1 800	1 800	34	810		810	#DIV/0!	1 800
Provincial Government:		2 070	2 777	2 407	144	1 266	916	351	38.3%	2 407
								-		
Seta		-	-	225				-		225
Arts and culture		2 070	2 777	2 182	144	1 266	916	351	38.3%	2 182
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		60 864	69 940	69 570	16 021	51 468	16 886	34 582	204.8%	69 570
Capital expenditure of Transfers and Grants										
National Government:		40 463	30 318	30 318	2 262	11 660	18 658	(6 999)	-37.5%	30 318
Municipal Infrastructure Grant (MIG)		22 549	17 318	17 318	2 262	11 660	5 658	6 001	106.1%	17 318
Regional Bulk Infrastructure		17 914	13 000	13 000		-	13 000	(13 000)	-100.0%	13 000
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	20 000	45 170	2 717	9 128	10 872	(1 744)	-16.0%	45 170
Housing			20 000	20 000	2 717	9 128	10 872	(1 744)	-16.0%	20 000
Cogta grants				25 170				-		25 170
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		40 463	50 318	75 488	4 978	20 788	29 530	(8 742)	-29.6%	75 488
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		101 327	120 258	145 058	20 999	72 256	46 417	25 839	55.7%	145 058



# KZN433 Greater Kokstad - Supporting Table SC8 Monthly Budget Statement - Councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4 721	5 075	5 075	402	3 208	3 383	(176)	-5%	5 075
Pension and UIF Contributions		685	688	688	60	470	459	12	3%	688
Medical Aid Contributions		294	332	332	28	208	221	(13)	-6%	332
Motor Vehicle Allowance		116	350	350	9	70	234	(163)	-70%	350
Cellphone Allowance		765	1 007	1 007	65	513	672	(159)	-24%	1 007
Housing Allowances		621	826	826	50	400	551	(151)	-27%	826
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>7 201</b>	<b>8 279</b>	<b>8 279</b>	<b>613</b>	<b>4 870</b>	<b>5 519</b>	<b>(649)</b>	<b>-12%</b>	<b>8 279</b>
<b>% increase</b>	4		<b>15.0%</b>	<b>15.0%</b>						<b>15.0%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>% increase</b>	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		89 329	112 769	112 769	8 737	69 317	75 179	(5 863)	-8%	112 769
Pension and UIF Contributions		606	818	818	53	427	545	(118)	-22%	818
Medical Aid Contributions		4 172	6 449	6 449	520	3 854	4 300	(445)	-10%	6 449
Overtime		6 465	5 715	5 715	511	4 420	3 810	610	16%	5 715
Performance Bonus		5 158	4 645	4 645	144	3 472	3 097	375	12%	4 645
Motor Vehicle Allowance		2 459	3 464	3 464	187	1 512	2 309	(797)	-35%	3 464
Cellphone Allowance		14 987	-	-	-	-	-	-	-	-
Housing Allowances		1 383	2 453	2 453	113	847	1 635	(788)	-48%	2 453
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		3 060	7 917	7 917	19	661	5 278	(4 617)	-87%	7 917
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>127 619</b>	<b>144 230</b>	<b>144 230</b>	<b>10 283</b>	<b>84 509</b>	<b>96 154</b>	<b>(11 644)</b>	<b>-12%</b>	<b>144 230</b>
<b>% increase</b>	4		<b>13.0%</b>	<b>13.0%</b>						<b>13.0%</b>
<b>Total Parent Municipality</b>		<b>134 820</b>	<b>152 509</b>	<b>152 509</b>	<b>10 896</b>	<b>89 380</b>	<b>101 673</b>	<b>(12 293)</b>	<b>-12%</b>	<b>152 509</b>



## Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Ref	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>																
Property rates		8 050	8 167	7 192	13 852	9 074	8 283	23 168	8 177	7 704	-	-	(13 201)	80 464	121 920	148 062
Service charges - electricity revenue		9 701	5 217	25 561	9 918	7 853	11 602	11 402	8 342	6 183	-	-	(6 187)	89 592	68 419	147 943
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		2 876	3 313	1 460	1 441	1 352	1 336	(12 188)	1 315	1 009	-	-	(1 009)	904	26 864	28 314
Rental of facilities and equipment		114	76	165	82	117	141	156	137	147	-	-	(146)	990	893	1 476
Interest earned - external investments		31	59	669	66	29	41	67	51	23	-	-	(23)	1 013	9 456	9 967
Interest earned - outstanding debtors		394	477	311	321	306	295	277	105	97	-	-	(97)	2 486	5 069	5 343
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		17	74	35	39	52	61	54	18	66	-	-	(1 702)	(1 286)	(10 562)	2 056
Licences and permits		439	183	276	531	65	280	400	268	223	-	-	(223)	2 442	4 617	4 866
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating		25 693	1 800	-	-	-	20 554	3 140	216	15 416	-	-	(15 416)	51 403	73 024	76 968
Other revenue		991	509	1 403	(1 216)	601	(1 533)	(956)	(1 578)	407	-	-	4 078	2 704	(224 775)	3 595
<b>Cash Receipts by Source</b>		<b>48 306</b>	<b>19 874</b>	<b>37 073</b>	<b>25 033</b>	<b>19 449</b>	<b>41 058</b>	<b>25 320</b>	<b>17 051</b>	<b>31 275</b>	<b>-</b>	<b>-</b>	<b>(33 927)</b>	<b>230 712</b>	<b>74 924</b>	<b>428 589</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital		211	5 220	-	5 434	15 000	7 826	3 725	(5 720)	1 322	-	-	(3 322)	29 696	53 035	55 899
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		10	26	(17)	37	6	(13)	(33)	(0)	-	-	-	1	17	5 408	-
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		91 065	(64 588)	1 435	1 786	5 537	2 918	(5 249)	7 971	11 496	-	-	44 280	96 651	(1 711)	19
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>		<b>139 592</b>	<b>(39 469)</b>	<b>38 492</b>	<b>32 290</b>	<b>39 991</b>	<b>51 788</b>	<b>23 964</b>	<b>19 302</b>	<b>44 093</b>	<b>-</b>	<b>-</b>	<b>7 033</b>	<b>357 076</b>	<b>131 657</b>	<b>484 507</b>
<b>Cash Payments by Type</b>																
Employee related costs		10 820	10 144	10 389	10 402	10 647	10 858	11 254	10 494	10 302	-	-	(10 302)	85 007	138 005	160 227
Remuneration of councillors		581	581	604	606	606	628	650	613	613	-	-	(613)	4 870	8 726	9 197
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		11 567	78	13 267	19 641	7 045	6 766	6 461	6 640	6 360	-	-	(6 360)	71 465	117 371	123 709
Bulk purchases - Water & Sewer		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		388	332	191	21	824	583	280	1 439	316	-	-	(316)	4 059	6 715	7 077
Contracted services		3 714	4 206	3 073	2 430	3 732	3 734	5 257	2 333	5 405	-	-	(6 430)	27 454	58 998	62 183
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		7 629	1 461	9 320	3 550	3 730	3 756	3 709	3 170	2 878	-	-	(16 092)	23 110	36 257	66 915
<b>Cash Payments by Type</b>		<b>34 699</b>	<b>16 801</b>	<b>36 845</b>	<b>36 651</b>	<b>26 584</b>	<b>26 326</b>	<b>27 610</b>	<b>24 689</b>	<b>25 873</b>	<b>-</b>	<b>-</b>	<b>(40 112)</b>	<b>215 965</b>	<b>366 071</b>	<b>429 309</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		729	19 236	(10 749)	8 944	5 043	7 848	3 354	4 380	10 140	-	-	(48 924)	-	-	-
Repayment of borrowing		-	-	23	-	-	-	-	-	-	-	-	-	23	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>		<b>35 428</b>	<b>36 037</b>	<b>26 119</b>	<b>45 596</b>	<b>31 626</b>	<b>34 173</b>	<b>30 964</b>	<b>29 069</b>	<b>36 012</b>	<b>-</b>	<b>-</b>	<b>(89 036)</b>	<b>215 988</b>	<b>366 071</b>	<b>429 309</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>104 164</b>	<b>(75 506)</b>	<b>12 373</b>	<b>(13 306)</b>	<b>8 365</b>	<b>17 615</b>	<b>(7 000)</b>	<b>(9 767)</b>	<b>8 080</b>	<b>-</b>	<b>-</b>	<b>96 069</b>	<b>141 087</b>	<b>(234 414)</b>	<b>55 198</b>
Cash/cash equivalents at the month/year beginning:		116 071	220 235	144 729	157 102	143 796	152 161	169 776	162 776	153 010	161 090	161 090	161 090	116 071	257 158	22 745
Cash/cash equivalents at the month/year end:		220 235	144 729	157 102	143 796	152 161	169 776	162 776	153 010	161 090	161 090	161 090	257 158	257 158	22 745	77 942

**KZN433 Greater Kokstad - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend**

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	3 170	10 458	10 458	729	729	10 458	9 729	93.0%	1%
August	8 038	10 458	10 458	19 236	19 965	20 915	950	4.5%	16%
September	1 828	10 458	10 458	(10 749)	–	31 373	31 373	100.0%	0%
October	4 533	10 458	10 458	8 944	8 944	41 831	32 886	78.6%	7%
November	3 266	10 458	11 369	5 043	13 987	53 200	39 213	73.7%	11%
December	5 225	10 458	10 458	7 848	21 835	63 658	41 823	65.7%	17%
January	1 752	10 458	11 126	3 354	25 188	74 784	49 596	66.3%	20%
February	10 904	10 458	15 848	4 380	29 568	90 632	61 064	67.4%	24%
March	14 254	10 458	15 848	10 140	39 708	106 479	66 772	62.7%	32%
April	3 592	10 458	15 848	–	–	122 327	122 327	100.0%	–
May	7 425	10 458	15 848	–	–	138 174	138 174	100.0%	–
June	28 444	10 458	14 748	–	–	152 922	152 922	100.0%	–
<b>Total Capital expenditure</b>	<b>92 429</b>	<b>125 492</b>	<b>152 922</b>	<b>48 924</b>					

# KZN433 Greater Kokstad - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	39 380	42 767	4 013	19 319	26 187	6 867	26.2%	42 767
Roads Infrastructure		–	13 780	15 909	1 967	7 879	9 187	1 308	14.2%	15 909
Roads		–	13 780	15 909	1 967	7 879	9 187	1 308	14.2%	15 909
Road Structures		–	–	–	–	–	–	–		–
Electrical Infrastructure		–	13 100	16 558	–	1 305	8 667	7 362	84.9%	16 558
Power Plants		–	13 000	16 458	–	1 305	8 667	7 362	84.9%	16 458
HV Substations		–	–	–	–	–	–	–		–
Capital Spares		–	100	100	–	–	–	–		100
Water Supply Infrastructure		–	–	–	–	–	–	–		–
Solid Waste Infrastructure		–	12 500	10 300	2 046	10 136	8 333	(1 803)	-21.6%	10 300
Landfill Sites		–	12 500	10 300	2 046	10 136	8 333	(1 803)	-21.6%	10 300
Community Assets		–	40 900	35 244	2 711	12 527	27 267	14 740	54.1%	35 244
Community Facilities		–	27 000	30 214	2 711	12 269	18 000	5 731	31.8%	30 214
Halls		–	7 500	6 403	–	2 677	5 000	2 323	46.5%	6 403
Centres		–	5 000	8 905	2 709	8 761	3 333	(5 428)	-162.8%	8 905
Crèches		–	2 000	3 300	–	3	1 333	1 331	99.8%	3 300
Clinics/Care Centres		–	–	–	–	–	–	–		–
Fire/Ambulance Stations		–	500	606	–	514	333	(181)	-54.3%	606
Testing Stations		–	–	–	–	–	–	–		–
Cemeteries/Crematoria		–	5 000	5 000	2	314	3 333	3 019	90.6%	5 000
Police		–	1 000	–	–	–	667	667	100.0%	–
Parks		–	–	–	–	–	–	–		–
Markets		–	2 200	2 800	–	–	1 467	1 467	100.0%	2 800
Stalls		–	3 800	3 200	–	–	2 533	2 533	100.0%	3 200
Abattoirs		–	–	–	–	–	–	–		–
Sport and Recreation Facilities		–	13 900	5 030	–	257	9 267	9 009	97.2%	5 030
Indoor Facilities		–	13 900	5 030	–	257	9 267	9 009	97.2%	5 030
Other assets		–	20 000	25 220	2 362	7 937	13 333	5 396	40.5%	25 220
Operational Buildings		–	–	–	–	–	–	–		–
Housing		–	20 000	25 220	2 362	7 937	13 333	5 396	40.5%	25 220
Staff Housing		–	–	–	–	–	–	–		–
Social Housing		–	20 000	25 220	2 362	7 937	13 333	5 396	40.5%	25 220
Capital Spares		–	–	–	–	–	–	–		–
Computer Equipment		–	–	600	–	–	–	–		600
Computer Equipment		–	–	600	–	–	–	–		600
Furniture and Office Equipment		–	505	1 580	–	90	337	247	73.3%	1 580
Furniture and Office Equipment		–	505	1 580	–	90	337	247	73.3%	1 580
Machinery and Equipment		–	810	1 610	–	363	540	177	32.8%	1 610
Machinery and Equipment		–	810	1 610	–	363	540	177	32.8%	1 610
Transport Assets		–	550	600	–	–	367	367	100.0%	600
Transport Assets		–	550	600	–	–	367	367	100.0%	600
Total Capital Expenditure on new assets	1	–	102 145	107 621	9 086	40 237	68 030	27 793	40.9%	107 621

**KZN433 Greater Kokstad - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	17 952	15 522	2 159	10 431	11 968	1 536	12.8%	15 522
Roads Infrastructure		-	3 836	3 836	327	1 962	2 557	595	23.3%	3 836
Roads		-	-	-	-	-	-	-		-
Road Structures		-	3 236	3 236	327	1 751	2 157	406	18.8%	3 236
Road Furniture		-	600	600	-	211	400	189	47.2%	600
Capital Spares		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	8 416	8 416	1 567	6 346	5 611	(736)	-13.1%	8 416
Power Plants		-	-	-	-	-	-	-		-
LV Networks		-	8 416	8 416	1 567	6 346	5 611	(736)	-13.1%	8 416
Capital Spares		-	-	-	-	-	-	-		-
Solid Waste Infrastructure		-	5 700	3 270	265	2 123	3 800	1 677	44.1%	3 270
Landfill Sites		-	5 700	3 270	265	2 123	3 800	1 677	44.1%	3 270
Waste Transfer Stations		-	-	-	-	-	-	-		-
<b>Other assets</b>		-	4 398	3 604	608	1 269	2 932	1 663	56.7%	3 604
Operational Buildings		-	4 398	3 604	608	1 269	2 932	1 663	56.7%	3 604
Municipal Offices		-	4 398	3 604	608	1 269	2 932	1 663	56.7%	3 604
<b>Computer Equipment</b>		-	300	290	173	205	200	(5)	-2.6%	290
Computer Equipment		-	300	290	173	205	200	(5)	-2.6%	290
<b>Furniture and Office Equipment</b>		-	100	100	-	-	67	67	100.0%	100
Furniture and Office Equipment		-	100	100	-	-	67	67	100.0%	100
<b>Machinery and Equipment</b>		-	2 570	4 359	519	1 667	1 713	46	2.7%	4 359
Machinery and Equipment		-	2 570	4 359	519	1 667	1 713	46	2.7%	4 359
<b>Transport Assets</b>		-	1 861	1 861	297	1 037	1 241	203	16.4%	1 861
Transport Assets		-	1 861	1 861	297	1 037	1 241	203	16.4%	1 861
<b>Land</b>		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<b>Total Repairs and Maintenance Expenditure</b>	1	-	27 180	25 735	3 756	14 610	18 120	3 510	19.4%	25 735

# KZN433 Greater Kokstad - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b><u>Depreciation by Asset Class/Sub-class</u></b>										
<b><u>Infrastructure</u></b>		-	21 902	21 902	-	-	14 601	14 601	100.0%	-
Roads Infrastructure		-	20 068	20 068	-	-	13 379	13 379	100.0%	-
Roads		-	20 068	20 068	-	-	13 379	13 379	100.0%	-
Road Structures		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 834	1 834	-	-	1 222	1 222	100.0%	-
Power Plants		-	-	-	-	-	-	-	-	-
MV Networks		-	1 834	1 834	-	-	1 222	1 222	100.0%	-
LV Networks		-	-	-	-	-	-	-	-	-
<b><u>Other assets</u></b>		-	14 987	14 987	-	-	9 991	9 991	100.0%	-
Operational Buildings		-	14 987	14 987	-	-	9 991	9 991	100.0%	-
Municipal Offices		-	14 987	14 987	-	-	9 991	9 991	100.0%	-
<b><u>Intangible Assets</u></b>		-	338	338	-	-	225	225	100.0%	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	338	338	-	-	225	225	100.0%	-
Water Rights		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	338	338	-	-	225	225	100.0%	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b><u>Computer Equipment</u></b>		-	684	684	-	-	456	456	100.0%	-
Computer Equipment		-	684	684	-	-	456	456	100.0%	-
<b><u>Furniture and Office Equipment</u></b>		-	441	441	-	-	294	294	100.0%	-
Furniture and Office Equipment		-	441	441	-	-	294	294	100.0%	-
<b><u>Machinery and Equipment</u></b>		-	2 023	2 023	-	-	1 349	1 349	100.0%	-
Machinery and Equipment		-	2 023	2 023	-	-	1 349	1 349	100.0%	-
<b><u>Transport Assets</u></b>		-	809	809	-	-	539	539	100.0%	-
Transport Assets		-	809	809	-	-	539	539	100.0%	-
<b><u>Land</u></b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b><u>Zoo's, Marine and Non-biological Animals</u></b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	-	41 183	41 183	-	-	27 455	27 455	100.0%	-

**KZN433 Greater Kokstad - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	16 143	36 380	1 054	4 786	10 762	5 976	55.5%	-
Roads Infrastructure		-	8 393	12 724	788	2 362	5 595	3 234	57.8%	-
Roads		-	370	2 756	-	-	247	247	100.0%	-
Road Structures		-	8 023	9 968	788	2 362	5 349	2 987	55.8%	-
Road Furniture		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	7 750	23 656	266	2 425	5 167	2 742	53.1%	-
Power Plants		-	250	500	-	224	167	(57)	-34.3%	-
HV Substations		-	-	-	-	-	-	-		-
HV Switching Station		-	-	21 720	-	-	-	-		-
HV Transmission Conductors		-	-	-	-	-	-	-		-
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations		-	4 000	336	52	684	2 667	1 983	74.4%	-
MV Networks		-	3 500	1 100	214	1 517	2 333	816	35.0%	-
LV Networks		-	-	-	-	-	-	-		-
<b>Community Assets</b>		-	1 004	2 081	-	1 662	669	(993)	-148.3%	-
Community Facilities		-	1 004	2 081	-	1 662	669	(993)	-148.3%	-
Halls		-	704	1 781	-	1 662	469	(1 193)	-254.1%	-
Centres		-	-	-	-	-	-	-		-
Parks		-	300	300	-	-	200	200	100.0%	-
Public Open Space		-	-	-	-	-	-	-		-
<b>Computer Equipment</b>		-	200	800	-	199	133	(65)	-48.9%	-
Computer Equipment		-	200	800	-	199	133	(65)	-48.9%	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	-	17 347	39 261	1 054	6 647	11 565	4 918	42.5%	-

**Performance indicators and benchmarks**

- Borrowing Management**

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Greater Kokstad Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

- *Safety of Capital*

*The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The debt to equity ratio in 2019/20 is 26.1 per cent. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. As part of the planning guidelines that informed the compilation of the 2019/20 MTREF ensuring proper cash-backing of reserves and funds has been considered a prudent financial sustainability.

- *Liquidity*

*Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.

*The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 financial year the ratio was 1.7 and as part of the financial planning strategy it has been decreased to 1.3 as at end March 2020.

- *Revenue Management*

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

- *Creditors Management*

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

- *Other Indicators*

The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.

Employee costs as a percentage of operating revenue continues to increase over the MTREF.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

## 1.5 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **Budget**  
This annual budget has been developed in accordance with the requirements prescribed by the MFMA, Municipal Budget and Reporting Regulations, National Treasury and mSCOA regulations. Budgets are being tabled and approved within the required legislative timeframes.
- **IDP**  
The 2019/20 review process is complete, with community consultation already undertaken as required by legislation.
- **In year reporting**  
Fully compliant with regards to monthly, quarterly and annual reports to Council, Provincial and National Treasury.  
Section 52(d) reporting to the Executive Mayor (within 24 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
- **Internship programme**  
  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
- **Budget and Treasury Office**  
The Budget and Treasury Office has been established in accordance with the MFMA and National Treasury requirements.
- **Audit Committee**  
The Audit Committee, an independent external committee provides an oversight function over the financial and risk management and performance of the municipality.
- **Service Delivery and Budget Implementation Plan**  
The SDBIP is a key management, implementation and monitoring tool, which provides operational content to the end-of-year service delivery targets, set in the budget and IDP. The SDBIP provides a credible information management plan to ensure service delivery targets and other performance management indicators are achieved.  
It is the mechanism that ensures that the IDP and Budget are aligned. The focus of the SDBIP is the creation of both financial and non-financial measurable performance objectives in the form of service delivery targets. It contains the Strategic Focus Areas which is then drilled down into programs, projects and subprojects.



## 1.6 Municipal manager's quality certificate

I **L.H. Mapholoba** Municipal Manager of Greater Kokstad Municipality, hereby certify that the Monthly budget statement report for quarter ending 31 March 2020 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name \_\_\_\_\_  
Municipal Manager of Greater Kokstad Municipality (KZN 433)

Signature \_\_\_\_\_

Date \_\_\_\_\_