

**REPORT BY CHIEF FINANCIAL OFFICER TO BUDGET AND TREASURY  
COMMITTEE****INDEX : 26 APRIL 2022**

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**NELSON MANDELA BAY MUNICIPALITY**  
**CYCLE NO. 3/2022**  
**REPORT OF THE CHIEF FINANCIAL OFFICER**  
**TO THE**  
**BUDGET AND TREASURY STANDING COMMITTEE**  
**MEETING DATE: 26 APRIL 2022**

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**1. FINANCIAL REPORT FOR THE PERIOD 01 JULY 2021 TO 31 MARCH 2022 AND THE ASSESSMENT OF THE MUNICIPALITY'S FINANCIAL POSITION AS AT 31 MARCH 2022 (2021/22 FINANCIAL YEAR)**

**1.1 PURPOSE**

The purpose of this report is to assess the financial performance and financial position of the Municipality and its consequential impact on the implementation of the approved 2021/22 Operating and Capital Budgets, as approved by Council on the 14<sup>th</sup> June 2021. This report presents an assessment of the municipality's financial performance and financial position as at 31 March 2022 as in terms of Section 71 of the Local Government: Municipal Finance Management Act (MFMA), (Act No. 56 of 2003). This report also highlights financial risks to the municipality that were identified whilst implementing the Council approved budget, with some of these risks being mentioned in previous reports to the Budget and Treasury Standing Committee for awareness.

**1.2 LEGISLATIVE REQUIREMENTS**

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Department of Water Affairs, service providers, etc. In accordance with Section 71 of the MFMA, the Accounting Officer is required to submit to the National and Provincial Treasuries a monthly statement on the state of the municipality's budget. It must be noted that in terms of this monthly report Budget and Treasury Directorate was unable to reflect the 2021/22 Adjustments Budget information as the budget has not yet been approved by Council at the date this report was finalised.

**1.3 EXECUTIVE SUMMARY**

This report provides a balanced and consolidated financial performance overview to assist Council and Budget and Treasury Standing Committee in conducting the oversight role over the financial affairs of the municipality. An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality as of 31 March 2022.

In order to provide a comprehensive analysis, it was necessary to compare the 2021/22 Operating / Capital ~~Adjustments~~ Budgets, the General Ledger and the actual cash inflows and outflows of the Municipality, thereby determining relationships and the associated spending and income trends experienced for the first 9 months of the 2021/22 financial year. The aforementioned was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the 2021/22 financial year, in order to facilitate an informed assessment of the relative liquidity and financial position of the Municipality during the first 9 months period (2021/22).

It is important to note that the 2020/21 Consolidated NMBM Annual Financial Statements were submitted to the Auditor General South Africa (AGSA) on 30 September 2021. However, the Auditing process was only concluded on 2 March 2022 when the final Audit report was signed.

**[NB: It is important to Note that the 2021/22 Adjustments Budget is still awaiting approval from Council, as by the time of concluding this report Council has not yet finalised this process. The delay in the approval of the 2021/22 Adjustments Budget is a cause for concern as included in the Adjustments Budget are the additional grants such as the (i) Presidential Empowerment Program Grant (R16m), (ii) Municipal Disaster Grant (R57m), etc. placing their spending in jeopardy and thereby with a threat of potential Rollovers come financial year-end (2021/22)].**

#### **1.4 FINANCIAL PERFORMANCE HIGHLIGHTS AS AT 31 MARCH 2022 OF THE 2021/22 FINANCIAL YEAR**

The financial performance highlights are as follows:

1.4.1. Operating revenue amounted to R11.168 billion, whilst operating expenditure amounted to R8,395 billion, resulting in an operating surplus of R2.773 billion. It is important to bear in mind when looking at these figures that Property Rates are raised annually in advance. This causes the abnormally high surplus position as at 31 March 2022. It must be noted that R8.979 billion of the operating revenue is represented by Property Rates and Service Charges (i.e. Electricity, Water, Sanitation and Refuse) and is important to note that this revenue represents billed revenue. The total operating revenue excludes Fuel Levy revenue that funds capital projects to present a true operating surplus. As alluded to above, it must be noted that the Property Rates are raised on 1 July of each year for the whole financial year, therefore, the full Property Rates for the 2021/22 financial year has been included in the revenue to date, as reflected in the relevant financial Tables accompanying this report. Other service charges (i.e. Electricity, Water, Sanitation and Refuse) will be raised over the remainder of the financial year as they are consumed.

1.4.2. Capital spending for 2021/22 as at 31 March 2022 amounts to only R588.28 million or 37.92% of the approved capital budget of R1.551 billion. All efforts or strategies to continue improving the spending of capital budget must be enforced, in order to avoid the experience of non-approval of Rollovers (i.e. Unspent portions of Capital Grants availed by National Treasury through the Division of Revenue Act) by National Treasury at financial year-end. The capital expenditure is lower than anticipated. This state of affairs can also be observed by the high level of unspent conditional DoRA grants as at 31 March 2022.

1.4.3. It is important to Note the following:

- It can now be confirmed that National Treasury has transferred the following Grants relating to previous financial years (i.e. 2019/20 & 2020/21) to NMBM on 31 March 2022: -

<b>2019/20:</b>	
Equitable Share:	R 255,415,000
<b>2020/21</b>	
Equitable Share	R10,000,000

- 1.4.4 The conditional grants as indicated in the table below have been received up to 31 March 2022. The table below also reflects the spending on conditional grants and Equitable Share:

Description	Budget Year 2021/22		
	Original Budget	YearTD actual	YearTD budget
R thousands			
		RECEIPTS:	PAYMENTS
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	1,519,298	1,470,468	1,045,663
Local Government Equitable Share	1,143,807	1,143,807	974,301
EPWP Incentive	7,116	7,116	3,596
Finance Management	1,000	1,000	728
Infrastructure Skills Development	10,500	10,500	6,178
LGSETA	2,500	4,210	2,813
Urban Settlements Development	23,544	23,544	11,605
Public Transport Networks Operations	165,110	113,235	33,797
Neighbourhood Development Partnership Grant		15,581	-
Programme and Project Support Grant	11,267	11,267	-
Informal Settlements Partnership Grant	154,454	140,208	12,645
<b>Provincial Government:</b>	30,766	28,443	28,790
Sport and Recreation	15,870	15,870	15,870
DRPW (Maintenance of Roads)	14,000	12,410	12,410
Marine and Coastal Development	896	163	510
<b>Total Operating Transfers and Grants</b>	<b>1,550,064</b>	<b>1,498,911</b>	<b>1,074,453</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	908,360	899,219	345,638
Public Transport Infrastructure	153,468	105,252	28,949
Urban Settlements Development	569,601	569,601	274,395
Neighbourhood Development Partnership	23,700	23,700	13,044
Informal Settlements partnership Grant	161,591	142,837	29,251
Drought Relief Grant		57,829	-
<b>Other grant providers:</b>	40,000	-	19,202
Private Contributions	40,000	-	19,202
<b>Total Capital Transfers and Grants</b>	<b>948,360</b>	<b>899,219</b>	<b>364,840</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>2,498,425</b>	<b>2,398,129</b>	<b>1,439,293</b>

- 1.4.5 As previously reported, during the 2020/21 financial year the NMBM finalised the raising of an external loan, to finance the service delivery projects linked to Water, Sanitation and Electricity services, to the value of **R750.6 million**. The first tranche of external borrowing in the amount of R 85,765,880 was taken up on 1 August 2020. The second tranche of six tranches in the amount of R 128,648,820 was taken up as at 1 February 2021. The third tranche to the value of R101,697,880 was taken up on 19 August 2021. The fourth tranche to the value of R 152,547,120 was taken up on February / March 2022. As at 31 March 2022 R301.012 million of the external borrowing taken up to date was spent, therefore, an amount of R167.64 million remained unspent as at 31 March 2022.

- 1.4.6 Overdue consumer debts increased by **R2.658 billion (42.53%)** since June 2021. The average collection rate for the 2021/22 financial year to date amounted to 72.33%. Therefore, the NMBM had collected approximately **R1.162 billion less** than anticipated in the 2021/22 operating budget where a collection rate of 85% was provided for. Long outstanding consumer debtors are escalating at an alarming rate and non-cash backed interest charged on such old debt contributes further to the escalation of debt. The consumer debtors that were considered for impairment as at 30 June 2021 should be interrogated and debtors that are not able to be recovered should be considered for write-off purposes once it is determined to be a true unrecoverable debt. As previously reported the lack of Council and Standing Committee meetings also contributed to the slow write-off of irrecoverable debtors, as Budget and Treasury Directorate base the implementation of write-offs on a Council resolution. Proper procedures and processes should be in place prior to any debt being considered for write-off, which should be supported by proper conditions to ensure that proper debt management and credit

control will be enforced moving forward per consumer debtor. The collection rate for March 2022 based on what was billed for February 2022 was 78.41%. The Committee should also note that the introduction of the "punitive tariff" for water service, necessitated by the drought situation is resulting to an escalating water debt. It is our view that this situation requires to be re-considered as it does not appear to be a solution to the problem faced by the municipality relating to drought.

- 1.4.7 An amount of R1.929 billion is owing to Creditors (Trade and Other Payables) of which R502.854 million is current creditors (or within the 30-Day period and not yet payable). Creditors consist of (i) Payments and Accruals, (ii) Payments Received in Advance, (iii) Staff leave and (iv) Retentions. Below is a table detailing some of the amounts included in this figure: -

Detail	Total
	R '000
Bulk Electricity	373,230,321.48
Bulk Water	13,349,019.10
PAYE deductions	43,160,396.30
VAT (output less input)	23,438,821.84
Pensions / Retirement deductions	43,104,100.42
Loan Repayments	-
Trade Creditors	1,426,996,822.36
Auditor-General	4,909,323.17
Other	-
<b>Total</b>	<b>1,929,188,804.67</b>

It is important to Note that the Non-Current Trade Creditors in the amount of R1.427 billion contains the Developers Contributions and Other deposits (R102.468 million), Staff Leave Pay (R335.627 million), Creditors Retention (R116.997 million), Payments Received in Advance (R110.080 million), Upgrading of New Brighton Library (R1.916 million) and Port Elizabeth Land Restitution Project (R2.129 million) that are not due within 30 days or to be paid back within the 2021/22 financial year. It can be concluded that an amount of approximately **R757.780 million** is due for payment but were outstanding for a period longer than 30 Days from date of invoice, due to various reasons. The remaining R669.217 million outstanding for the period longer than 30 days is not yet due for payment. It must be noted that resulting from the delayed payment of invoices for a period greater than 30 days, as prescribed in terms of Section 65(2)(e) of the Municipal Finance Management Act (56 of 2003), the issue of arrear invoices became a standing item in the weekly War Room Sessions, whereupon each Directorate is responsible to account on any invoices that are recorded to be outstanding for a long-period greater than 30 Days. It is hoped that these sessions continue being held for affected Directorates to account for their contributions to non-payment of Creditors, on a case-by-case basis.

- 1.4.8 The municipality's investment portfolio has increased by R846.44 million (19.81%) since June 2021 from R4,273 billion to R5.120 billion. The poor outstanding debtors' collection rate of only 72.33% have impacted materially on the Investment Portfolio. The transfer of the R265.41 million outstanding Equitable Share contributed towards the improved Investment portfolio. It is anticipated that the investment portfolio will decrease over the remainder of the financial year.

- 1.4.9 Bridge-funding of housing top structures stands at R195.28 million as at 31 March 2022.
- 1.4.10 The Non-revenue Water Losses for March 2022 amount to 3.973 million kl or 46.5%. The cumulative Water losses for the period 01 July 2021 to 31 March 2022 amounts to 34.653 million kl or 44.8%. Strategies to address this trend are currently being implemented. In comparison, the Water losses for the period 01 July 2020 to 31 March 2021 were 35.993 million kl or 44.5%.
- 1.4.11 Total non-revenue electricity losses (excluding unbilled street lighting and traffic lights) for the year to date as at 31 March 2022 amounts to R508.613 million (453,285,011 kWh) or 23.30%. The average total non-revenue electricity loss would be 25.06% should the Street lighting and Traffic lights estimated costs not be eliminated from the loss calculation. Estimated Non-revenue Electricity Losses for the month of March 2022 amounts to R60.272 million (23.32% or 67,970,931 kWh). This situation requires rigorous assessment and or monitoring including the strict implementation of other strategies to quell the situation. The electricity revenue is the reliable funding source for many other operations within the municipality and if the situation is allowed to continue in this manner this reliable funding source will dwindle, placing the financial position of the institution under tremendous risk.
- The highest percentage non-revenue electricity losses per month are always incurred during the high season tariff months namely July 2021 (25.71% - R122,182 million), August 2021 (27.99% - R129.564 million) and January 2022 (26.62% - R64,534 million), which materially affects the value of electricity losses. It is evident that the current strategies implemented to address electricity losses are not yielding positive results. Electricity losses have increased materially over the last 5 financial years, including the 2021/22 financial year.
- Kindly note that electricity losses for February 2022 and March 2022 is an estimation as all electricity meters have not been read as at the date this report was compiled.
- 1.4.12 Electricity Bulk purchases are overstated by R298.86 million due to the non-reversal of the February 2022 monthly accrual.
- 1.4.13 Both Water Inventory consumed under the Other Materials Category and the Water losses under the Losses category have not yet been transacted and therefore, the categories are understated.
- 1.4.14 The cost of depreciation remains a manual estimation in the monthly budget and reporting tables as regulated to ensure that the Total Expenditure are more reflective of the true state of financial performance. This is required as depreciation are reflected as R'nil in the financial system due to depreciation not being processed on a monthly or continuous basis according to the accounting system that is currently in use.

## 1.5 THE FINANCIAL IMPACT OF OVERTIME

The overtime worked for period July 2021 to February 2022 amounted to R211,225,576. If this trend is maintained for the financial year (2021/22), the projected spending on Overtime will amount to R325,035,605. It is therefore anticipated that the Budget in the amount of R230,564,240 could be overspent by at least R94.47 million once all year-end accruals for overtime have been processed at the end of the 2021/22 financial year. The main Directorates responsible for the overspending are the Safety and Security, Electricity and Energy, Water Service, Public Health and Sanitation Directorates.

Directorate	2022 Actuals	2022 Budget	Projection
I&E Rate & General	5,719,539	5,783,090	8,649,309
Human Settlements	407,794	770,500	807,192
Public Health	24,208,853	28,183,260	36,889,440
Sport, Recreation, Arts & Culture	4,803,305	5,369,900	8,387,568
Safety & Security	81,763,950	83,241,990	123,605,515
Economic Development, Tourism & Agriculture	323,918	385,000	485,876
Corporate Services	4,013,763	5,253,620	6,323,865
Budget & Treasury	4,441,670	10,245,370	7,045,995
Executive Mayor	394,009	600,000	651,014
Sanitation Service	20,368,324	24,355,720	32,945,455
Water Service	27,189,312	23,946,560	41,445,917
Municipal Manager	145,131	250,000	217,696
Electricity & Energy	36,866,059	41,226,440	56,499,089
Chief Operating Officer	546,640	867,790	946,711
Special Projects & Programmes	33,309	85,000	134,963
<b>NMBM Total</b>	<b>211,225,576</b>	<b>230,564,240</b>	<b>325,035,605</b>

These Directorates will have to make a concerted effort to monitor the work programmes of employees in their respective areas.

The table below reflects Actual Overtime Payments for the past 6 years. Overtime payments over this period from 2015/16 to 2020/21 have increased by 124.3% or R170.36 million. The standout Directorate is Safety & Security whose actual Overtime payment increased from R30,534,663 to R128,459,967 or by 320.7%. This situation was exacerbated by the insourcing of security guards w.e.f. 2018/19 and 2019/20 financial years and this is now the permanent cost that will have to be the burden against the Property Rates of the NMBM as we go forward.

Directorate	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals
Infrastructure & Engineering R&G	3,589,244	5,379,712	4,317,024	6,247,465	5,349,645	7,781,651
Human Settlements	458,262	1,135,380	430,116	942,996	734,493	522,384
Public Health	21,158,581	26,993,154	20,781,046	27,247,273	24,848,033	30,955,479
Sport, Rec, Arts & Culture	5,433,093	5,914,578	6,207,957	9,206,181	7,858,502	4,700,056
<b>Safety &amp; Security</b>	<b>30,534,663</b>	<b>40,753,649</b>	<b>45,617,891</b>	<b>76,720,540</b>	<b>112,333,008</b>	<b>128,459,967</b>
Economic Dev, Tourism & Agri	463,939	599,524	568,589	640,741	802,378	668,259
Corporate Services	2,971,199	4,446,327	5,113,737	6,815,851	5,112,714	3,857,871
Budget & Treasury	5,532,138	10,396,113	7,913,218	9,404,412	7,576,136	4,514,354
Executive Mayor	502,168	683,740	435,847	307,970	420,580	358,220
Sanitation	15,641,644	17,858,306	16,154,418	19,673,089	26,243,607	29,634,633
Water	21,362,369	28,423,438	21,441,984	28,962,215	35,229,430	40,874,270
Municipal Manager	114,663	185,080	183,014	237,847	279,305	173,723
Electricity & Energy	25,981,611	30,975,974	25,209,115	35,465,323	41,720,359	50,380,363
Chief Operating Officer	310,350	373,082	252,894	677,398	386,227	1,515,504
Spec Proj and Programmes	0	38,164	97,673	230,027	119,170	14,705
<b>Grand Total</b>	<b>134,053,923</b>	<b>174,156,220</b>	<b>154,724,523</b>	<b>222,779,330</b>	<b>269,013,587</b>	<b>304,411,438</b>
<b>Percentage Increase</b>		<b>29.92%</b>	<b>-11.16%</b>	<b>43.98%</b>	<b>20.75%</b>	<b>13.16%</b>

The drop in overtime actual payments from 2017 to 2018 is directly as a result of the then new overtime policy that was implemented for a period of 2 months only and subsequently withdrawn as a result of a moratorium placed by Council on the implementation of that policy.

As reported in the previous financial year/s, considering the extent of possible overspending, the conclusion of the outstanding Overtime Policy to be in line with the relevant legislation/s, by the Corporate Services and Human Resources Standing Committee is long overdue as, amongst others, the fact that there is no guiding policy dealing with this matter is the huge risk to the institution.

Lastly, as emphasised in the past reporting periods, it is important that the Overtime Policy be in line with the requirements of the Basic Conditions of Employment Act for compliance and to make the difference in spending against this component of expenditure and also to enable the institution to create space within its limited financial resources in order to create employment in the most critical areas in the municipality's operations.

## 1.6 VARIOUS FINANCIAL RATIOS

In line with the Financial Recovery Plan, the following financial ratios are monitored on an ongoing basis:

Ratio	Actual as at June 2015	Actual as at June 2016	Actual as at June 2017	Actual as at June 2018	Audited Actual as at June 2019	30 June 2020	30 June 2021	28 Feb 2022	31 Mar 2022	Targets
Current Ratio	1.49:1	1.54:1	1.63:1	1.73:1	1.85:1	2.12:1	2.09:1	2.22:1	2.35:1	1.90:1
Liquidity Ratio	0.67:1	0.71:1	0.70:1	0.92:1	1.05:1	1.01:1	1.19:1	1.17:1	1.43:1	0.93:1
Average Debtors' Collection Rate	94.3%	91.4%	94.3%	93.1%	94.7%	83.4%	85.5%	71.53%	72.33%	85%
Creditors' payment Rate (i.e. 30 Days on Receipt of Invoice)	29 days	36 days	33 days	43 days	44 days	50 days	59 days	99 days	65 days	30 days
Cost Coverage (excluding unspent conditional grants)	2.09 months	2.11 months	2.20 months	3.18 months	3.64 months	4.00 months	3.73 months	3.96 months	4.51 months	3.36 months
Debt servicing costs to Operating Revenue Ratio	3.52%	3.08%	2.78%	2.40%	2.17%	1.96%	1.97%	0.92%	1.09%	2.46%

### 1.6.1. Collection Rate as recorded above:

It must be noted that the budgeted Collection Rate for the 2021/22 financial year is set at 85%. The collection rate as recorded in the above table technically represents the full Collection Rate for February 2022 as it was alluded to previously that the actual results for a month are delayed by one month, as what is billed in one month will be collected in the following month. Simply meaning that what was billed in February 2022 was collected in March 2022, and as such, the full collection rate for March 2022 will be known in essence after the end of April 2022. The average collection rate for revenue billed during the period July 2021 to February 2022 is 72.33%. The monthly collection rate for revenue billed in February 2022 that was collected in March 2022 is 78.41%.

### 1.6.2. Creditor's Payment Rate

Firstly, it must be noted that the main contributors to the March 2022 payment days' to be at these unacceptable levels result mainly from the following:

- The March 2022 payment day's results for the NMBM (**65 days**) are mainly attributed to late payments that were made to VODACOM which a total of **8533** Invoices were paid in excess of 100 days from the Date of Receipt of Invoice.
- Another factor that contributed to the poor payment days' outcome of March 2022 is that most Directorates paid the majority of their Invoices in excess of 30 days

from the Date of Receipt of Invoice as per the analysis below which measures the efficiency rate per Directorate.

It must be noted that the Creditor's payment rate is still not, where it is required to be due to various reasons, which may only be analysed on an invoice-by-invoice basis and per Directorate. In certain cases, it could be due to (i) insufficient budget, (ii) compliance issues that may have not been properly addressed, such as proper authorities prior to committing the municipality in order to avoid causing unauthorised, irregular and fruitless and wasteful expenditure. Section 78(1)(c) of the Municipal Finance Management Act (Act 56 of 2003) is instructive to senior managers and all officials dealing with financial resources of the municipality, in this regard.

The approach that has been implemented by Budget and Treasury is to write to Directorates requesting explanations that caused the delay in payment of invoices. (This approach was introduced in June 2018). It is also important to note that payments to creditors can only be based on **goods received** and **services rendered** as pre-payments are against the MFMA. As alluded to above, the work undertaken through the War Room as it relates to payments of Creditors will assist in dealing with this situation, as the detailed discussions in these meetings are based on an invoice-by-invoice or specific service providers.

#### 1.7 ANALYSING THE OVERDUE CONSUMER DEBTORS AS AT 31 MARCH 2022

As alluded to above the overdue debtors have increased from 30 June 2021 to 31 March 2022 by an amount of **R2,657,568,287**. The following table gives details of how the increase in arrear debts can be broken down into specific services in order to determine the most significant contributors to this situation:

Detail	OVERDUE AMOUNTS		
	June 2021	At the End of March 2022	Difference
Trade and Other Receivables from Exchange Transactions - Water	R 2,066,932,663	R 3,750,998,451	R 1,684,065,788
Trade and Other Receivables from Exchange Transactions - Electricity	R 668,628,485	R 826,253,925	R 157,625,440
Receivables from Non-exchange Transactions - Property Rates	R 909,052,537	R 1,166,907,532	R 257,854,995
Receivables from Exchange Transactions - Waste Water Management	R 700,549,422	R 895,119,749	R 194,570,327
Receivables from Exchange Transactions - Waste Management	R 408,432,360	R 503,565,899	R 95,133,539
Receivables from Exchange Transactions - Property Rental Debtors	R 38,558,072	R 36,344,873	-R 2,213,199
Interest on Arrear Debtor Accounts	R 1,105,383,520	R 1,338,605,216	R 233,221,696
Other	R 351,016,018	R 388,325,719	R 37,309,701
<b>Total By Income Source</b>	<b>R 6,248,553,077</b>	<b>R 8,906,121,364</b>	<b>R 2,657,568,287</b>
<b>Debtors Age Analysis By Customer Group</b>			
Organs of State	R 139,326,575	R 219,906,424	R 80,579,849
Commercial	R 1,582,792,153	R 1,901,929,313	R 319,137,160
Households	R 4,488,806,232	R 6,745,447,544	R 2,256,641,312
Other NMBM	R 37,628,117	R 38,838,083	R 1,209,966
<b>Total By Customer Group</b>	<b>R 6,248,553,077</b>	<b>R 8,906,121,364</b>	<b>R 2,657,568,287</b>

Action should be taken as a matter of urgency to address this situation before it escalates further. The Credit Control Policy is being implemented to its fullest extent except for the component dealing with the sale in execution of both movable and immovable assets.

The following Table gives the detailed analysis of the Debtors' Age Analysis per category, for the period ending 31 March 2022: -

**Debtors' Age Analysis (Inclusive of VAT) as at end of 31 March 2022**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R455,697,289	R353,394,758	R287,146,609	R221,548,188	R256,802,203	R267,542,601	R893,526,802	R1,471,037,280	R4,206,695,740
Trade and Other Receivables from Exchange Transactions - Electricity	R313,089,329	R100,336,785	R45,863,732	R32,326,189	R18,848,468	R17,793,591	R68,275,282	R542,809,878	R1,139,343,254
Receivables from Non-exchange Transactions - Property Rates	R780,169,509	R81,415,629	R88,900,056	R83,401,857	R30,321,510	R35,895,246	R94,322,585	R754,650,949	R1,947,077,041
Receivables from Exchange Transactions - Waste Water Management	R98,221,704	R48,977,605	R43,160,633	R33,475,813	R34,969,029	R29,522,051	R133,027,174	R571,987,444	R993,341,453
Receivables from Exchange Transactions - Waste Management	R42,815,230	R21,021,321	R16,494,898	R10,929,913	R13,562,159	R12,705,734	R73,714,209	R355,137,665	R548,381,129
Receivables from Exchange Transactions - Property Rental Debtors	R1,832,385	R946,912	R478,761	R141,485	R514,760	R512,911	R3,468,854	R30,281,190	R38,177,258
Interest on Arrear Debtor Accounts	R48,159,889	R48,434,900	R35,373,870	R24,371,977	R31,004,435	R28,663,327	R166,734,234	R1,004,032,473	R1,384,764,985
Other	R23,679,192	R8,443,153	R6,426,107	R5,626,140	R5,119,966	R6,002,167	R42,407,033	R314,301,153	R412,064,911
<b>Total By Income Source</b>	<b>R1,761,684,327</b>	<b>R682,971,083</b>	<b>R521,844,886</b>	<b>R411,821,572</b>	<b>R391,142,530</b>	<b>R398,827,628</b>	<b>R1,478,478,173</b>	<b>R5,844,237,732</b>	<b>R10,687,785,691</b>
<b>Organs of State</b>									
Organs of State	R48,437,895	R27,223,527	R21,617,478	R20,240,550	R10,313,895	R21,222,445	R34,176,700	R85,111,829	R268,344,119
Commercial	R725,275,293	R187,956,910	R109,189,093	R54,100,637	R50,733,842	R37,413,798	R150,652,475	R1,311,882,758	R2,827,205,806
Households	R975,387,070	R446,744,781	R390,036,728	R336,717,020	R329,088,015	R339,128,248	R1,284,827,799	R3,618,904,953	R7,720,844,614
Other (NMBM)	R12,563,269	R1,045,845	R1,001,387	R763,365	R1,006,978	R883,137	R5,819,199	R28,338,192	R51,391,352
<b>Total By Customer Group</b>	<b>R1,761,684,327</b>	<b>R682,971,083</b>	<b>R521,844,886</b>	<b>R411,821,572</b>	<b>R391,142,530</b>	<b>R398,827,628</b>	<b>R1,478,478,173</b>	<b>R5,844,237,732</b>	<b>R10,687,785,691</b>

It must be noted that the period of 0 to 30 days represents current accounts and anything greater than 30 days represent arrear accounts. In terms of the above, it can be stated that the arrear debtors amount to about R8.906 billion (or R10.667 billion – R1.762 billion).

The other biggest contributor when analysing the above tables is the Water Service Charges which has grown by R1.684 billion from 30 June 2021 to 31 March 2022. As reported in the past the water punitive charge resulting from the drought conditions, even though the city has limited choices on the matter, result to this situation.

**DETAILED REPORTS ATTACHED AS ANNEXURES TO THIS REPORT**

To comply with "Schedule C" of the Municipal Budget and Reporting Regulations (No. 32141 dated 17 April 2009) the following detailed schedules for the period ending 31 March 2022 are attached:

**Annexure "A1"** – Operating Revenue and Expenditure Performance: This Annexure illustrates the Operating Performance position for the reporting period. It answers the question of how the revenue as at the end of the reporting month compares to the expenditure for the same period. If the expenditure and revenue were incurred or raised in a consistent manner, by this time of the financial year they all should approximate at least 66.67% depending on the seasonality trends of expenditure and the 30 days from receipt of invoice payment practice

**Annexure "A2"** – Capital Budget Performance: This Annexure gives the position of the Capital Budget for the reporting period. In total about 37.92% of the total Capital Budget of R1.551 billion has been incurred as at the end of March 2022. Some of the reasons that may have resulted in this position are disclosed elsewhere in this report.

**Annexure "A2(i)" [New]** – Capital Expenditure Report. This Annexure show the detail of all Capital Projects per Directorate indicating the Budget, any amendments, expenditure up to 31 January 2022 as well as the funding source for each project. At the time this report was drafted the February 2022 and March 2022 monthly reports was not yet made available by capital budget section.

**Annexure "A3"** – Projected Cash Flow Statement: This Annexure illustrates the inflows and outflows of Cash for the period ending March 2022.

**Annexure "A4"** – Consolidated Budget Tables (incl. MBDA figures): This Annexure illustrates the financial position of NMBM for the reporting period including the financial records of the municipal entity (i.e. Mandela Bay Development Agency / MBDA).

**Annexure "A5"** – Analysis of Municipality's Balance Sheet: This Annexure details the balance sheet items including:

- i. Outstanding Consumer Debtors
- ii. Overview of Creditors position
- iii. Investment portfolio
- iv. Grants receipts and Expenditure
- v. Councillor & Officials allowances & benefits
- vi. Key performance Indicators

**Annexure "A6"** – MBDA's Monthly Report & Budget Tables: This Annexure contains the tables for the MBDA (municipal entity) for the reporting period.

## RECOMMENDATION

That the Budget & Treasury Standing Committee **NOTES** the Municipality's consolidated (including the Entity) financial report as at 31 March 2022, Budget statement, and supporting documentation contained in this report, prepared in line with Section 71 of the Local Government: Municipal Finance Management Act (56 of 2003).

## 2 OTHER FINANCIAL REPORTS

### 2.1 MONTHLY REPORTS

#### 2.1.1 Bank Reconciliation

**Annexure "B"** reflects the reconciliation of Council's Main Bank Account as at 28 February 2022. Council operates one primary bank account and a number of dedicated subsidiary accounts, all of which are reconciled with the main bank account. In terms of the internal B&T set target for completing the subsidiary bank reconciliation, the target is 20 days and 35 days for the main account. The receipting office balances the cash received to the cash banked on a daily basis, which assists in the timeous completion of bank reconciliations.

#### FOR INFORMATION

#### 2.1.2 Capital Spending – B & T Directorate

The attached **Annexure "C"** indicates the status of the various capital projects in the Budget and Treasury directorate for the year 2021/2022 as at 11 April 2022. This annexure is extracted directly from the Councils Accounting program.

The progress in spending can be seen by comparing the information in **Annexure "A2"** to the totals of this annexure.

#### FOR INFORMATION

**2.1.3 GENERAL VALUATION 2022****Purpose**

The purpose of this report is to advise Committee of the processes to be carried out in terms of the Local Government: Municipal Property Rates Amendment Act No. 77 of 2014 (MPRA) for the 2022 General Valuation (2022 GV).

**Background****General Valuation and preparation of Valuation Rolls**

In terms of Section 30(1) of the MPRA:

"A municipality intending to levy a rate on property must in accordance with this Act cause-

- (a) a general valuation to be made of all properties in the municipality determined in terms of subsection (2); and
- (b) a valuation roll to be prepared of all properties determined in terms of subsection (3)."

The current Valuation Roll was presented to the Municipal Manager on 31 January 2017 and subsequently implemented on 1 July 2017. In terms of section 32(1)(b) of the MPRA, a municipality must conduct valuations on a regular basis. Section 32(1)(b) of the MPRA reads as follows: -

*"A valuation roll remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than four financial years."*

In terms thereof, Council approved a General Valuation date of 1 July 2020 and an implementation date of 1 July 2021.

Furthermore Section 32(2)(a) of the MPRA reads:

*"The MEC for local government in a province may extend the period for which a valuation roll remains valid (a) in the case of –*

- (i) a metropolitan municipality, to five financial years.."

After the hand-over of the General Valuation Roll in January 2021, Council resolved on 31 March 2021, to extend the implementation of the General Valuation period from 1 July 2021 to 1 July 2022. On 18 May 2021 the MEC of CoGTA granted the extension of validity for the 2017 General Valuation Roll of the NMBM with one year with effect from 1 July 2021 to 30 June 2022.

**Progress**

Section 31 of the MPRA reads as follow:

*"(1) For the purposes of a general valuation, a municipality must determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented."*

In accordance with this section and taking into consideration that the General Valuation 2017 will be valid until 30 June 2022, it was therefore recommended to the Acting City Manager that the date of valuation for the 2022 General Valuation be 1 July 2021.

Due to the compulsory amendment of the date of valuation, various deliverables already completed and delivered, were updated, redone, or reviewed based on the new date of valuation.

On 28 May 2021 the service provider accepted the extension of their contract SCM/19-225/S by one year and accepted the change in implementation date of GV2021 valuation roll to 1 July 2022. The addendum to the Service Level Agreement between e-Valuations and the NMBM for the 2022 GV was signed by the Acting City Manager on 1 September 2021. The service provider subsequently commenced with the various deliverables and all planned activities have been proceeding as planned.

The service provider has commenced and/or completed the following deliverables of the Addendum:

<b>Addendum Project Status</b>				
<b>Item Description</b>	<b>Percentage of Project</b>	<b>Percentage Complete</b>	<b>Status</b>	<b>Deliverables</b>
1. Market Report	14.4%	100%	Complete	Updated Market Report
2. Sales review	27.1%	100%	Complete	Reviewed Sales
3. CAMA Modelling	7.2%	100%	Complete	Draft Roll
4. Value Review	21.7%	100%	Complete	Reviewed properties
5. Special Properties	16.9%	100%	Complete	Updated Valuation Schedule
6. Roll preparation and deployment	7.2%	100%	Complete	Handover of roll
7. Supplementary Properties	5.4%	0%	In Progress	Completed Supplementary
	100%	95%		

The Supplementary Valuation was commenced after the handover of the Final Roll to the Acting City Manager on 31 January 2022.

The deliverables contained in the addendum were therefore 95% met and handed over to the NMBM.

In addition to this, certain deliverables contained in the original Service Level Agreement are currently also in progress. The Status of the deliverables is as follows:

Project Status -Original SLA				
Item Description	Percentage of Project	Percentage Complete	Status	Deliverables
1. Data Collection and capturing for all properties	20.0%	100.00%	Completed/delivered	Monthly data collection reports
2. Sales Research, Analysis, Review and Market Reports	2.5%	100.0%	Completed/delivered	Sectional Title Sales Analysed
	5.0%	100.0%	Completed/delivered	Residential Sales Analysed
	5.0%	100.0%	Completed/delivered	Draft Market Report for Modelling
	2.5%	100.0%	Completed/delivered	Final Report after Value Review
3. CAMA modules (develop, review and adjust appraisal formulas)	10.0%	100.0%	Completed/delivered	Finalized Models and Draft Values for Residential Properties
	10.0%	100.0%	Completed/delivered	Finalized Models and Draft Values for Non-Residential Properties
4. Valuations of non CAMA properties	5.0%	100.0%	Completed/delivered	Valuations for all Farm properties including data collection
	5.0%	100.0%	Completed/delivered	Valuations for Special Properties/PSI (e.g. airport, harbour, casino, etc)
5. Value review	10.0%	100.0%	Completed/delivered	Schedules of Properties Reviewed
6. Final Valuation Roll certified and delivered	10.0%	100.0%	Completed/delivered	Submission of Valuation Roll
7. Supplementary Valuation Roll	5.0%	0%	Due May 2022	Submission of Valuation Roll
8. Objections processing / review	5.0%	0%	May to November 2022	Schedules of Properties Reviewed and Close out report on Objections
9. Appeals processing / review	5.0%	0%	Untill February 2024	Completion of VAB hearings and Close out report on Appeals
<b>TOTAL</b>	<b>100.0%</b>	<b>85.00%</b>		

The Supplementary Valuation and the objection phase of the project are currently in progress. The Objection process has commenced in February 2022 and entails the following:

Description	Status	Notes
Posting of Section 49 notices, advising ratepayers of their property's new value	Completed	Date of completion 14 February 2022
Receiving of Completed Objection Forms	In Progress	Closing date to receive all objections: 29-04-2022
Processing Of Objections	In Progress	Projected completion of objection process: 30-11-2022

The Supplementary Valuation will be completed by 31 May 2022 and implemented on 1 July 2022.

FOR INFORMATION

**2.2 QUARTERLY REPORTS****2.2.1 Quarterly reporting on withdrawals from the municipal bank accounts**

The purpose of this report is to report on withdrawals from the municipal bank accounts as required in terms of Section 11 of the Municipal Finance Management Act. Attached as **Annexure "D"** is the report for the quarter ending 31 March 2022.

FOR INFORMATION

**2.2.2 AG 2020/21 Audit Report – Action Plan**

The AG 2020/21 Audit Report action plan with actions to address the problem areas identified by the AG has been populated. Attached as **Annexure "E"** is 2020/21 Audit Action plan together with progress made-up to 31 March 2022.

FOR INFORMATION

**2.2.3 Cost Containment Regulation Measures – For Quarter 3 of 2021/22****Purpose**

The purpose of this item is to apprise the Committee on the implementation of the Cost Containment Regulations whereupon Directorates must report to their Portfolio Committees on a quarterly basis on the implementation of Cost Containment Measures using the top ten operating budget items (i.e. 1. Contract Security, 2. Consulting Services - Operating, 3. Consulting Services – Capital, 4. Petrol and Lubricants, 5. Overtime, 6. Telephone and Cellphones, 7. Scarce Skills, 8. External Hire of Vehicles, 9. Fixed Locomotion Allowance and 10. Legal Expenses).

Attached to this item as **Annexure "F"** are the following Documents: -

- Cost Containment Report (Budget and Treasury); and
- Cost Containment Report (NMBM / Institutional).

It must also be remembered that Council pays invoices after 30 days, so expenditure invoiced in March will only be paid in April.

**Discussion**

The spending trends discussed on this item cover a period from January 2022 to March 2022 for Budget and Treasury Directorate and the whole institution.

**Budget & Treasury Directorate**

The operating expenditure for 2021/22 is low except for employee related costs which are closer to the pro-rata budget percentage. The low expenditure can be attributed to Covid 19 and the Local Govt Elections where the number of official Council meetings reduced dramatically.

**Council Expenditure**

The same pattern appears under Council as in the B&T department. The two exceptions are 1) Overtime and 2) External Hire of Motor Vehicles which is attributed to the problems that were experienced in the Fleet Management Section with slow repairs to Council vehicles.

**Recommendations**

The Committee **NOTES** the expenditure report for all the ten Cost Containment / Operational Efficiency Line Items covering the 2021/22 financial year (i.e. Jan 2022 to Mar 2022) for Budget and Treasury as well as NMBM.

**2.2.4 SCM Quarterly Report**

Attached as **Annexure "G"** is the quarterly report of SCM activities for the period ending March 2022 as stipulated in Section 6 (4) of the SCM policy.

FOR INFORMATION

**3. WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS****3.1 WRITE-OFF IN RESPECT OF ARREARS AMOUNTS REFLECTED ON ACCOUNTS OF POOR HOUSEHOLDS PRIOR TO THE HOUSEHOLDS QUALIFYING FOR ASSISTANCE TO THE POOR SUBSIDY****Purpose**

The purpose of this report is to indicate the exact amount written-off for the month March 2022, in accordance with paragraph (b) of the Executive Mayor's resolution taken on 4 February 2004:

**Background**

The Executive Mayor on 4 February 2004 resolved (Min. No. 138/2004):

- "(a) that the following categories of arrear debts reflected on the accounts of poor households are written off against the provision for Doubtful Debts:
- (i) All arrear amounts that were transferred and are reflected in suspense accounts;
  - (ii) Accumulated interest, service charges and other debts raised and not paid for, subsequent to the date on which the household registered as poor or indigent; including tampering charges, related interest and the estimated value of illegal consumption, but excluding rental and instalments raised in terms of the State Financed Letting and Selling Schemes; (See also paragraph (a)(iv)).
  - (iii) All arrear debts of poor households in respect of which arrangements were made to settle these arrears at R10 per month have been concluded (excluding rental and instalments).
  - (iv) Letting and Selling Scheme Rentals, Selling Scheme instalments and other service charges linked to these schemes, where these debts of the poor households exceed the PHDB subsidy of R7 500, inclusive of transfer costs, subject to the conclusion of the necessary transfer procedures, in terms of the Executive Mayor's resolution of 26 November 2003.
- (b) That arrears that could be classified under (a)(i) to (a)(iv) above on accounts of households currently not registered as poor, who may become eligible for assistance under the Assistance to the Poor Scheme in future, be written off against the provision for Doubtful Debts.

- (c) That the write-off of the categories of arrear debts referred to under (a)(i) to (a)(iv) and (b) above, be approved in principle only and that details of the individual accounts per category of service and applicable votes be submitted to the Budget and Treasury Committee for approval in terms of Section 29 of Council's Customer Care and Revenue Management By-law."

Paragraph (a) of the above resolution was implemented and R212.4 million (i.e. Capital of R196.4 million and VAT of R16.0 million) was written-off.

The amounts written-off relating to the various debt categories as per paragraph (b) of the Executive Mayor's resolution are as follows:

**March 2022**

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 143,993.25	R 20,159.05	R 164,152.30	03330153
Sanitation	R 1,593,656.81	R 223,111.95	R 1,816,768.76	04440153
Water	R 7,056,519.87	R 987,912.78	R 8,044,432.65	04730153
Refuse	R 1,206,314.24	R 168,883.99	R 1,375,198.23	13180153
General Rates/ Service Charges	R 1,992,238.71	R 0.00	R 1,992,238.71	06250153
Sundries	R 449,677.49	R 60,246.10	R 509,923.59	06250153
Interest	R 1,606,206.11	R 0.00	R 1,606,206.11	06250153
<b>TOTAL</b>	<b>R 14,048,606.48</b>	<b>R 1,460,313.87</b>	<b>R 15,508,920.35</b>	

A schedule indicating the number of accounts and amounts written-off by Ward is attached as **Annexure "H"**.

The arrears of additional poor households will be written off, in accordance with the policy, as and when they qualify for assistance. Such write-offs will be reported to the Budget and Treasury Committee when they occur.

With the write-off of **R 15,508,920.35** for March 2022, the write offs of the previous financial years have been included for comparison purposes.

PERIOD	CAPITAL	VAT	TOTAL
<b>Section (a) of the Mayoral Resolution : February 2004</b>	<b>R 196,446,842.69</b>	<b>R 16,038,186.57</b>	<b>R 212,485,029.26</b>
<b>Section (b) of the Mayoral Resolution: - March 2004 – June 2014</b>	<b>R 800,476,336.96</b>	<b>R 67,159,230.86</b>	<b>R 867,635,567.82</b>
<b>Section (b) of the Mayoral Resolution: July 2014 – June 2015</b>	<b>R 47,290,190.07</b>	<b>R4,177,614.69</b>	<b>R51,467,804.76</b>
<b>Total for 2015/2016 (July 2015 to June 2016 )</b>	<b>R 36,433,157.18</b>	<b>R 3,285,414.60</b>	<b>R 39,718,571.78</b>
<b>Total for 2016/2017 (July 2016 to June 2017)</b>	<b>R 429,161,048.51</b>	<b>R 39,190,453.06</b>	<b>R 468,351,501.57</b>
<b>Total for 2017/2018 (July 2017 to June 2018)</b>	<b>R 32,273,234.02</b>	<b>R 3,128,872.28</b>	<b>R 35,402,106.30</b>

PERIOD	CAPITAL	VAT	TOTAL
<b>Total for 2018/2019 (July 2018 to June 2019)</b>	<b>R 31,225,655.12</b>	<b>R 3,062,579.24</b>	<b>R 34,288,234.36</b>
<b>Total for 2019/2020 (July 2019 to June 2020)</b>	<b>R 81,835,695.13</b>	<b>R 7,781,381.46</b>	<b>R 89,617,076.59</b>
<b>Total for 2020/2021 (July 2020 to June 2021)</b>	<b>R 202,612,331.81</b>	<b>R 20,433,553.52</b>	<b>R 223,045,885.33</b>
<b>Grand Total in respect of Section (a) &amp; (b) of the Mayor Resolution February 2004 – June 2021 Written off in current Financial Year</b>	<b>R 1,857,754,491.49</b>	<b>R 164,257,286.28</b>	<b>R 2,022,011,777.77</b>
July-21	R 22,495,492.00	R 2,298,481.56	R 24,793,973.56
August- 21	R 5,060,235.81	R 500,443.56	R 5,560,679.37
September- 21	R 11,780,337.22	R 1,211,304.04	R 12,991,641.26
October- 21	R 4,462,059.90	R 468,079.83	R 4,930,139.73
November- 21	R 11,052,240.51	R 1,202,175.27	R 12,254,415.78
December- 21	R 26,202,445.32	R 2,848,406.39	R 29,050,851.71
January- 22	R 4,545,760.57	R 473,966.03	R 5,019,726.60
February- 22	R 4,426,669.29	R 440,439.88	R 4,867,109.17
March-22	R 14,048,606.48	R 1,460,313.87	R 15,508,920.35
<b>Total for 2021/2022</b>	<b>R 104,073,847.10</b>	<b>R 10,903,610.43</b>	<b>R 114,977,457.53</b>
<b>Grand Total: -</b>	<b>R 1,961,828,338.59</b>	<b>R 175,160,896.71</b>	<b>R 2,136,989,235.30</b>

**RECOMMENDED:**

That the amount of **R 15,508,920.35** for March 2022 in respect of households that qualify for assistance in terms of the amended Assistance to the Poor Policy, be written off as irrecoverable against the provision for doubtful debts in terms of Section 29 of the Council's Customer Care and Revenue Management By-law.

**March 2022**

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 143,993.25	R 20,159.05	R 164,152.30	03330153
Sanitation	R 1,593,656.81	R 223,111.95	R 1,816,768.76	04440153
Water	R 7,056,519.87	R 987,912.78	R 8,044,432.65	04730153
Refuse	R 1,206,314.24	R 168,883.99	R 1,375,198.23	13180153
General Rates/ Service Charges	R 1,992,238.71	R 0.00	R 1,992,238.71	06250153
Sundries	R 449,677.49	R 60,246.10	R 509,923.59	06250153
Interest	R 1,606,206.11	R 0.00	R 1,606,206.11	06250153
<b>TOTAL</b>	<b>R 14,048,606.48</b>	<b>R 1,460,313.87</b>	<b>R 15,508,920.35</b>	

**OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE 2021/22 FINANCIAL YEAR AS AT 31 MARCH 2022**

Below is an analysis of the operating revenue and expenditure performance compared to the approved 2021/22 Operating Budget.

Description	Budget Year 2021/22		
	Original Budget	YearTD actual	YTD variance %
<b>R thousands</b>			
<b>Revenue By Source</b>			
Property rates	2,637,580	2,684,054	102%
Service charges - electricity revenue	4,530,243	3,183,552	70%
Service charges - water revenue	1,379,942	2,335,124	169%
Service charges - sanitation revenue	739,928	556,317	75%
Service charges - refuse revenue	280,370	219,710	78%
Rental of facilities and equipment	27,867	16,208	58%
Interest earned - external investments	173,180	57,049	33%
Interest earned - outstanding debtors	376,196	349,380	93%
Fines, penalties and forfeits	193,047	141,045	73%
Licences and permits	12,550	13,733	109%
Agency services	3,242	3,001	93%
Transfers and subsidies	1,625,037	1,661,706	102%
Other revenue	855,757	53,449	6%
Gains	510	181	35%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12,835,448</b>	<b>11,274,510</b>	<b>88%</b>
<b>Expenditure By Type</b>			
Employee related costs	3,915,583	2,607,956	67%
Remuneration of councillors	87,289	58,426	67%
Debt impairment	1,418,966	332,879	23%
Depreciation & asset impairment	1,033,770	775,290	75%
Finance charges	119,907	73,343	61%
Bulk purchases - electricity	4,289,195	3,507,698	82%
Inventory consumed	286,102	119,697	42%
Contracted services	1,312,128	488,611	37%
Transfers and subsidies	56,119	42,319	75%
Other expenditure	702,540	388,541	55%
Losses	57,679	-	0%
<b>Total Expenditure</b>	<b>13,279,287</b>	<b>8,394,760</b>	<b>63%</b>
<b>Surplus/(Deficit)</b>	<b>(443,839)</b>	<b>2,879,750</b>	
Less: Fuel Levy Included above	347,558	106,880	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(791,397)</b>	<b>2,772,870</b>	

Below is a discussion of the significant revenue and expenditure variations:

The statement of financial performance indicates an operating surplus of approximately R2.772 billion after excluding fuel levy utilised to fund capital projects. The statement of financial performance should not be viewed in isolation from the cash flow statement and the cash flow forecast as discussed in **Annexure A3** other entries that are not processed on a monthly basis as some are processed only at the end of the financial year. **The surplus stated could be misleading but must be viewed in the context that invoices from suppliers are payable 30 days in arrears causing the expenditure to date to be understated, Furthermore, Property Rates are raised annually in advance and as a result is causing Revenue to date to be proportionally overstated at this early stage in the financial year.** The 'profit' does not imply cash in the bank. The NMBM billing collection rate is only averaging 72.33% for the 2021/22 financial year due to various reasons but inclusive of the COVID19 impact on the local economy and the ability and willingness of customers to pay for services received.

# **A N N E X U R E S**

## Revenue Variations

### Property Rates

Property rates appears to be in line with the budget projections. Property Rates are reflected at 101.76%.

mSCOA Line Item Description - Property Rates	2022 Budget	YTD Actuals 31Mar22	Variance	% of Budget
Agricultural Property	-6,225,360	-5,930,029	-295,331	95.26%
Business and Commercial Properties	-969,504,750	-1,065,663,676	96,158,926	109.92%
Formal and Informal Settlements	51,048,600	72,488,197	-21,439,597	142.00%
Industrial Properties	-270,669,900	-270,156,089	-513,811	99.81%
Mining Properties	-178,600		-178,600	0.00%
Public Benefit Organisations	-2,133,240	-1,816,754	-316,486	85.16%
Public Service Infrastructure Properties	-56,990	-465,130	408,140	816.16%
Residential Properties Developed	-1,180,390,970	-1,314,312,077	133,921,107	111.35%
Residential Properties Vacant Land	-84,456,460	-93,857,348	9,400,888	111.13%
Special Rating Area	-4,537,630	-4,341,356	-196,274	95.67%
State-owned Properties	-170,474,700		-170,474,700	0.00%

### Service Charges

It appears that the revenue trends for the Electricity revenue are lower than anticipated in the 2021/22 Operating Budget. There also appears to be misalignment between the line items where budget projections were processed and where actual revenue raised is recognised. The reasons for these misalignments should be investigated and be amended as it impacts on future budget projections. Factors that impact on the revenue trends are the drought situation, problems with water pumps and therefore water availability, electricity load shedding and maintenance performed on Electricity and Water Infrastructure.

The Water Service reflects a higher revenue trend due to the drought conditions affecting the Metro as a result of applying stricter water usage stipulations and a higher tariff charged over the period than anticipated in the 2021/22 budget. **This created pressure on achieving at least an 85% collection rate for the financial year. Currently the average collection rate is 72.33% Considering the current debtors collection trend during the COVID lockdown period there remains a high risk that the projected 85% collection rate will not be achieved. Care must also be taken that ATTP consumers water usage are monitored to manage excessive water usage as their billing accounts are written off automatically after 90 days. This practice of writing off debt automatically after 90 days is considered as bad financial practice by National Treasury. This is all about proper credit control of all municipal consumers and the loss of financial control and usage of services such as water during extreme drought conditions.**

A further risk of COVID19 is that as more job opportunities in the Metro are lost less consumers will be able to pay for services provided. The increase of consumer debtors reinforces the fact that the Metro operates in a weak economic environment.

mSCOA Line Item Description – Service Charges	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Electricity Availability Charges	-62,262,900	-40,362,820	-21,900,080	64.83%
Electricity Connection/ Reconnection Change Circuit Breaker	0	-3,629	3,629	0.00%
Electricity Connection/ Reconnection Connections Non-government Housing	-4,969,760	-3,327,665	-1,642,095	66.96%
Electricity Electricity Distribution Revenue for Services Network Charges	0	-1,657,762	1,657,762	0.00%
Electricity Electricity Sales Commercial Conventional (3-Phase)	-64,169,340	-212,836,025	148,666,685	331.68%
Electricity Electricity Sales Commercial Prepaid	-103,587,240	-61,869,561	-41,717,679	59.73%
Electricity Electricity Sales Domestic High Prepaid	-1,238,468,590	-920,790,608	-317,677,982	74.35%
Electricity Electricity Sales Domestic Low Domestic Indigent	-55,860,480	-18,788,554	-37,071,927	33.63%
Electricity Electricity Sales Domestic Low Prepaid	-101,127,820	-12,178,121	-88,949,699	12.04%
Electricity Electricity Sales Industrial more than (11 000 Volts) (High Voltage)	-1,397,575,320	-568,625,234	-828,950,086	40.69%
Electricity Electricity Sales Industrial (400 Volts) (Low Voltage)	-320,540,180	-181,548,306	-138,991,874	56.64%
Electricity Electricity Sales Industrial more than (11 000 Volts) (High Voltage)	0	0	0	0.00%
Electricity Electricity Sales Time of Use Tariffs	-1,181,385,380	-1,161,518,181	-19,867,199	98.32%
Electricity Joint Pole Usage	-24,750	-18,648	-6,102	75.35%
Electricity Meter Compliance Testing	-78,210	-23,316	-54,894	29.81%
Electricity Meter Reading Fees	-192,820	-3,177	-189,643	1.65%
Waste Management Refuse Removal	-264,941,870	-208,647,562	-56,294,308	78.75%
Waste Management Waste Bins	-15,227,800	-11,062,823	-4,164,977	72.65%
Waste Water Management Availability Charges	-175,900,000	-132,699,048	-43,200,952	75.44%
Waste Water Management Connection/Reconnection	-2,181,000	-1,889,454	-291,546	86.63%
Waste Water Management Higher Level Service	-131,339,650	-72,533,495	-58,806,155	55.23%
Waste Water Management Industrial Effluent	-38,407,110	-42,981,769	4,574,659	111.91%
Waste Water Management Industrial Waste Water	-58,000,000	-45,874,548	-12,125,452	79.09%
Waste Water Management Sanitation Charges	-334,099,740	-260,338,725	-73,761,015	77.92%
Water Agricultural and Rural Water Service	-35,060,000	-33,376,888	-1,683,112	95.20%
Water Availability Charges	-177,207,140	-132,941,245	-44,265,895	75.02%
Water Connection/Disconnection	-5,933,090	-4,429,505	-1,503,585	74.66%
Water Industrial Water	-206,760,040	-291,979,130	85,219,090	141.22%
Water Sale Conventional	248,788,580	140,595,313	108,193,267	56.51%
Water Sale Flat Rate	-2,790,000	-2,071,087	-718,913	74.23%
Water Urban Higher Level Service	-1,200,979,840	-2,010,921,144	809,941,304	167.44%

### Interest Earned – External Investments

The interest earned represents the cash received in respect of investments that have matured and have been earned during the 2021/22 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio. The term of investments and subsequent interest payments influence the cash flow and actual interest received. It is anticipated that the revenue earned on investments will be on par with the 2021/22 Budget projection. However, should the current average collection of outstanding debtors of 72.33% not materially improve there will be a material risk that the projection for interest earned will not be achieved.

The following has impacted on the interest earned:

- High level of Housing Top Structures bridge-funding – As at 31 March 2022 the outstanding balance was R195.278 million;
- The 2020/21 Unspent grants were off-set against the Equitable Share allocation for the 2021/22 financial year in the amount of R319.608 million
- National Treasury has transferred the following Grants to NMBM i.r.o. the 2019/20 financial year on 31 March 2022: -
  - Equitable Share 2019/20: R255,415,000
  - Equitable Share 2020/21: R10,000,000
- It is anticipated that as the regulations during this COVID19 pandemic period are being relaxed and the economy gains momentum higher interest rates may be introduced by the Reserve Bank which will have a positive impact on interest earned on investments;

- The poor average cash collection rate of only 72.33% for the 1<sup>st</sup> nine months of the 2021/22 financial year will further assist in limiting the interest earned on investments revenue.

The above-mentioned clearly indicates that the NMBM cash flow has been impacted negatively by the COVID19 pandemic. National Treasury, by not transferring grants or by delaying the transfer of grants to NMBM in line with the gazetted Dora may affect service delivery as well as the planning and implementation of projects. It has put the financial sustainability of the NMBM under huge pressure over the short to medium term.

#### Rental of Facilities and Equipment

It would appear that Rentals of facilities and equipment lower than anticipated in the 2021/22 budget projections. It is however important that all the Metro's asset management structures ensures that all possible rentals be raised / billed and that rental agreements are maintained at market related prices.

mSCOA Line Item Description – Rental from Fixed Assets	2022 Budget	YTD Actuals 31 Mar22	Variance	% Spent
<b>Market Related</b>				
Investment Property Straight-lined Operating	-7,924,860	-824,161	-7,100,699	10.40%
Property Plant and Equipment Ad-hoc rentals Community Assets	-8,621,600	-6,958,881	-1,662,719	80.71%
Property Plant and Equipment Straight-lined Operating Other Assets	-530,000	-514,495	-15,505	97.07%
<b>Non-market Related</b>				
Investment Property Ad-hoc rentals	-4,334,730	-2,953,599	-1,381,131	68.14%
Property Plant and Equipment Ad-hoc rentals Community Assets	-578,540	-524,809	-53,731	90.71%
Property Plant and Equipment Ad-hoc rentals Machinery and Equipment	-249,810	-122,428	-127,382	49.01%
Property Plant and Equipment Ad-hoc rentals Other Assets	0	0	0	0.00%
Property Plant and Equipment Ad-hoc rentals Solid Waste Infrastructure	-4,993,200	-3,554,934	-1,438,266	71.20%
Property Plant and Equipment Straight-lined Operating Community Assets	-4,300	-5,937	1,637	138.06%
Property Plant and Equipment Straight-lined Operating Electrical Infrastructure	-30,000	-11,822	-18,178	39.41%
Property Plant and Equipment Straight-lined Operating Machinery and Equipment	0	-1,122	1,122	0.00%
Property Plant and Equipment Sub-lease Payment Roads Infrastructure	-150,000	-223,278	73,278	148.85%

#### Interest Earned: Outstanding Debtors

Interest Earned on Outstanding Debtors is higher than anticipated in the 2021/22 Operating Budget due to escalating Outstanding Debtors. This is due to a poor outstanding debtors collection rate of only 72.33% to date compared to the 85% collection rate that was anticipated in the 2021/22 Operating Budget.

#### Fines

The total fines collected and raised as at 31 March 2022 was only R33.191 million or 17.19% compared to the 2021/22 budget projection of R193.047 million. It should be noted that built into the Traffic fines revenue is the projected Total Traffic Fines issued. In line with the GRAP principles an impairment is then projected within the Impairment: Receivables for Traffic Fines issued that will not be collected. The accrual for the impairment of Traffic Fines have been raised in line with the budget projections. The Traffic fines impairment budget projection for the full year is R135,330,790. Therefore, approximately R57.745 million impairment had been recognised as at 31 March 2022 resulting in the R89.948 million total fines revenue. This is therefore approximately 46.59% of the Fines revenue budget projection. It appears that fewer fines are issued and therefore

the impairment will be adjusted accordingly in the 2021/22 Adjustments Budget once a proper trend in fines issued and outstanding can be determined.

mSCOA Line Item Description - Fines, Penalties and Forfeits	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Fines Councillors	-10,000	-3,000	-7,000	30.00%
Fines Illegal Connections	-4,416,110	-2,116,551	-2,299,559	47.93%
Fines Law Enforcement	-50,360		-50,360	0.00%
Fines Overdue Books Fine	-1,102,690	-73,176	-1,029,514	6.64%
Fines Pound Fees	-211,020	-204,580	-6,440	96.95%
Fines Traffic Municipal	-35,436,200	-1,295,202	-34,140,998	3.66%
Fines Traffic Service Provider	-105,500,000		-105,500,000	0.00%
Forfeits Deposits	0	297	-297	0.00%
Forfeits Retentions	0		0	0.00%
Forfeits Unclaimed Money	0	-6,290,615	6,290,615	0.00%
Penalties Disconnection Fees	-46,320,200	-29,564,279	-16,755,921	63.83%

Traffic Fines in the amount of R4.466 million was collected for the period ending 30 June 2021 representing the worst performance in almost a decade. Should the level of traffic fines issued in the 2021/22 continue, the 2021/22 financial year will perform even worse than the 2020/21 financial year.

#### Licences or Permits

The total Licences or Permits revenue collected as at 31 March 2022 was R13.73 million or 73.07% compared to the 2021/22 operating budget projection of R12.550 million.

mSCOA Line Item Description - Licenses and Permits	2022 Budget	YTD Actuals 31 Mar22	Variance	% Spent
Boat	-214,220	-183,418	-30,802	85.62%
Fauna and Flora	-202,010	-295,768	93,758	146.41%
Health Certificates	-209,010	-274,872	65,862	131.51%
Road and Transport Drivers Licence Application/Duplicate Drivers Licences	-1,350,000	-2,014,091	664,091	149.19%
Road and Transport Drivers Licence Certificate	-6,700,000	-6,563,446	-136,554	97.96%
Road and Transport Learner Licence Application	-2,125,500	-2,737,240	611,740	128.78%
Road and Transport Learners Certificate	-520,000	-660,566	140,566	127.03%
Road and Transport Operators and Public Drivers Permits	-920,000	-598,917	-321,083	65.10%
Threatened and Protected Species	-6,690		-6,690	0.00%
Trading	-300,270	-403,505	103,235	134.38%
Dog	-2,320	-1,062	-1,258	45.77%

#### Grants and Subsidies received

It is important to Note the following:

- National Treasury has transferred the following Grants relating to previous financial years to NMBM on 31 March 2022.: -

2019/20:

Equitable Share:

R 255,415,000

2020/21

Equitable Share

R10,000,000

- National Treasury had not approved any roll-over of unspent 2020/21 Conditional Grant Funding. The unspent 2020/21 conditional grant funding

had been off-set against the Equitable Share on 7 December 2021 in the amount of R 319.6 million. The unspent grants were as follows:

Public Transport Infrastructure Grant	R 41,967,790
Public Transport Networks Operations Grant	R 93,172,582
Neighbourhood Partnership Development Grant	R 2,157,622
Infrastructure Skills Development Grant	R 1,892,693
Integrated City Development Grant	R 5,292,146
Urban Settlement Development Grant	R175,124,719
<b>Total</b>	<b>R319,607,552</b>

- National Treasury had not transferred the Public Transport Network Grant in the amount of R57,588,000 that was due on 25 November 2021 as per the Local Government Payment Schedule for the 2021/22 Financial Year.

The table below also reflects the conditional grants and Equitable Share received:

mSCOA Line Item Description - Transfers and Subsidies: Operational	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Departmental Agencies and Accounts National Departmental Agencies Local Government, Water and Related Service SETA	-2,500,000	-2,812,705	312,705	112.51%
Departmental Agencies and Accounts National Departmental Agencies Marine Living Resources Fund	-896,340	-563,282	-333,058	62.84%
Departmental Agencies and Accounts National Departmental Agencies South Africa Revenue Service (SARS)	-131,681,300	-302,412	-131,378,888	0.23%
National Governments Expanded Public Works Programme Integrated Grant	-7,116,000	-3,595,816	-3,520,184	50.53%
National Governments Infrastructure Skills Development Grant	-10,500,000	-6,161,051	-4,338,949	58.68%
National Governments Integrated City Development Grant	-11,267,000		-11,267,000	0.00%
National Governments Local Government Financial Management Grant	-1,000,000	-772,871	-227,129	77.29%
National Governments Metro Informal Settlements Partnership Grant	-134,307,580	-12,645,485	-121,662,095	9.42%
National Governments Public Transport Network Grant	-131,618,530	-35,734,429	-95,884,101	27.15%
National Governments Urban Settlement Development Grant	-20,473,350	-11,497,000	-8,976,350	56.16%
National Revenue Fund Equitable Share	-1,143,807,000	-857,854,552	-285,952,448	75.00%
National Revenue Fund Fuel Levy (RSC Replacement Grant)	-701,573,000	-701,573,000	0	100.00%
Provincial Government Eastern Cape Capacity Building and Other Specify (Add grant description)	-29,870,000	-27,758,794	-2,111,206	92.93%

The above have and had a huge impact on the Metro's cash flow, spending on capital projects and ability to utilise the Equitable Share as budgeted.

### Other Operational Revenue

The variances are reflected in the table below.

mSCOA Line Item Description – Operational and Sale of Goods Revenue	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Administrative Handling Fees	-200,000		-200,000	0.00%
Breakages and Losses Recovered	-13,140	-1,595	-11,545	12.14%
Bursary Repayment	0	-15,174	15,174	0.00%
Collection Charges	-11,470	0	-11,470	0.00%
Commission Transaction Handling Fees	-22,449,270	-10,218,226	-12,231,044	45.52%
Discounts and Early Settlements	-3,459,590	-1,335,623	-2,123,967	38.61%
Incidental Cash Surpluses	-22,730	-41,396	18,666	182.12%
Inspection Fees Statutory Services	-4,400,000	-3,726,543	-673,457	84.69%
Insurance Refund	-218,010	-570,790	352,780	261.82%
Recovery Maintenance	-1,000,000	-199,601	-800,399	19.96%
Registration Fees Road and Transport	-172,540	-87,610	-84,930	50.78%
Request for Information Access to Information Act	-188,890	-140,266	-48,624	74.26%

mSCOA Line Item Description – Operational and Sale of Goods Revenue	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Request for Information Accident Reports	-309,350	-251,934	-57,416	81.44%
Request for Information Municipal Information and Statistics	-72,610	101	-72,711	-0.14%
Request for Information Plan Printing and Duplicates	-20,000	-1,430	-18,570	7.15%
Sale of Property	-167,250	-8,865	-158,385	5.30%
Staff and Councillors Recoveries	-853,850	-398,053	-455,797	46.62%
Academic Services Formal Training	-1,728,910	-1,053,892	-675,018	60.96%
Advertisements	-2,125,330	-1,509,697	-615,633	71.03%
Building Plan Approval	-11,935,000	-9,600,499	-2,334,501	80.44%
Buyers Card	-75,240	-67,250	-7,990	89.38%
Camping Fees	-47,280		-47,280	0.00%
Crematory and Burial	-18,113,590	-11,608,992	-6,504,598	64.09%
Cleaning and Removal	-641,380	-152,856	-488,524	23.83%
Clearance Certificates	-1,386,320	-1,239,953	-146,367	89.44%
Computer Services	-67,830		-44,732	65.95%
Drainage Fees	-40,000	-244,412	204,412	611.03%
Encroachment Fees	-432,000	-348,248	-83,752	80.61%
Entrance Fees	-12,154,270	-116,208	-12,038,062	0.96%
Escort Fees	-1,000,000	-394,888	-605,112	39.49%
Fire Services	0	-153,125	153,125	0.00%
Laboratory Services	-1,000,000	-404,365	-595,635	40.44%
Legal Fees	-38,976,850	-15,347,764	-23,629,086	39.38%
Meal and Refreshment	-14,440		-14,440	0.00%
Parking Fees	-15,000	-9,376	-5,624	62.51%
Photo copies, Faxes and Telephone charges	-361,900	4,924	-366,824	-1.36%
Removal of Restrictions	-1,105,000	-868,522	-236,478	78.60%
Sale of Goods Agricultural Products Nursery Sale of Plants	-27,390	-8,618	-18,772	31.46%
Sale of Goods Assets < Capitalisation Threshold	0	-11,213	11,213	0.00%
Sale of Goods Consumables	0	19,750,240	-19,750,240	0.00%
Sale of Goods Publications Books	-9,360	-243	-9,117	2.60%
Sale of Goods Publications Charts /Posters	-14,100		-14,100	0.00%
Sale of Goods Publications Prints	-99,430	-72,572	-26,858	72.99%
Sale of Goods Publications Tender Documents	-1,070,000	-1,221,911	151,911	114.20%
Sale of Goods Sub-division and Consolidation Fees	-2,915,070		-2,915,070	0.00%
Scrap, Waste & Other Goods By Products	-30,000		-30,000	0.00%
Scrap, Waste & Other Goods Recycling of Waste	-11,092,140	-7,015,380	-4,076,760	63.25%
Scrap, Waste & Other Goods Scrap	-150,000	-41,250	-108,750	27.50%
Transport Fees	-13,700,000	-4,656,011	-9,043,989	33.99%
Valuation Services	-287,660	-6,629	-281,031	2.30%
Weighbridge Fees	-10,000	-4,141	-5,859	41.41%

### Expenditure Variations:

#### Employee Related Costs

The operating budget for Employee Related Costs amount to R3.915 billion for the 2021/22 financial year. The expenditure to date amounts to R2.053 billion or 52.45% of the budgeted amount.

mSCOA Line Item Description – Employee Related Cost	2022 Budget	YTD Actuals 31 Mar 22	Variance	% Spent
<b>Municipal Staff Post-retirement Benefit</b>				
Pension Current Service Cost	63,787,940		63,787,940	0.00%
<b>Municipal Staff Salaries, Wages and Allowances:</b>				
Allowances Cellular and Telephone	8,400	5,240	3,160	62.38%
Allowances Housing Benefits and Incidental Essential User	29,746,810	18,313,132	11,433,678	61.56%
Allowances Housing Benefits and Incidental Housing Benefits	14,632,300	10,277,671	4,354,629	70.24%
Allowances Non-pensionable	1,633,040	665,415	967,625	40.75%
Allowances Service Related Benefits Acting and Post Related Allowances	381,140	16,285,110	-15,903,970	4272.74%
Allowances Service Related Benefits Bonus	167,640,580	149,847,278	17,793,302	0.00%

Allowances Service Related Benefits Entertainment	1,500	467	1,033	31.11%
Allowances Service Related Benefits Leave Pay	17,779,870		17,779,870	0.00%
Allowances Service Related Benefits Long Service Award	117,655,840	86,358,385	31,297,455	73.40%
Allowances Service Related Benefits Overtime Night Shift	20,374,320	12,664,481	7,709,839	62.16%
Allowances Service Related Benefits Overtime Non Structured	193,012,840	184,679,439	8,333,401	95.68%
Allowances Service Related Benefits Overtime Shift Additional Remuneration	19,653,450	13,564,028	6,089,422	69.02%
Allowances Service Related Benefits Overtime Structured	37,551,400	26,357,532	11,193,868	70.19%
Allowances Service Related Benefits Scarcity Allowance	20,650,090	13,983,633	6,666,457	67.72%
Allowances Service Related Benefits Standby Allowance	28,197,680	19,337,443	8,860,237	68.58%
Allowances Service Related Benefits Uniform/Special /Protective Clothing	2,210	1,514	696	68.53%
Allowances Travel or Motor Vehicle	65,460,240	43,547,903	21,912,337	66.53%
Basic Salary and Wages	2,403,549,370	1,506,571,206	896,978,164	62.68%
Bonuses	42,123,970	25,539,662	16,584,308	60.63%
<b>Municipal Staff Social Contributions:</b>				
Bargaining Council	810,860	558,736	252,124	68.91%
Group Life Insurance	23,372,590	22,263,343	1,109,247	95.25%
Medical	203,457,440	144,566,297	58,891,143	71.05%
Pension	367,983,240	263,058,687	104,924,553	0.00%
Unemployment Insurance	12,493,910	10,737,852	1,756,058	85.94%
<b>Senior Management:</b>				
Chief Financial Officer Salaries and Allowances Basic Salary	2,354,400	1,660,356	694,044	70.52%
Chief Financial Officer Salaries and Allowances Bonuses	251,040		251,040	0.00%
Chief Financial Officer Social Contributions Unemployment Insurance	1,900	1,594	306	83.90%
Designation Salaries and Allowances Basic Salary	19,004,900	12,365,635	6,639,265	65.07%
Designation Salaries and Allowances Bonuses	2,248,500	183,456	2,065,044	0.00%
Designation Social Contributions Unemployment Insurance	18,300	12,753	5,547	69.69%
Municipal Manager (MM)Salaries and Allowances Bonuses	200,000		200,000	0.00%

The variance is due to certain allowances such as Overtime, Acting Allowance and Incentive Bonuses that are paid one month in arrears. Contributions to Post Retirement benefits and Leave Pay provision are only processed as at the close of the financial year as it relies on actuarial reports and the information as applicable as at 30 June of each financial year.

The overtime worked for period July 2021 to February 2022 amounted to R230,564,240. If this trend is maintained for the financial year (2021/22), the projected spending on Overtime will amount to R325,035,605. It is therefore anticipated that the Budget in the amount of R230,564,240 could be overspent by at least R94.47 million once all year-end accruals for overtime have been processed at the end of the 2021/22 financial year. The main Directorates responsible for the overspending are the Safety and Security, Electricity and Energy, Water Service, Public Health and Sanitation Directorates.

Directorate	2022 Actuals	2022 Budget	Projection
I&E Rate & General	5,719,539	5,783,090	8,649,309
Human Settlements	407,794	770,500	807,192
Public Health	24,208,853	28,183,260	36,889,440
Sport, Recreation, Arts & Culture	4,803,305	5,369,900	8,387,568
Safety & Security	81,763,950	83,241,990	123,605,515
Economic Development, Tourism & Agriculture	323,918	385,000	485,876
Corporate Services	4,013,763	5,253,620	6,323,865
Budget & Treasury	4,441,670	10,245,370	7,045,995
Executive Mayor	394,009	600,000	651,014
Sanitation Service	20,368,324	24,355,720	32,945,455
Water Service	27,189,312	23,946,560	41,445,917
Municipal Manager	145,131	250,000	217,696
Electricity & Energy	36,866,059	41,226,440	56,499,089
Chief Operating Officer	546,640	867,790	946,711
Special Projects & Programmes	33,309	85,000	134,963
<b>NMBM Total</b>	<b>211,225,576</b>	<b>230,564,240</b>	<b>325,035,605</b>

These Directorates will have to make a concerted effort to monitor the work programmes of employees in their respective areas.

The table below reflects Actual Overtime Payments for the past 6 years. Overtime payments over this period from 2015/16 to 2020/21 have increased by 124.3% or R170.36 million. The standout Directorate is Safety & Security whose actual Overtime payment increased from R30,534,663 to R128,459,967 or by 320.7%. This situation was exacerbated by the insourcing of security guards w.e.f. 2018/19 and 2019/20 financial years and this is now the permanent cost that will have to be the burden against the Property Rates of the NMBM as we go forward.

Directorate	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals
Infrastructure & Engineering R&G	3,589,244	5,379,712	4,317,024	6,247,465	5,349,645	7,781,651
Human Settlements	458,262	1,135,380	430,116	942,996	734,493	522,384
Public Health	21,158,581	26,993,154	20,781,046	27,247,273	24,848,033	30,955,479
Sport, Rec, Arts & Culture	5,433,093	5,914,678	6,207,957	9,206,181	7,858,502	4,700,056
<b>Safety &amp; Security</b>	<b>30,534,663</b>	<b>40,753,649</b>	<b>45,617,891</b>	<b>76,720,540</b>	<b>112,333,008</b>	<b>128,459,967</b>
Economic Dev, Tourism & Agri	463,939	599,524	568,589	640,741	802,378	668,259
Corporate Services	2,971,189	4,446,327	5,113,737	6,815,851	5,112,714	3,857,871
Budget & Treasury	5,532,138	10,396,113	7,913,218	9,404,412	7,576,136	4,514,354
Executive Mayor	502,188	683,740	435,847	307,970	420,580	358,220
Sanitation	15,641,644	17,858,306	16,154,418	19,673,089	26,243,607	29,634,633
Water	21,362,369	28,423,438	21,441,984	28,962,215	35,229,430	40,874,270
Municipal Manager	114,663	185,080	183,014	237,847	279,305	173,723
Electricity & Energy	25,981,611	30,975,974	25,209,115	35,465,323	41,720,359	50,380,363
Chief Operating Officer	310,350	373,082	252,894	677,398	386,227	1,515,504
Spec Proj and Programmes	0	38,164	97,673	230,027	119,170	14,705
<b>Grand Total</b>	<b>134,053,923</b>	<b>174,156,220</b>	<b>154,724,523</b>	<b>222,779,330</b>	<b>269,013,587</b>	<b>304,411,438</b>
<b>Percentage Increase</b>		<b>29.92%</b>	<b>-11.16%</b>	<b>43.98%</b>	<b>20.75%</b>	<b>13.16%</b>

The drop in overtime actual payments from 2017 to 2018 is directly as a result of the then new overtime policy that was implemented for a period of 2 months only and subsequently withdrawn as a result of a moratorium placed by Council on the implementation of that policy.

As reported in the previous financial year/s, considering the extent of possible overspending, the conclusion of the outstanding Overtime Policy to be in line with the relevant legislation/s, by the Corporate Services and Human Resources Standing Committee is long overdue as, amongst others, the fact that there is no guiding policy dealing with this matter is the huge risk to the institution.

Lastly, as emphasised in the past reporting periods, it is important that the Overtime Policy be in line with the requirements of the Basic Conditions of Employment Act for compliance and to make the difference in spending against this component of expenditure and also to enable the institution to create space within its limited financial resources in order to create employment in the most critical areas in the municipality's operations.

#### Debt Impairment inclusive of Bad Debts and Doubtful Debt Provision

Bad debts are written off upon Council's approval. Doubtful debts written off in the 2021/22 financial year to date. Impairment of Receivables are normally adjusted at financial year-end when the impairment of doubtful debts is concluded.

#### Finance Charges

The expenditure is influenced by the timing of payments, in accordance with the loan schedules.

#### Bulk Purchases

The table indicate financial records as at 31 March 2022 in respect of Bulk Purchases

SCOA Line Item Description – Bulk Purchases	2021/22 Budget	Actual March 2022	Variance	% Spent
Expenditure: Bulk Purchases: Electricity: Eskom	4,289,195,330	3,507,697,818	781,497,512	81.78%

It is noted that the Electricity Bulk purchases are overstated by R298,856,056.51 due to the non-reversal of the February 2022 accrual. At this stage indications are that Electricity Bulk Purchases may be overspent by at least R50 million come 30 June 2022 and all year-end accruals have been processed. The extent of actual electricity losses plays an important role as to final cost of Bulk electricity purchases. Electricity load shedding will also impact on the bulk purchase of Electricity for the 2021/22 financial year. **There is a very high risk that the Electricity Bulk Purchases Budget will be overspent by year-end. The estimated average electricity losses to 31 March 2022 appears to be at 23.30%. This materially impacts on the cost of purchasing bulk electricity. The electricity service is already running at a loss by only taking the primary costs into consideration. When taking the secondary costs into account the electricity service that should have at least a 15% profit margin is even further in the red and are effectively being funded by Property Rates which the NMBM can ill afford due to an insufficient Property Rates Base.**

Electricity losses (Refer to Table below)

Total non-revenue electricity losses (excluding unbilled street lighting and traffic lights) for the year to date as at 31 March 2022 amounts to R508.613 million (453,285,011 kWh) or 23.30%. The average total non-revenue electricity loss would be 25.06% should the Street lighting and Traffic lights estimated costs not be eliminated from the loss calculation. Estimated Non-revenue Electricity Losses for the month of March 2022 amounts to R60.272 million (23.32% or 67,970,931 kWh).

The highest percentage non-revenue electricity losses per month are always incurred during the high season tariff months namely July 2021 (25.71% - R122,182 million), August 2021 (27.99% - R129.564 million) and January 2022 (26.62% - R64,534 million), which materially affects the value of electricity losses. It is evident that the current strategies implemented to address electricity losses are not yielding positive results. Electricity losses have increased materially over the last 5 financial years, including the 2021/22 financial year.

Kindly note that electricity losses for February 2022 and March 2022 is an estimation as all electricity meters have not been read as at the date this report was compiled.

The tariff used to calculate the losses are based on the bulk purchase price and excludes distribution and administration costs.

- Electricity losses comprise of both Technical and Non-Technical losses.
- Technical Losses are assumed to be at 6%.
- Technical Losses include electricity system and line losses that are unavoidable.
- Non-Technical losses include theft by way of illegal connections, tampering etc.
- Internal consumption is the use of energy in municipal buildings & street lighting.
- Average purchased price will be finally recalculated annually.

2021/2022 ELECTRICITY & ENERGY LOSSES

	Jul (2021)	Aug ('2021)	Sep ('2021)	Oct ('2021)	Nov (2021)	Dec (2021)	Jan (2022)	Feb (2022)	Mar (2022)	Total Accum to date-(1 July 2021 to March 2022)
Total Purchases Energy (kWh)	303,743,303	301,324,674	283,440,908	272,933,071	262,265,503	244,514,929	277,431,972	265,369,205	291,491,017	1,945,654,160
Total Sales Energy (kWh)	220,623,930	211,906,130	222,163,462	209,882,001	208,853,593	185,951,406	198,673,865	195,026,904	218,618,263	1,458,056,368
Unbilled Energy (kWh)	83,119,373	89,418,544	61,277,446	63,051,070	53,411,710	58,563,523	78,756,107	66,342,301	72,872,754	487,597,772
Street Light and traffic lights (kWh)	4,901,823	4,901,823	4,901,823	4,901,823	4,901,823	4,901,823	4,901,823	4,901,823	4,901,823	34,312,761
Energy Loss (kWh)	78,217,550	84,516,721	56,375,623	58,149,247	48,509,887	53,661,700	73,854,284	61,440,478	67,970,931	453,285,011
% Total Losses	25.75%	28.05%	19.89%	21.31%	18.50%	21.95%	26.62%	23.15%	23.32%	23.30%
Technical Losses in units (kWh)	18,224,598	18,079,480	17,006,454	16,375,984	15,735,918	14,670,896	16,645,918	15,922,152	17,489,461	116,739,250
Non-Technical Losses in units (kWh)	59,992,952	66,437,241	39,369,168	41,773,263	32,773,969	38,990,804	57,208,365	45,518,326	50,481,470	336,545,761
Average Purchase Price	1.56	1.54	0.89	0.88	0.89	0.87	0.87	0.88	0.89	0.85
Rand Value - Technical Losses	28,516,411.00	27,776,490.27	15,209,798.99	14,424,858.83	14,065,265.44	12,806,509.74	14,545,406.40	14,083,221.62	15,508,710.49	127,344,740.68
Rand Value - Non Technical Losses	99,872,229.61	102,071,150.37	35,209,992.66	36,796,164.86	29,294,418.14	34,035,830.10	49,989,367.33	40,261,182.05	44,764,244.36	381,269,155.06
Rand Value - Total Losses	122,388,640.61	129,847,640.64	50,419,791.65	51,221,023.69	43,359,683.58	46,842,339.84	64,534,773.73	54,344,403.67	60,272,954.85	508,613,893.74
Technical Losses are calculated at 6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Actual Non Technical Losses %	19.75%	22.05%	13.89%	15.31%	12.50%	15.95%	20.62%	17.15%	17.32%	17.30%

2021/22 Water Losses

Financial Year	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Annual
Volume Treated (kℓ)	8,725,930	8,752,456	8,852,717	8,772,261	8,315,368	8,879,067	8,564,268	7,992,370	8,552,104	77,406,542
Revenue Volume (kℓ)	4,936,460	4,853,516	4,980,800	5,142,536	4,565,205	4,202,342	4,801,439	4,691,650	4,578,618	42,752,566
Revenue Water (%)	56.6%	55.5%	56.3%	58.6%	54.9%	47.3%	56.1%	58.7%	53.5%	55.2%
NRW volume (kℓ)	3,789,470	3,898,940	3,871,917	3,629,725	3,750,163	4,676,725	3,762,829	3,300,720	3,973,486	34,653,976
NRW (%)	43.4%	44.5%	43.7%	41.4%	45.1%	52.7%	43.9%	41.3%	46.5%	44.8%
Real Losses (Mℓ)	2,513,796	2,592,524	2,570,353	2,393,768	2,494,768	2,836,443	2,444,980	2,110,596	2,567,470	22,524,700
Real Losses (%)	28.8%	29.6%	29.0%	27.3%	30.0%	31.9%	28.5%	26.4%	30.0%	29.1%
Water Losses (Mℓ)	3,443,556	3,551,403	3,521,031	3,279,135	3,417,490	3,885,539	3,349,288	2,891,228	3,517,083	30,855,753
Water Losses (%)	39%	41%	40%	37%	41%	44%	39%	36%	41.1%	40%
ILI	7.16	7.36	7.29	6.78	7.09	8.03	6.92	5.96	7.25	7.09

Water Losses (Refer to Tables above)

The Non-revenue Water Losses for March 2022 amount to 3.973 million kl or 46.5%. The cumulative Water losses for the period 01 July 2021 to 31 March 2022 amounts to 34.653 million kl or 44.8%. Strategies to address this trend are currently being implemented. In comparison, the Water losses for the period 01 July 2020 to 31 March 2021 were 35.993 million kl or 44.5%.

Other Materials

The table below contains a list of Other Materials Items where the actual expenditure are reflected:

mSCOA Line Item Description – Inventory Consumed	2022 Budget	YTD Actuals 31Jan22	Variance	% Spent
Consumables Standard Rated	83,642,180	45,167,883	38,474,297	54.00%
Consumables Zero Rated	57,819,650	31,381,167	26,438,483	54.27%
Finished Goods	16,080,550	8,907,971	7,172,579	55.40%
Materials and Supplies	43,814,290	34,240,353	9,573,937	78.15%
Water	76,651,690	0	76,651,690	0.00%

Water bulk purchases are paid against the Statement of Financial Position – Inventory. The portion that represents Revenue Water consumed is required to be transacted against Other Materials. The remaining Water that appears to be Non-revenue but used is required to be transacted against the Expenditure category Losses which incorporates Water losses. No transaction had been processed to date in respect of both. Therefore, the expenditure on the Statement of Financial Performance as reflected in the first table of this Annexure 1 is understated in the Other Materials and Losses categories.

Transfers and Subsidies Paid

The table below contains a list of Transfers and Subsidies Paid Items where the actual expenditure are reflected.

mSCOA Line Item Description – Transfers and Subsidies Paid	2022 Budget	YTD Actuals 31Jan22	Variance	% Spent
National Departmental Agencies National Sea Rescue Institute	196,750	400,000	-203,250	203.30%
National Departmental Agencies Council for the Built Environment (CBE)	93,250		93,250	0.00%
Non-Profit Institutions Public Schools Section 20 Schools	75,000	100,000	-25,000	133.33%
Northern Cape Economic Development Agency	40,000	70,000	-30,000	0.00%
South Africa Blind Workers Organisation Johannesburg	45,000		45,000	0.00%
South Africa Local Government Association (SALGA)	16,956,000	15,516,612	1,439,388	91.51%
Provincial Departmental Agencies Subsidiary Entity	108,110,040	71,792,288	36,317,753	66.41%
Households Other Transfers (Cash) Bursaries (Non-Employee)	300,000	176,035	123,965	58.68%
Households Social Security Payments Social Assistance Old Age Grant	120,000	200,000	-80,000	166.67%
Non-profit institutions Animal Welfare	100,000	300,000	-200,000	300.00%
Non-profit institutions Old Age Homes	746,920	111,920	635,000	0.00%
Non-profit institutions Public Schools Other Educational Institutions School Support	2,415,580	801,100	1,614,480	33.16%
Non-profit institutions Sporting Bodies - Rent	540,000	590,000	-50,000	0.00%
Non-profit institutions Use - It	34,490,740	24,052,965	10,437,775	69.74%

Contracted Services

The table below contains a list of Contracted Services Items where the actual expenditure are reflected.

mSCOA Line Item Description – Contracted Services	2022 Budget	YTD Actuals 31 Mar 22	Variance	% Spent
<b>Consultants and Professional Services</b>				
Business and Advisory Accounting and Auditing	125,000		125,000	0.00%
Business and Advisory Audit Committee	600,000	783,714	-183,714	130.62%
Business and Advisory Business and Financial Management	1,662,790	137,307	1,525,483	8.26%
Business and Advisory Commissions and Committees	1,328,420	259,699	1,068,721	19.55%
Business and Advisory Communications	2,915,070		2,915,070	0.00%
Business and Advisory Forensic Investigators	3,805,170	335,889	3,469,281	8.83%
Business and Advisory Human Resources	750,000	12,845	737,155	1.71%
Business and Advisory Occupational Health and Safety	349,370	111,303	238,067	31.86%
Business and Advisory Project Management	38,799,800	4,296,718	34,503,082	11.07%
Business and Advisory Quality Control	123,000		123,000	0.00%
Business and Advisory Research and Advisory	10,829,510	1,484,720	9,344,790	13.71%
Infrastructure and Planning Engineering Civil	10,855,000	2,128,741	8,726,259	19.61%
Infrastructure and Planning Engineering Electrical	20,912,000	13,487,984	7,424,016	64.50%
Infrastructure and Planning Town Planner	1,171,000	620	1,170,380	0.00%
Laboratory Services Roads	200,000	110,641	89,359	55.32%
Laboratory Services Water	113,080	28,800	84,280	25.47%
Legal Cost Collection	33,066,770	14,606,376	18,460,394	44.17%
Legal Cost Issue of Summons	5,910,080		5,910,080	0.00%
Legal Cost Legal Advice and Litigation	55,694,030	39,367,603	16,326,427	70.69%
<b>Contractors</b>				
Artists and Performers	2,049,970	1,438,677	611,293	70.18%
Audio-visual Services	1,603,070	174,675	1,428,395	10.90%
Building	4,977,260	1,348,935	3,628,325	27.10%
Catering Services	734,580	128,792	605,788	17.53%
Chipping	15,000		15,000	0.00%
Employee Wellness	623,180	19,093	604,087	3.06%
Fire Protection	3,660,450	167,404	3,493,046	4.57%
Gardening Services	6,824,610	5,630,636	1,193,974	82.50%
Gas	1,202,060	412,660	789,400	34.33%
Maintenance of Buildings and Facilities	121,430,730	59,103,831	62,326,899	48.67%
Maintenance of Equipment	227,353,980	82,888,182	144,465,798	36.46%
Maintenance of Unspecified Assets	32,288,830	6,845,580	25,443,250	21.20%
Management of Informal Settlements	3,375,000	577,108	2,797,893	17.10%
Medical Services	2,255,550	1,576,899	678,651	69.91%
Pest Control and Fumigation	1,516,950	250,535	1,266,415	16.52%
Plants, Flowers and Other Decorations	1,102,000	209,882	892,118	19.05%
Prepaid Electricity Vendors	8,078,060	2,849,508	5,228,552	35.27%
Preservation/Restoration/Dismantling/Cleaning Services	235,460	88,775	146,685	37.70%
Safeguard and Security	9,815,560	1,877,683	7,937,877	19.13%
Sewerage Services	57,209,330	30,120,512	27,088,818	52.65%

Sports and Recreation	1,859,230	251,250	1,607,980	13.51%
Stage and Sound Crew	480,640		480,640	0.00%
Tracing Agents and Debt Collectors	459,660		459,660	0.00%
Traffic and Street Lights	1,158,350	233,275	925,075	20.14%
Transportation	39,307,990	24,670,170	14,637,820	62.76%
<b>Outsourced Services</b>				
Administrative and Support Staff	3,110		3,110	0.00%
Alien Vegetation Control	6,390,230	4,674,659	1,715,571	73.15%
Animal Care	2,070,330	942,953	1,127,377	45.55%
Burial Services	2,351,870	1,458,687	893,183	62.02%
Business and Advisory Accounting and Auditing	3,495,000		3,495,000	0.00%
Business and Advisory Commissions and Committees	2,588,500	109,476	2,479,024	4.23%
Business and Advisory Communications	2,100,000	2,018,267	81,733	96.11%
Business and Advisory Human Resources	200,000	32,112	167,888	16.06%
Business and Advisory Occupational Health and Safety	687,930	440,652	247,278	0.00%
Business and Advisory Project Management	322,639,010	70,523,768	252,115,242	21.86%
Business and Advisory Qualification Verification	240,000	51,379	188,621	21.41%
Business and Advisory Quality Control	1,828,520	495,040	1,333,480	27.07%
Business and Advisory Research and Advisory	1,550,570	173,340	1,377,230	11.18%
Business and Advisory Valuer	4,430,000	5,121,467	-691,467	115.61%
Catering Services	261,650	1,500	260,150	0.57%
Cleaning Services	1,666,210	476,048	1,190,162	28.57%
Clearing and Grass Cutting Services	33,433,910	13,203,948	20,229,962	39.49%
Connection/Dis-connection Electricity	920,430		920,430	0.00%
Connection/Dis-connection Water	7,790,150		7,790,150	0.00%
Drivers Licence Cards	5,428,520	2,098,532	3,329,988	38.66%
Electrical	42,391,070	24,901,465	17,489,605	58.74%
Hygiene Services	21,634,350	11,679,562	9,954,788	53.99%
Illegal Dumping	0		0	#DIV/0!
Litter Picking and Street Cleaning	6,350,000	13,179	6,336,821	0.21%
Medical Waste Removal	220,310	60,207	160,103	27.33%
Meter Management	18,878,290	7,730,298	11,147,992	40.95%
Printing Services	4,644,020	1,868,653	2,775,367	40.24%
Professional Staff	520,500	9,690	510,810	0.00%
Refuse Removal	44,945,920	26,863,191	18,082,729	59.77%
Security Services	19,817,080	5,733,176	14,083,904	28.93%
Sewerage Services	3,005,860		3,005,860	0.00%
Traffic Fines Management	15,773,630		15,773,630	0.00%
Transport Services	312,920	11,493	301,427	3.67%

### Other Expenditure

The table below contains a list of Other Expenditure Items where the actual expenditure are reflected.

mSCOA Line Item Description – Other Expenditure	2022 Budget	YTD Actuals 31Mar22	Variance	% Spent
Computer Equipment	1,029,250	91,651	937,599	8.90%
Furniture and Office Equipment	15,550,800	4,130,916	11,419,884	26.56%
Machinery and Equipment	214,000	175,000	39,000	0.00%
Other Assets	27,429,210	7,551,198	19,878,012	27.53%

Transport Assets	17,052,000	10,869,411	6,182,589	63.74%
Advertising, Publicity and Marketing Auctions	15,000	2,340	12,660	15.60%
Advertising, Publicity and Marketing Bursaries (Non-employees)	10,000		10,000	0.00%
Advertising, Publicity and Marketing Corporate and Municipal Activities	9,077,280	7,257,330	1,819,950	79.95%
Advertising, Publicity and Marketing Customer/Client Information	488,770	42,822	445,948	8.76%
Advertising, Publicity and Marketing Gifts and Promotional Items	190,880	62,500	128,380	32.74%
Advertising, Publicity and Marketing Municipal Newsletters	242,400		242,400	0.00%
Advertising, Publicity and Marketing Signs	824,110		824,110	0.00%
Advertising, Publicity and Marketing Staff Recruitment	1,305,440	345,397	960,043	26.46%
Advertising, Publicity and Marketing Tenders	1,745,140	2,641,225	-896,085	151.35%
Assets less than the Capitalisation Threshold	21,368,640	10,812,763	10,555,877	50.60%
Bank Charges, Facility and Card Fees Bank Accounts	7,273,180	1,726,592	5,546,588	23.74%
Bank Charges, Facility and Card Fees Third Parties	2,530		2,530	0.00%
Bursaries (Employees)	2,800,000	80,035	2,719,965	2.86%
Cash Discount	105,000	117,832	-12,832	112.22%
Cleaning Services Car Valet and Washing Services	9,040	271	8,769	3.00%
Cleaning Services Laundry Services	195,870	22,189	173,681	11.33%
Commission Prepaid Electricity	17,028,900	9,152,202	7,876,698	53.75%
Commission Third Party Vendors	5,412,490	4,385,195	1,027,295	81.02%
Communication Cellular Expenditure	17,907,940	7,989,542	9,918,398	44.61%
Communication Licences (Radio and Television)	643,020	232,707	410,313	36.19%
Communication Postage/Stamps/Frinking Machines	2,835,890	1,401,859	1,434,031	49.43%
Communication Radio and TV Transmissions	44,060	17,950	26,110	40.74%
Communication Rent Private Bag and Postal Box	1,150	4,781	-3,631	415.75%
Communication SMS Bulk Message Service	1,389,740	1,484,862	-95,122	106.84%
Communication Telemetric Systems	129,000	5,073	123,927	3.93%
Communication Telephone Installation	128,830		128,830	0.00%
Communication Telephone, Fax, Telegraph and Telex	16,520,210	7,404,043	9,116,167	0.00%
Copy Right Fees	10		10	0.00%
Cost relating to the Sale of Houses	0	2,910	-2,910	#DIV/0!
Courier and Delivery Services	427,320	148,363	278,957	0.00%
Deeds	1,072,610	262,779	809,832	0.00%
Drivers Licences and Permits	165,640	26,629	139,011	16.08%
Entertainment Executive Mayor	0		0	#DIV/0!
Entertainment Senior Management	23,370		23,370	0.00%
External Audit Fees	27,896,310	19,489,769	8,406,541	69.87%
External Computer Service Data Lines	2,308,280	869,563	1,438,717	37.67%
External Computer Service Information Services	10,766,440	93,821	10,672,619	0.87%
External Computer Service Internet Charge	1,210,590	416,783	793,807	34.43%
External Computer Service Network Extensions	601,720	25,971	575,749	4.32%
External Computer Service Remote Server Access	3,000,000	481,537	2,518,463	16.05%
External Computer Service Software Licences	79,564,600	18,994,877	60,569,723	23.87%
External Computer Service Specialised Computer Service	2,007,020	693,544	1,313,476	34.56%
External Computer Service System Adviser	4,754,910	3,269,853	1,485,057	68.77%
External Computer Service System Development	43,952,450	12,816,183	31,136,267	29.16%
External Computer Service Wireless Network	2,675,560	23,719	2,651,841	0.89%
Firearm Handling Fees	39,710	5,220	34,490	0.00%
Hire Charges	116,641,980	67,873,779	48,768,201	58.19%
Insurance Underwriting Claims paid to Third Parties	4,421,100	2,966,601	1,454,499	67.10%
Insurance Underwriting Excess Payments	1,000		1,000	0.00%
Insurance Underwriting Insurance Brokers Fees	645,500	267,613	377,887	41.46%

Insurance Underwriting Premiums	16,047,080	12,371,618	3,675,462	77.10%
Insurance Underwriting Risk Management Programs	0		0	#DIV/0!
Intercompany/Parent-subsidiary Transactions	4,537,630	3,229,357	1,308,273	71.17%
Land Alienation Costs	0		0	#DIV/0!
Learnerships and Internships	2,500,000	3,232,828	-732,828	129.31%
Levies Paid - Water Resource Management Charges	11,539,220	6,182,831	5,356,389	53.58%
Licences Motor Vehicle Licence and Registrations	8,213,400	5,726,650	2,486,750	69.72%
Licences Performing Arts	50,000		50,000	0.00%
Management Fee	7,667,650	9,434,812	-1,767,162	123.05%
Municipal Services	67,180,320	47,788,337	19,391,983	71.13%
Office Decorations	4,100		4,100	0.00%
Printing, Publications and Books	2,752,130	551,041	2,201,089	20.02%
Professional Bodies, Membership and Subscription	483,910	180,041	303,869	37.21%
Registration Fees Professional and Regulatory Bodies	384,470	6,143	378,327	1.60%
Registration Fees Seminars, Conferences, Workshops and Events National	3,505,170	810,326	2,694,844	23.12%
Remuneration to Ward Committees	20,445,200	5,555,197	14,890,003	27.17%
Resettlement Cost	22,670	190,990	-168,320	842.48%
Rewards Incentives	1,500,000	1,730,685	-230,685	115.38%
Samples and Specimens	190,000	100,926	89,074	53.12%
Signage	280,610	90,147	190,463	32.13%
Skills Development Fund Levy	31,779,690	22,753,881	9,025,809	71.60%
Storage of Files (Archiving)	966,590	205,375	761,215	21.25%
Transport Provided as Part of Departmental Activities Events	2,250,000	1,100,000	1,150,000	48.89%
Transport Provided as Part of Departmental Activities Municipal Activities	3,646,610	3,623,596	23,014	99.37%
Travel Agency and Visa's	411,190	8,775	402,415	2.13%
Travel and Subsistence Domestic Accommodation	1,286,960	102,473	1,184,487	7.96%
Travel and Subsistence Domestic Daily Allowance	367,720	39,029	328,691	10.61%
Travel and Subsistence Domestic Food and Beverage (Served)	131,980	500	131,480	0.00%
Travel and Subsistence Domestic Incidental Cost	92,570	9,814	82,756	10.60%
Travel and Subsistence Domestic Transport with Operator Other Transport Provider	26,560		26,560	0.00%
Travel and Subsistence Domestic Transport with Operator Public Transport Air Transport	1,705,590	16,660	1,688,930	0.98%
Travel and Subsistence Domestic Transport with Operator Public Transport Road Transport	151,770	27,090	124,680	17.85%
Travel and Subsistence Domestic Transport without Operator Car Rental	858,950	20,379	838,571	0.00%
Travel and Subsistence Domestic Transport without Operator Own Transport	309,830		309,830	0.00%
Travel and Subsistence Foreign Accommodation	82,000		82,000	0.00%
Travel and Subsistence Foreign Daily Allowance	18,100		18,100	0.00%
Travel and Subsistence Foreign Transport with Operator Public Transport Air Transport	90,000		90,000	0.00%
Travel and Subsistence Foreign Transport with Operator Public Transport Road Transport	16,800		16,800	0.00%
Travel and Subsistence Non-employees	314,260	46,765	267,495	14.88%
Uniform and Protective Clothing	13,541,380	4,978,290	8,563,090	36.76%
Wet Fuel	7,041,030	3,112	7,037,918	0.04%
Workmen's Compensation Fund	5,331,420	5,271,147	60,273	98.87%

### Repairs and Maintenance

The table below contains lists of Repairs and Maintenance Expenditure where the actual expenditure are reflected.

#### Repairs and Maintenance by Asset Class:

Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	275,602	2,332	153,316	137,801	(15,515)	-11.3%
Roads Infrastructure	41,383	(2,388)	24,587	20,691	(3,896)	-18.8%
Roads	12,151	(330)	6,083	6,076	(7)	-0.1%
Road Structures	25,300	(2,058)	18,111	12,650	(5,461)	-43.2%
Road Furniture	3,931	-	394	1,966	1,572	80.0%
Capital Spares	-	-	-	-	-	-
Storm water Infrastructure	12,248	(911)	4,390	6,124	1,734	28.3%
Drainage Collection	16	-	-	8	8	100.0%
Storm water Conveyance	12,082	(911)	4,390	6,041	1,651	27.3%
Attenuation	150	-	-	75	75	100.0%
Electrical Infrastructure	52,945	2,518	43,149	26,473	(16,677)	-63.0%
Power Plants	6,752	21	3,104	3,376	272	8.1%
HV Substations	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-
MV Substations	5,606	891	5,831	2,803	(3,028)	-108.0%
MV Switching Stations	-	-	-	-	-	-
MV Networks	32,476	2,353	27,354	16,238	(11,116)	-68.5%
LV Networks	8,111	(746)	6,860	4,055	(2,805)	-69.2%
Capital Spares	-	-	-	-	-	-
Water Supply Infrastructure	96,787	(27,652)	47,191	48,393	1,202	2.5%
Dams and Weirs	1,532	943	943	766	(177)	-23.1%
Boreholes	-	-	-	-	-	-
Reservoirs	825	(435)	1	413	412	99.8%
Pump Stations	34,921	(87)	17,353	17,461	108	0.6%
Water Treatment Works	8,630	(27,768)	581	4,315	3,734	86.5%
Bulk Mains	11,750	914	8,979	5,875	(3,104)	-52.8%
Distribution	39,129	(1,219)	19,335	19,564	229	1.2%
Distribution Points	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Sanitation Infrastructure	70,050	30,635	33,727	35,025	1,298	3.7%
Pump Station	12,040	486	3,547	6,020	2,473	41.1%
Reticulation	-	-	-	-	-	-
Waste Water Treatment Works	57,447	30,149	30,180	28,724	(1,456)	-5.1%
Outfall Sewers	-	-	-	-	-	-
Toilet Facilities	563	-	-	281	281	100.0%
Capital Spares	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-
Rail Infrastructure	2,190	129	271	1,095	824	75.2%
Rail Lines	2,133	129	271	1,067	795	74.6%
Rail Structures	-	-	-	-	-	-
Rail Furniture	57	-	-	28	28	100.0%
Drainage Collection	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-

Capital Spares			-	-	-	
Coastal Infrastructure	-	-	-	-	-	
Sand Pumps						
Piers						
Revetments						
Promenades						
Capital Spares						
Information and Communication Infrastructure	-	-	-	-	-	
Data Centres						
Core Layers						
Distribution Layers						
Capital Spares						
<b>Community Assets</b>	<b>27,725</b>	<b>68</b>	<b>7,652</b>	<b>13,863</b>	<b>6,210</b>	<b>44.8%</b>
Community Facilities	20,491	(25)	4,084	10,246	6,161	60.1%
Halls	8,247	435	1,594	4,123	2,529	61.3%
Centres						
Crèches						
Clinics/Care Centres						
Fire/Ambulance Stations						
Testing Stations						
Museums	284	-	63	142	79	55.6%
Galleries	25	-	20	12	(8)	-61.8%
Theatres						
Libraries	3,399	10	151	1,699	1,549	91.1%
Cemeteries/Crematoria						
Police	119			59	59	100.0%
Parks	3,280	1,393	1,393	1,640	247	15.1%
Public Open Space	2,623	(1,863)	562	1,312	750	57.2%
Nature Reserves	80	-	5	40	35	87.5%
Public Ablution Facilities	385			193	193	100.0%
Markets	2,050	-	296	1,025	728	71.1%
Stalls						
Abattoirs						
Airports						
Taxi Ranks/Bus Terminals						
Capital Spares						
Sport and Recreation Facilities	7,234	92	3,568	3,617	49	1.3%
Indoor Facilities	6,409	86	3,517	3,205	(312)	-9.7%
Outdoor Facilities	825	6	51	412	361	87.6%
Capital Spares						
<b>Heritage assets</b>	<b>1,016</b>	<b>10</b>	<b>89</b>	<b>508</b>	<b>419</b>	<b>82.5%</b>
Monuments	370	10	89	185	97	52.1%
Historic Buildings						
Works of Art						
Conservation Areas	645	-	-	323	323	100.0%
Other Heritage						
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	-	-	-	-	-	-
Improved Property						
Unimproved Property						
Non-revenue Generating	-	-	-	-	-	-
Improved Property						
Unimproved Property						
<b>Other assets</b>	<b>50,640</b>	<b>857</b>	<b>8,227</b>	<b>25,320</b>	<b>17,093</b>	<b>67.5%</b>
Operational Buildings	48,005	883	8,180	24,002	15,822	65.9%
Municipal Offices	37,085	704	6,125	18,543	12,418	67.0%
Pay/Enquiry Points						
Building Plan Offices						
Workshops	400	4	137	200	63	31.5%
Yards						
Stores						
Laboratories	100			50	50	100.0%
Training Centres	500			250	250	100.0%
Manufacturing Plant						
Depots	9,920	175	1,919	4,960	3,041	61.3%
Capital Spares						
Housing	2,635	(26)	47	1,318	1,270	96.4%
Staff Housing	445			222	222	100.0%

<i>Social Housing</i>	2,191	(26)	47	1,095	1,048	95.7%
<i>Capital Spares</i>			-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	
<i>Biological or Cultivated Assets</i>						
<b>Intangible Assets</b>	4,939	-	3,756	2,469	(1,286)	-52.1%
<i>Servitudes</i>						
<i>Licences and Rights</i>	4,939	-	3,756	2,469	(1,286)	-52.1%
<i>Water Rights</i>						
<i>Effluent Licenses</i>						
<i>Solid Waste Licenses</i>						
<i>Computer Software and Applications</i>	4,919		3,756	2,460	(1,296)	-52.7%
<i>Load Settlement Software Applications</i>						
<i>Unspecified</i>	20		-	10	10	100.0%
<b>Computer Equipment</b>	7,453	750	1,928	3,726	1,798	48.3%
<i>Computer Equipment</i>	7,453	750	1,928	3,726	1,798	48.3%
<b>Furniture and Office Equipment</b>	3,532	8	102	1,766	1,664	94.2%
<i>Furniture and Office Equipment</i>	3,532	8	102	1,766	1,664	94.2%
<b>Machinery and Equipment</b>	84,702	3,132	27,098	42,351	15,253	36.0%
<i>Machinery and Equipment</i>	84,702	3,132	27,098	42,351	15,253	36.0%
<b>Transport Assets</b>	42,011	2,187	26,891	21,005	(5,886)	-28.0%
<i>Transport Assets</i>	42,011	2,187	26,891	21,005	(5,886)	-28.0%
<b>Land</b>	-	-	-	-	-	
<i>Land</i>						
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	
<i>Zoo's, Marine and Non-biological Animals</i>						
<b>Total Repairs and Maintenance Expenditure</b>	<b>497,619</b>	<b>9,344</b>	<b>229,059</b>	<b>248,810</b>	<b>19,750</b>	<b>7.9%</b>

Repairs and maintenance exist at the mSCOA Project level. It consists of Other Expenditure, Contracted Services, Other Materials and Employee Related Costs expensed on repair and maintenance projects. Only 46.03% of the repairs and maintenance projects budget had been spent by 31 March 2022. It is clear from the above that not all employee related costs are allocated to Repair and Maintenance projects. Considering the amount of overtime paid to Infrastructure Directorates to perform critical maintenance functions it is clear that the total Repairs and Maintenance costs are understated from a budgetary as well as an actual perspective.

### CAPITAL BUDGET PERFORMANCE AT 31 MARCH 2022

Below is an analysis of the capital expenditure compared to the approved 2021/22 Original Capital Budget.

- The performance on expenditure for capital projects by Directorate is reflected in Annexure A2i.
- The expenditure performance of the Capital Budget was impacted by National Treasury not paying all of the Equitable Share and Conditional Grants as Gazetted in the DoRA.in line with the National Treasury Payment Schedule.
- The COVID pandemic has a material impact on the operations of the NMBM and resulted in the low capital spending experienced for the 2021/22 financial year as at 31 March 2022.
- Capital spending for 2021/22 as at 31 March 2022 amounts to only R588.28 million or 37.92% of the approved budget of R1.551 billion.

The impact of the Capital Budget on the Municipality's cash flow position is discussed in **Annexure A3** of this report.

Vote Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Multi-Year expenditure appropriation</b>						
Vote 1 - Budget & Treasury	1,000	–	121	379	(258)	-68%
Vote 2 - Public Health	5,700	42	2,248	3,120	(872)	-28%
Vote 3 - Human Settlements	81,127	7,902	18,165	49,254	(31,089)	-63%
Vote 4 - Economic Development, Tourism & Agriculture	61,585	1,556	21,064	29,619	(8,555)	-29%
Vote 5 - Corporate Services	13,200	153	3,029	11,965	(8,936)	-75%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	282,791	12,822	96,519	188,491	(91,972)	-49%
Vote 7 - Metro Water Service	502,250	40,617	78,161	321,338	(243,176)	-76%
Vote 8 - Sanitation - Metro	80,850	3,572	196,574	51,990	144,584	278%
Vote 9 - Electricity & Energy	234,303	18,048	114,611	133,340	(18,728)	-14%
Vote 10 - Executive & Council	–	–	–	–	–	–
Vote 11 - Safety & Security	7,812	–	247	1,900	(1,653)	-87%
Vote 12 - Mandela Bay Stadium	–	–	–	–	–	–
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–
Vote 14 - Recreational & Cultural Services	28,700	948	11,238	23,100	(11,862)	-51%
<b>Total Capital Multi-year expenditure</b>	<b>1,299,319</b>	<b>85,859</b>	<b>541,977</b>	<b>814,495</b>	<b>(272,518)</b>	<b>-33%</b>
<b>Single Year expenditure appropriation</b>						
Vote 1 - Budget & Treasury	2,771	–	124	1,700	(1,576)	-93%
Vote 2 - Public Health	64,384	1,195	8,977	17,879	(8,902)	-50%
Vote 3 - Human Settlements	–	–	–	–	–	–
Vote 4 - Economic Development, Tourism & Agriculture	7,265	899	1,084	7,265	(6,182)	-85%
Vote 5 - Corporate Services	20,295	1,186	10,427	19,355	(8,928)	-46%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	69,219	563	6,583	32,869	(26,286)	-80%
Vote 7 - Metro Water Service	15,500	1,723	2,561	5,000	(2,439)	-49%
Vote 8 - Sanitation - Metro	4,450	–	7,799	–	7,799	#DIV/0!
Vote 9 - Electricity & Energy	8,150	–	–	2,100	(2,100)	-100%
Vote 10 - Executive & Council	–	–	–	–	–	–
Vote 11 - Safety & Security	51,330	129	5,215	5,130	85	2%
Vote 12 - Mandela Bay Stadium	–	–	–	–	–	–
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–
Vote 14 - Recreational & Cultural Services	8,700	1,532	3,534	5,300	(1,766)	-33%
<b>Total Capital single-year expenditure</b>	<b>252,065</b>	<b>7,227</b>	<b>46,304</b>	<b>96,599</b>	<b>(50,295)</b>	<b>-52%</b>
<b>Total Capital Expenditure</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>
<b>Capital Expenditure - Functional Classification</b>						
<b>Governance and administration</b>	<b>140,619</b>	<b>1,813</b>	<b>13,908</b>	<b>50,723</b>	<b>(36,814)</b>	<b>-73%</b>
Executive and council	–	–	–	–	–	–
Finance and administration	140,619	1,813	13,908	50,723	(36,814)	-73%
Internal audit	–	–	–	–	–	–
<b>Community and public safety</b>	<b>78,031</b>	<b>3,572</b>	<b>35,890</b>	<b>58,968</b>	<b>(23,078)</b>	<b>-39%</b>
Community and social services	29,340	–	9,616	22,410	(12,794)	-57%

Sport and recreation	35,000	3,530	18,498	26,150	(7,652)	-29%
Public safety	11,165		7,734	9,608	(1,874)	-20%
Housing						
Health	2,525	42	42	800	(758)	-95%
<b>Economic and environmental services</b>	<b>352,595</b>	<b>15,943</b>	<b>119,000</b>	<b>224,951</b>	<b>(105,952)</b>	<b>-47%</b>
Planning and development	39,477	899	11,372	28,494	(17,122)	-60%
Road transport	313,119	15,044	107,627	196,457	(88,830)	-45%
Environmental protection						
<b>Trading services</b>	<b>978,638</b>	<b>71,559</b>	<b>419,483</b>	<b>575,327</b>	<b>(155,844)</b>	<b>-27%</b>
Energy sources	239,453	18,048	114,611	134,440	(19,828)	-15%
Water management	529,817	43,326	268,627	335,014	(66,387)	-20%
Wastewater management	172,542	10,185	36,245	99,752	(63,507)	-64%
Waste management	36,826			6,122	(6,122)	-100%
Other	1,500			1,125	(1,125)	-100%
<b>Total Capital Expenditure - Functional Classification</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>
<b>Funded by:</b>						
National Government	809,896	54,319	301,444	471,689	(170,225)	-36%
Provincial Government						
District Municipality						
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	41,865	1,085	17,265	32,365	(15,101)	-47%
<b>Transfers recognised - capital</b>	<b>851,762</b>	<b>55,404</b>	<b>318,709</b>	<b>504,035</b>	<b>(185,326)</b>	<b>-37%</b>
<b>Borrowing</b>	<b>254,245</b>	<b>15,433</b>	<b>131,928</b>	<b>154,524</b>	<b>(22,596)</b>	<b>-15%</b>
Internally generated funds	445,377	22,049	137,644	252,535	(114,891)	-45%
<b>Total Capital Funding</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>

The capital expenditure is lower than anticipated. This state of affairs can also be observed by the high level of unspent conditional DoRA grants as at 31 March 2022.

Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 – 31 JANUARY 2022

At the time the March 2022 financial report was drafted the February 2022 and March 2022 monthly reports were not yet made available for reporting purposes.

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022							SUMMARY BY FIN SOURCE BY DIRECTORATE		
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE
Budget & Treasury	20182605	Construction of new offices at Supply Chain Management	1659	1,000,000.00	120,658	901	CRR - Rate & General	1,000,000.00	120,658.44
Budget & Treasury	20200262	Replacement of Old Laptops and Desktop PC's	1519	500,000.00	28,350	959	Fuel Levy		
Budget & Treasury	20120079	Replacement of Handheld Devices - Meter Reading	22	500,000.00	-	959	Fuel Levy	2,771,160.00	108,411.05
Budget & Treasury	20120080	Replacement of Vending POS Equipment	1488	800,000.00	-	959	Fuel Levy		
Budget & Treasury	20182612	B&T Office Renovations - ETB	9	121,160.00	80,061	959	Fuel Levy		
Budget & Treasury	20190146	Acquisition of Motor Vehicles for Meter Readers	803	850,000.00	-	959	Fuel Levy		
				3,771,160.00	229,069			3,771,160.00	229,069
Corporate Services	20182437	Purchase of servers and other IT Related Infrastructure	615	1,105,000.00	0	901	CRR - Rate & General	9,700,000.00	1,650,614.39
Corporate Services	20200025	Disaster Recovery: Backup power and Renewable energy	1689	895,000.00	0	901	CRR - Rate & General		
Corporate Services	20200022	Disaster Recovery: Building Works	1689	2,000,000.00	182,507.59	901	CRR - Rate & General		
Corporate Services	20170145	Disaster Recovery Center - Information Security	1689	2,500,000.00	1,488,106.80	901	CRR - Rate & General		
Corporate Services	20200023	Disaster Recovery: Installation Of Air Conditioners	1689	3,200,000.00	0	901	CRR - Rate & General		
Corporate Services	20210386	Alpha House - Evacuation System	1680	417,594.00	151,985.61	959	Fuel Levy		78
Corporate Services	20182437	Purchase of servers and other IT Related Infrastructure	615	3,395,000.00	0	959	Fuel Levy		
Corporate Services	20190264	Air Conditioning of Municipal Buildings	1572	1,500,000.00	0	959	Fuel Levy	23,795,000.00	7,907,045.48
Corporate Services	20210179	Procurement of Furniture for HRMS	165	800,000.00	0	959	Fuel Levy		
Corporate Services	20200242	Cochester Community Hall: Installation of burglar bars	638	300,000.00	0	959	Fuel Levy		
Corporate Services	20190289	Upgrade of Ward 51, Councillor Office	1572	450,000.00	153,399.99	959	Fuel Levy		
Corporate Services	20210182	Fidelity Building: Evacuation System	1747	601,628.00	0	959	Fuel Levy		
Corporate Services	20200261	Upgrade of Walmer Gqoboka Community Hall	638	300,000.00	0	959	Fuel Levy		
Corporate Services	20200149	Motherwell NU 2 Hall: Installation of Bellview Fencing	638	1,500,000.00	646,921.88	959	Fuel Levy		
Corporate Services	20210191	Ward 60 Councillors office- Installation of Fencing	221	750,000.00	528,781.83	959	Fuel Levy		
Corporate Services	20182557	Upgrade of Feather Market Centre	638	1,200,000.00	1,012,137.21	959	Fuel Levy		
Corporate Services	20200144	Burchell Depot: Supply and erection of fencing	777	2,500,000.00	1,619,071.11	959	Fuel Levy		
Corporate Services	20190268	Erection of Ward 34 Councillors Office	638	105,000.00	0	959	Fuel Levy		
Corporate Services	20200024	Lillian Diedericks Building: Replacement of Garage Doors	1572	500,000.00	0	959	Fuel Levy		
Corporate Services	20182438	Office Furniture - Corporate Admin	227	440,460.00	73,782.80	959	Fuel Levy		
Corporate Services	20200253	Office Furniture - Corporate Admin	1572	540,000.00	-0.01	959	Fuel Levy		
Corporate Services	20210188	Upgrade to HRMS Offices: 13th Floor, Fidelity Building	1747	900,000.00	458,716.65	959	Fuel Levy		
Corporate Services	20200024	Ward 23 Councillors office- Installation of Fencing	221	700,000.00	565,223.82	959	Fuel Levy		
Corporate Services	20200252	Upgrade to HRMS Offices: 1st Floor, Fidelity Building	1747	2,200,000.00	158,500.00	959	Fuel Levy		
Corporate Services	20200327	Upgrading of City Hall	638	400,000.00	48,500.00	959	Fuel Levy		
Corporate Services	20210181	Lillian Diedericks Building: Evacuation System	227	271,146.00	0	959	Fuel Levy		
Corporate Services	20210190	Ward 24 Councillors office- Installation of Fencing	221	750,000.00	658,338.56	959	Fuel Levy		
Corporate Services	20210187	Ward 22 Councillors office- Installation of Fencing	221	550,000.00	536,976.24	959	Fuel Levy		
Corporate Services	20200257	Cuyler Depot: Erection of Dining room	777	150,000.00	0	959	Fuel Levy		
Corporate Services	20210192	Ward 55 Councillors office- Installation of Fencing	221	350,000.00	0	959	Fuel Levy		
Corporate Services	20210194	Mfanasekhaya Gqoboka Building: Evacuation System	227	587,250.00	0	959	Fuel Levy		
Corporate Services	20200251	Upgrade to switchboard: 1st Floor, Fidelity Building	1747	800,000.00	0	959	Fuel Levy		

# Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022									
SUMMARY BY FIN SOURCE BY DIRECTORATE									
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	BUDGET	EXPENDITURE
Corporate Services	20210188	Ward 18 Councilors office- Installation of Fencing	221	550,000.00	536,387.73	959	Fuel Levy		
Corporate Services	20210270	Mfansekhaya Gqobase: Replacement of garage doors	221	160,000.00	57,262.75	959	Fuel Levy		
Corporate Services	20210184	City Hall: Evacuation System	240	126,922.00	112,059.31			33,495,000.00	8,957,659.87
				33,495,000.00	8,957,659.87				
EDTA	20190169	EDTA: Njoli Square Redevelopment	639	20,608,700	4,021,654.95	919	NDPG	20,608,700.00	4,021,654.95
EDTA	20210283	EDTA: Fencing of Uitenhage Fresh Produce Market	639	500,000	0	959	Fuel Levy		
EDTA	20190087	EDTA: Uitenhage Fresh Produce Market	639	1,500,000	0	959	Fuel Levy	2,400,000.00	0.00
EDTA	20210284	EDTA: Purchase of Forklifts	639	400,000	0	959	Fuel Levy		
EDTA	20190094	EDTA: IMothenwell Container Retail Boxes	1291	1,865,380	0	965	European Union	1,865,380.00	0.00
EDTA	20182456	EDTA : Informal Trading Infrastructure	639	4,500,000	0	901	CRR - Rate & General	4,500,000.00	0.00
				29,374,080.00	4,021,655			29,374,080.00	4,021,655
Electricity	20210343	E&E Installation of Area lighting - Malabar - Ward 12	374	650,440.00	0	972	IUSFG	36,570,480.00	6,238,578.10
Electricity	20210324	E&E Installation of Area lighting - Ebhongeni - Ward 18	374	1,513,050.00	0	972	IUSFG		
Electricity	20210331	E&E MV bulk infra 2 x 11KV CB-Malabar Substation - Malabar	374	2,086,960.00	0	972	IUSFG		
Electricity	20210333	E&E Bulk infra -OH to UFG Conversion - Walmer Dev - Ward 4	374	608,700.00	0	972	IUSFG		
Electricity	20210330	E&E Upgrade bulk infra 1X132KV CB Matomela sub - Ekuphumleni	374	2,173,920.00	737,477.28	972	IUSFG		
Electricity	20210337	E&E Installation of Area lighting - Doornhoek - Ward 48	374	6,086,960.00	2,767,798.58	972	IUSFG		
Electricity	20210345	E&E Construction of 22KV Feeder to Mothenwell NU30 - Ward 54	374	347,830.00	0	972	IUSFG		
Electricity	20210336	E&E Installation of Area lighting - Malabar Phase 2 - Ward 12	374	1,274,790.00	0	972	IUSFG		
Electricity	20210335	E&E Installation of Area Lighting - Nkatha Seyis/Inkuthazwe	374	30,440.00	0	972	IUSFG		
Electricity	20210340	E&E Installation of Area lighting - Red Location - Ward 15	374	434,790.00	0	972	IUSFG		
Electricity	20210342	E&E Upgrade Bulk MV Net,install 22KV CB Panel at Mothenwell	374	130,440.00	0	972	IUSFG		
Electricity	20210338	E&E Installation of Area lighting - Rosedale PH2 - Ward 53	374	2,086,960.00	0	972	IUSFG		
Electricity	20210327	E&E Installation of Area lighting - Ekuphumleni (In-Situ)	374	6,829,570.00	67,650.00	972	IUSFG		
Electricity	20210341	E&E Bulk infra establish New Sub-Booyseens - Jachtvliete	374	489,570.00	0	972	IUSFG		
Electricity	20210339	E&E Upgrade bulk infra -1X132KV CB Matomela sub - Nkatha	374	4,347,830.00	0	972	IUSFG		
Electricity	20200201	Supervisory Control - Equipment Upgrade	374	7,478,230.00	2,665,652.26				
Electricity	20200209	Public Contribution - Private Township Development	374	3,500,000.00	256,520.36	923	Public Contributions	40,000,000.00	15,054,259.11
Electricity	20200339	E&E Miscellaneous Mains and Substations	374	16,500,000.00	6,986,668.90	923	Public Contributions		
Electricity	20200207	Reinforcement of Electricity Network - Coega IDZ	374	20,000,000.00	7,811,089.85	923	Public Contributions		
Electricity	20210092	Public Lighting - Refurbishment/Retro fit	374	3,946,200.00	423,533.69	951	USDG	34,987,400.00	19,665,487.11
Electricity	20200336	E&E - Public Lighting	380	10,000,000.00	6,219,183.81	951	USDG		
Electricity	20200188	E&E-Electrification of State Subsidised Houses	374	6,442,500.00	4,470,299.05	951	USDG		
Electricity	20150028	Refurbishment of Power Transformers	374	14,598,700.00	8,552,470.56	951	USDG		
Electricity	20070209	Substation Fibre Optic Backbone	374	1,250,000.00	0	959	Levies		
Electricity	20170045	Distribution Substation Building Refurbishment Programme	374	1,000,000.00	999,988.01	959	Levies		
Electricity	20150028	Refurbishment of Power Transformers	374	6,350,000.00	681,526.26	959	Levies		
Electricity	20200113	Reinforcement of Electricity Network- North	374	2,000,000.00	0	959	Levies		
Electricity	20200330	E&E- HV Circuit breakers replacement at major substations	375	3,200,000.00	548,537.61	959	Levies	53,650,000.00	12,255,142.91
Electricity	20200115	Reinforcement of Electricity Network- Wells Estate	374	1,500,000.00	0	959	Levies		
Electricity	20200117	Reinforcement of Electricity Network- Korsten	374	500,000.00	0	959	Levies		
Electricity	20200119	Reinforcement of Electricity Network- Newton Park	374	0	0	959	Levies		
Electricity	20200120	Reinforcement of Electricity Network- Uitenhage	374	2,000,000.00	0	959	Levies		

# Annexure "A2(i)"

SUMMARY BY FIN SOURCE  
BY DIRECTORATE

CAPITAL EXPENDITURE REPORT FOR THE PERIOD  
1 JULY 2021 - 31 JANUARY 2022

Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE
Electricity	20200123	Reinforcement of Electricity Network- Mount Road	374	3,000,000.00	2,030,505.46	959	Levies		
Electricity	20200137	Procurement of Metering Products	369	6,150,000.00	0	959	Levies		
Electricity	20200125	Reinforcement of Electricity Network- Despatch	374	5,000,000.00	461,950.53	959	Levies		
Electricity	20200334	E&E - Kragga Kamma MV Upgrade	375	1,200,000.00	1,165,787.65	959	Levies		
Electricity	20200126	Reinforcement of Electricity Network- South	374	3,500,000.00	2,406,101.96	959	Levies		
Electricity	20200128	Reinforcement of Electricity Network- Western	374	2,000,000.00	0	959	Levies		
Electricity	20200131	New/Replacement of Plant and Motor Vehicles	374	2,000,000.00	0	959	Levies		
Electricity	20200201	Supervisory Control - Equipment Upgrade	374	1,000,000.00	0	959	Levies		
Electricity	20200203	HV Line Refurbishment (66 & 132KV)	374	800,000.00	0	959	Levies		
Electricity	20200332	E&E Chelsea MV upgrade	375	1,000,000.00	0	959	Levies		
Electricity	20200205	MV and LV Line Refurbishment	374	4,500,000.00	3,080,246.18	959	Levies		
Electricity	20210095	Gas Turbine Refurbishment	374	3,000,000.00	0	959	Levies		
Electricity	20210273	E&E - 132kv Power line commission	374	1,700,000.00	0	959	Levies		
Electricity	20200337	E&E - Mabandla MV Upgrade	375	1,000,000.00	880,499.25	959	Levies		
Electricity	20170022	Undeclared Informal Electrification	374	36,000,000.00	17,752,079.65	962	External finance fund	74,244,700.00	17,768,490.29
Electricity	20182549	Upgrade of Commercial Meters - Remote Metering	369	7,302,000.00	0	962	External finance fund		
Electricity	20182550	Smart Pre-Payment Meters	369	10,942,700.00	16,410.64	962	External finance fund		
Electricity	20182551	HV Transmission Line	374	20,000,000.00	0	962	External finance fund		
				<b>239,452,590.00</b>	<b>70,961,958</b>			<b>239,452,590.00</b>	<b>70,961,958</b>
Human Settlements	20110092	Missionvale - Roadworks	415	6,905,850.00	3,110,927.38	951	USDG		
Human Settlements	20190005	Missionvale - Sewer Reticulation	415	657,700.00	0	951	USDG	14,009,750.00	3,110,927.38
Human Settlements	20190104	Connections and Water Meters	415	2,500,000.00	0	951	USDG		
Human Settlements	20190003	Missionvale - Stormwater	415	2,959,650.00	0	951	USDG		
Human Settlements	20190004	Missionvale - Water Reticulation	415	986,550.00	0	951	USDG		
Human Settlements	20210346	Walmer Erf 1948 TRA - Roadworks	415	5,029,570.00	3,238,196.57	972	ISUPG	67,117,550.00	6,610,763.55
Human Settlements	20182298	Kwazakhele: Ekuphumleni - Stormwater	415	3,432,180.00	0	972	ISUPG		
Human Settlements	20210347	Walmer Erf 1948 TRA - Stormwater Reticulation	415	3,478,260.00	1,226,387.22	972	ISUPG		
Human Settlements	20210148	Mandela Village 71 Sites - Sewer Reticulation	415	1,739,130.00	0	972	ISUPG		
Human Settlements	20210349	Walmer Erf 1948 TRA - Sewer Reticulation	415	8,579,130.00	0	972	ISUPG		
Human Settlements	20170191	Kwazakhele: Ekuphumleni - Water Reticulation	415	3,432,180.00	0	972	ISUPG		
Human Settlements	20170192	Kwazakhele: Ekuphumleni - Sewer Reticulation	415	6,868,960.00	0	972	ISUPG		
Human Settlements	20170086	Nkatha/Seyisi - Water Reticulation	415	1,304,350.00	0	972	ISUPG		
Human Settlements	20120031	Kwazakhele: Ekuphumleni - Roadworks	415	9,158,260.00	0	972	ISUPG		
Human Settlements	20200278	Uitenhage Infill Sites / In Situ - Stormwater	415	2,573,610.00	0	972	ISUPG		
Human Settlements	20170084	Nkatha/Seyisi - Stormwater	415	1,738,260.00	0	972	ISUPG		
Human Settlements	20200277	Uitenhage Infill sites / In Situ - Roadworks	415	3,431,480.00	0	972	ISUPG		
Human Settlements	20170088	Nkatha/Seyisi - Sewer Reticulation	415	2,607,830.00	0	972	ISUPG		
Human Settlements	20200279	Uitenhage Infill Sites / In Situ - Water Reticulation	415	2,287,650.00	0	972	ISUPG		
Human Settlements	20200280	Uitenhage Infill Sites/ In Situ - Sewer Reticulation	415	2,859,570.00	0	972	ISUPG		
Human Settlements	20130040	Nkatha/Seyisi - Roadworks	415	3,042,610.00	0	972	ISUPG		
Human Settlements	20210348	Walmer Erf 1948 TRA - Water Reticulation	415	5,556,520.00	2,146,177.76	972	ISUPG		
				<b>81,127,300.00</b>	<b>9,721,690.93</b>			<b>81,127,300.00</b>	<b>9,721,690.93</b>
Public Health	20210220	PH: Purchase of Office Furniture	85	600,000	-	901	CRR - Rate & General	1,600,000.00	0.00

# Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022									
SUMMARY BY FIN SOURCE BY DIRECTORATE									
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	BUDGET	EXPENDITURE
Public Health	20210218	Construction of Settlers Park office building	1480	1,000,000	-	901	CRR - Rate & General		
Public Health	20210240	Upgrade and Development of Public Open Spaces - Bramble Park	71	1,700,000	1,518,822.23	951	USDG		
Public Health	20210238	Upgrade and Development of Public Open Spaces - Spreu Park	71	1,600,000	1,287,188.68	951	USDG		
Public Health	20210234	Upgrade and Development of Public Open Spaces - Zokwana Park	71	1,800,000	1,042,252.49	951	USDG		
Public Health	20210236	Upgrade & Development of Public Open Spaces - Bouonnias Park	71	1,900,000	-	951	USDG	15,515,400.00	6,978,850.87
Public Health	20210242	Upgrade and Development of Public Open Spaces -Mgolomba Park	71	700,000	-	951	USDG		
Public Health	20210305	Fencing of Korsten cemetery	80	1,315,400	520,699.86	951	USDG		
Public Health	20210241	Upgrade & Development of Public Open Spaces - Mothibackburn	71	2,000,000	-	951	USDG		
Public Health	20210238	Upgrade and Development of Public Open Spaces - St. Nicholas	71	1,200,000	544,209.27	951	USDG		
Public Health	20210235	Upgrade and Development of Public Open Spaces - Normilla Park	71	1,800,000	1,068,571.16	951	USDG		
Public Health	20210237	Upgrade and Development of Public Open Spaces - Ngwe Park	71	1,500,000	997,137.18	951	USDG		
Public Health	20200027	Specialised Medical Equipment	885	125,000	-	959	Levies		
Public Health	20190198	Upgrading of Ablution Facility - Peter Gibbs Nursery	73	500,000	-	959	Levies	16,142,100.00	1,896,342.13
Public Health	20210219	PH: Purchase of Computer Equipment	85	400,000	-	959	Levies		
Public Health	20190171	PH - Upgrade and Development of Motherwell Cemetery	80	500,000	434,782.61	959	Levies		
Public Health	20210328	Renewal of Burnt Grifton public toilets	466	280,000	-	959	Levies		
Public Health	20170131	Air Pollution Monitoring Equipment	1624	1,000,000	-	959	Levies		
Public Health	20210281	Construction of Animal Control Facility	110	500,000	-	959	Levies		
Public Health	20190307	Procurement of Specialised Vehicles - Public Health	1480	4,917,100	-	959	Levies		
Public Health	20210222	Upgrade of Victoria Quay public toilets	466	1,100,000	-	959	Levies		
Public Health	20190162	Upgrade and Development of Bloemendal Cemetery	80	500,000	434,663.12	959	Levies		
Public Health	20210223	Upgrade of Highfield Road ablution facilities	466	200,000	-	959	Levies		
Public Health	20190298	Occupational Health and Wellness Center - Welmer	885	240,000	-	959	Levies		
Public Health	20210321	Upgrade of Norwich ablution facilities	466	380,000	-	959	Levies		
Public Health	20190153	Beach Development - Wells Estate	73	600,000	-	959	Levies		
Public Health	20190170	Upgrade and Development of Gerald Smith Cemetery	80	280,000	249,988.54	959	Levies		
Public Health	20190283	Upgrade of Uitenhage Dog Pound	805	700,000	-	959	Levies		
Public Health	20210227	Upgrade and Development of Kabah Cemetery	80	500,000	434,698.07	959	Levies		
Public Health	20190156	Upgrade and Development of Forest Hill Cemetery	80	250,000	217,189.79	959	Levies		
Public Health	20210233	PH: Purchase of Plant and Equipment	1480	300,000	125,000.00	959	Levies		
Public Health	20210230	Infrastructure and Facilities for Male Initiation	110	500,000	-	959	Levies		
Public Health	20190168	Upgrade and Development of Matanzima Cemetery	80	500,000	-	959	Levies		
Public Health	20190195	Upgrading of Uitenhage Depot into Wellness Centre	885	200,000	-	959	Levies		
Public Health	20210232	Purchase of Secure Boat	1480	900,000	-	959	Levies		
Public Health	20210317	Non-Specialised Vehicles - Public Health	1480	800,000	-	959	Levies		
Public Health	20210312	Construction of waste drop-off sites -Doorentroek	466	3,347,830	-	972	ISUPG	36,826,130.00	0.00
Public Health	20210307	Construction of waste drop-off sites - Jachthavle	466	3,347,830	-	972	ISUPG		
Public Health	20210307	Construction of waste drop-off sites - Walmer	466	3,347,830	-	972	ISUPG		
Public Health	20210319	Construction of waste drop-off sites -Malabar Phase 2	466	3,347,830	-	972	ISUPG		
Public Health	20210310	Construction of waste drop-off sites - Motherwell NU30	466	3,347,830	-	972	ISUPG		
Public Health	20210314	Construction of waste drop-off sites - Joe Slovo Uitenhage	466	3,347,830	-	972	ISUPG		
Public Health	20210315	Construction of waste drop-off sites - Red Location	466	3,347,830	-	972	ISUPG		
Public Health	20210316	Construction of waste drop-off sites -Rosedale	466	3,347,830	-	972	ISUPG		
Public Health	20210309	Construction of waste drop-off sites - Mandala Village	466	3,347,830	-	972	ISUPG		
Public Health	20210311	Construction of waste drop-off sites - Westville	466	3,347,830	-	972	ISUPG		
Public Health	20210306	Construction of waste drop-off sites - Ekurhuleni	466	3,347,830	-	972	ISUPG		
				70,083,630.00	6,875,193			70,083,630.00	8,875,193

# Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022										SUMMARY BY FIN SOURCE BY DIRECTORATE	
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE		
Roads & Stormwater	20200077	Road upgrade to increase Capacity	427	8,000,000.00	2,167,360.68	901	CRR - Rate & General	25,000,000.00	7,535,172.83		
Roads & Stormwater	20200051	Resurfacing tar roads	427	15,800,000.00	5,307,960.99	901	CRR - Rate & General				
Roads & Stormwater	20200064	Motherwell Canal Wetlands	428	1,000,000.00	0	901	CRR - Rate & General				
Roads & Stormwater	20210173	Road Traffic Calming Measures -2021	427	200,000.00	59,831.16	901	CRR - Rate & General				
IPTS	20180054	IPTS - Improvement of Entrance at Cleary Park Depot and Terminal	1703	3,000,000.00	0	918	IPTS	153,468,470.00	28,509,060.61		
IPTS	20200033	IPTS - Mobile Apps	1703	1,000,000.00	0	918	IPTS				
IPTS	20200037	IPTS-Supply and Installation of traffic loops and signals	1703	100,000.00	0	918	IPTS				
IPTS	20200272	IPTS -Construction of Sidewalks along IPTS trunk and feeders	1703	13,500,000.00	3,666,229.33	918	IPTS				
IPTS	20200249	IPTS - Automated Bus Station Door System	1703	2,000,000.00	0	918	IPTS				
IPTS	20180175	IPTS - Automated Fare Collection (AFC) System	1703	9,068,800.00	0	918	IPTS				
IPTS	20200271	IPTS -Prov Kerbside Shelters along IPTS Trunk Routes&Feeders	1703	500,000.00	0	918	IPTS				
IPTS	20200213	IPTS-Bus Rapid Transit	1703	22,500,660.00	0	918	IPTS				
IPTS	20190053	IPTS - Standford Rd / N2 Bridges Widening and Construct Pedest	1703	1,500,000.00	1,328,076.22	918	IPTS				
IPTS	20080229	IPTS - Work Package: Public Transport Facilities	428	24,799,040.00	787,331.80	918	IPTS				
IPTS	20200038	IPTS - Construction of bus Embayments in IPTS Routes	1703	14,000,000.00	35,123.45	918	IPTS				
IPTS	20180089	IPTS -OMS APTMS Lite Phase 1	1703	500,000.00	0	918	IPTS				
IPTS	20190070	IPTS - Procurement of a transport modelling software package	1703	1,500,000.00	0	918	IPTS				
IPTS	20190226	IPTS - Surfacing of IPTS Routes	1703	31,000,000.00	22,692,299.81	918	IPTS				
IPTS	20200341	IPTS -Reconstruct Old Uitenhage Road	1703	7,000,000.00	0	918	IPTS				
IPTS	20200342	IPTS-Reconstruction of Concrete V Channel:Old Uitenhage Road	1703	2,000,000.00	0	918	IPTS				
IPTS	20210093	IPTS - Widening of section in William Slammert Drive	1703	3,000,000.00	0	918	IPTS				
IPTS	20200035	IPTS-Installation CCTV Equipment and Fibre for IPTS roll out	1703	10,000,000.00	0	918	IPTS				
IPTS	20210277	IPTS - OMS APTMS Lite - Phase 2	1703	4,500,000.00	0	918	IPTS				
Roads & Stormwater	20200059	Reconstruction of stormwater system - Uitenhage	428	2,000,000.00	342,633.81	951	USDG	29,000,000.00	9,733,102.11		
Roads & Stormwater	20050286	Tarring of Gravel Roads	427	27,000,000.00	9,390,468.30	951	USDG				
Roads & Stormwater	20190300	Stormwater Improvements - Simnka Street, ward 17	427	10,000,000.00	0	959	Lewies	144,542,360.00	24,070,471.42		
Roads & Stormwater	20200063	Stormwater Improvements	428	2,500,000.00	499,299.84	959	Lewies				
Roads & Stormwater	20162788	Wells Estate - Access Road	1099	3,000,000.00	917,303.60	959	Lewies				
Roads & Stormwater	20090038	Stormwater Improvements: Ikamvelilhe	428	1,500,000.00	1,290,911.79	959	Lewies				
Roads & Stormwater	20200083	Rehabilitation of Verges and sidewalks	427	2,000,000.00	199,616.35	959	Lewies				
Roads & Stormwater	20200051	Resurfacing tar roads	427	6,692,360.00	2,248,286.06	959	Lewies				
Roads & Stormwater	20080081	Greenbushes: Stormwater Improvements	428	500,000.00	0	959	Lewies				
Roads & Stormwater	20190106	Small Plant & Equipment	427	2,200,000.00	45,374.47	959	Lewies				
Roads & Stormwater	20200053	Upgrading of depots and offices	427	1,300,000.00	0	959	Lewies				
Roads & Stormwater	20060237	Zwide Bulk Stormwater	428	6,000,000.00	0	959	Lewies				
Roads & Stormwater	20200058	Reconstruction of open canals Metro wide	427	3,000,000.00	328,817.95	959	Lewies				
Roads & Stormwater	20200060	Rehabilitation of Stormwater Ponds	428	3,000,000.00	911,120.06	959	Lewies				
Roads & Stormwater	20210173	Road Traffic Calming Measures -2021	427	3,250,000.00	972,256.43	959	Lewies				
Roads & Stormwater	20210176	Roads - Provision of Rudimentary Services	427	2,000,000.00	0	959	Lewies				
Roads & Stormwater	20200065	New Traffic signals for roads intersections	427	2,000,000.00	0	959	Lewies				
Roads & Stormwater	20170128	John Tallent Link Road	427	6,000,000.00	41,167.86	959	Lewies				
Roads & Stormwater	20190290	Replacement of Laboratory equipment - Scientific Services	698	3,000,000.00	96,600.00	959	Lewies				
Roads & Stormwater	20210214	Roads: Purchase of Computer and Equipment	1099	1,000,000.00	386,179.42	959	Lewies				
Roads & Stormwater	20190294	Aluta Continua Access Road - Joe Slovo 41	427	5,000,000.00	0	959	Lewies				
Roads & Stormwater	20200064	Rehabilitation of Roads	427	6,000,000.00	1,600,172.96	959	Lewies				
Roads & Stormwater	20050286	Tarring of Gravel Roads	427	18,425,000.00	6,408,125.12	959	Lewies				
Roads & Stormwater	20200050	Rehabilitate concrete roads- Northern Areas	427	1,200,000.00	0	959	Lewies				

# Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022									
SUMMARY BY FIN SOURCE BY DIRECTORATE									
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE
Roads & Stormwater	20200075	Rehabilitation of William Moffet Expressway	426	2,500,000.00	2,499,901.81	959	Levies	959	
Roads & Stormwater	20200082	Construction of footbridges	426	750,000.00	0	959	Levies	959	
Roads & Stormwater	20190289	New Laboratory equipment - Scientific Services	698	3,000,000.00	140,000.00	959	Levies	959	
Roads & Stormwater	20060020	Provision of Sidewalks	427	8,575,000.00	1,114,572.88	959	Levies	959	
Roads & Stormwater	20200073	Upgrade Main Road through Swartkops	426	2,000,000.00	0	959	Levies	959	
Roads & Stormwater	20030475	New Brighton/Kwazakhele: Bulk Stormwater	428	2,500,000.00	0	959	Levies	959	
Roads & Stormwater	20200078	Intersection Improvements	427	2,000,000.00	313,968.42	959	Levies	959	
Roads & Stormwater	20210174	Roads - Peri - urban: Rehabilitation of gravel roads	427	2,000,000.00	999,962.20	959	Levies	959	
Roads & Stormwater	20060241	Blue Horizon Bay Bulk Stormwater	428	500,000.00	0	959	Levies	959	
Roads & Stormwater	20200057	Rehabilitation of Workshop Buildings	432	800,000.00	0	959	Levies	959	
Roads & Stormwater	20182556	Acquisition of Properties - Standford Road	427	1,500,000.00	0	959	Levies	959	
Roads & Stormwater	20200068	TM24 Guidance Signs	426	350,000.00	0	959	Levies	959	
Roads & Stormwater	20200062	Flood Risk Improvement (All other rivers)	428	200,000.00	0	959	Levies	959	
Roads & Stormwater	20162191	Construction of Joe Slovo Bridge - Ward 41	1099	500,000.00	0	959	Levies	959	
Roads & Stormwater	20200069	Public Transport facilities	427	2,000,000.00	99,855.66	959	Levies	959	
Roads & Stormwater	20200076	Facilities for the Disabled	427	300,000.00	0	959	Levies	959	
Roads & Stormwater	20190297	Stormwater Improvements - Stokwe Street, ward 17	427	10,000,000.00	0	959	Levies	959	
Roads & Stormwater	20200061	Ground water improvements metro wide	428	1,500,000.00	428	959	Levies	959	
Roads & Stormwater	20200070	Traffic Control Equipment	426	2,000,000.00	0	959	Levies	959	
Roads & Stormwater	20060080	Canonville/Colchester: Stormwater Improvements	428	4,000,000.00	2,252,192.81	959	Levies	959	
Roads & Stormwater	20200086	Rehabilitation of Bridge Structures	426	4,000,000.00	704,785.73	959	Levies	959	
				<b>352,010,830.00</b>	<b>69,847,806.97</b>			<b>352,010,830.00</b>	<b>69,847,806.97</b>
									<b>63</b>
Safety & Security	20210196	Traffic: Rehabilitation of DLTC Test Yards - Uitenhage	88	900,000.00	0	959	Fuel Levy	959	4,572,213.70
Safety & Security	20210381	Safer City: Purchase & Installation of Video Wall Equipment	173	1,300,000.00	0	959	Fuel Levy	959	
Safety & Security	20200118	Construction of Disaster Management Offices - Despatch	173	3,200,000.00	0	959	Fuel Levy	959	
Safety & Security	20210195	Traffic: Rehabilitation of DLTC Test Yards - Korsten	88	100,000.00	0	959	Fuel Levy	959	
Safety & Security	20200134	Traffic: Replacement of Air-conditioners at Traffic Offices	88	100,000.00	0	959	Fuel Levy	959	
Safety & Security	20210387	Safer City: Control Room Upgrade - South End	173	470,000.00	0	959	Fuel Levy	959	
Safety & Security	20190124	Purchase of Computer Equipment - Disaster Management	173	100,000.00	57,283.02	959	Fuel Levy	959	
Safety & Security	20200130	Metro Police: Purchase and Installation of Safes	1679	200,000.00	0	959	Fuel Levy	959	
Safety & Security	20210385	Safer City: Purchase of Computer Equipment	173	260,000.00	0	959	Fuel Levy	959	
Safety & Security	20190141	Purchase of Hydraulic Platform for Fire & Emergency Services	808	10,000,000.00	0	959	Fuel Levy	959	
Safety & Security	20140015	Vehicles for Safety and Security (Security Only)	170	1,000,000.00	0	959	Fuel Levy	959	
Safety & Security	20210386	Safer City: Furniture and Equipment for Control Room	173	400,000.00	0	959	Fuel Levy	959	
Safety & Security	20210378	Safer City: Fibre Optic Cabling for CCTV cameras	173	2,000,000.00	0	959	Fuel Levy	959	
Safety & Security	20190142	Replacement of Generators at Traffic Services Buildings	88	1,200,000.00	0	959	Fuel Levy	959	
Safety & Security	20210380	Safer City: New CCTV Software System with smart technology	173	7,058,050.00	0	959	Fuel Levy	959	
Safety & Security	20150047	S&S: Purchase of Plant and Equipment - Fire	103	500,000.00	0	959	Fuel Levy	959	
Safety & Security	20210379	Safer City: Purchase & Install IP & smart cameras	173	5,000,000.00	0	959	Fuel Levy	959	
Safety & Security	20182535	Metro Police: Purchase of Firearms	1679	300,000.00	180,943.80	959	Fuel Levy	959	
Safety & Security	20170142	S&S: Purchase of Vehicles for Metro Police	1679	2,500,000.00	2,412,655.41	959	Fuel Levy	959	
Safety & Security	20210203	Construction of Security Guard House: Sidwell Traffic Centre	88	200,000.00	0	959	Fuel Levy	959	
Safety & Security	20170146	Law Enforcement Equipment for Metro Police	1679	700,000.00	253,960.72	959	Fuel Levy	959	
Safety & Security	20210278	Traffic: Replacement Gates at Sidwell Traffic Centre	88	270,400.00	0	959	Fuel Levy	959	
Safety & Security	20210377	Safer City: Servers for Intelligent Operations System	173	3,611,950.00	0	959	Fuel Levy	959	
Safety & Security	20170141	Vehicles for Safety and Security - Disaster Management	173	1,500,000.00	522,453.65	959	Fuel Levy	959	

# Annexure "A2(j)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022							SUMMARY BY FIN SOURCE BY DIRECTORATE		
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE
Safety & Security	20190126	Purchase of Computer Equipment - Metro Police	1679	200,000.00	111,612.95	959	Fuel Levy		
Safety & Security	20190136	Traffic: Purchase of Vehicles	88	2,529,600.00	1,053,304.15	959	Fuel Levy		
Safety & Security	20100080	S&S: Motherwell Fire Station - Rehab and Refurbishment	103	1,000,000.00	246,939.50	901	CCR - Rate & General	13,541,950.00	246,939.50
Safety & Security	20190233	Fire: Purchase of Fire Appliance/Engine	99	4,000,000.00	0	901	CCR - Rate & General		
Safety & Security	20210380	safer City: New CCTV Software System with smart technology	173	5,041,950.00	0	901	CCR - Rate & General		
Safety & Security	20190232	Purchase of Off-Road Vehicles for Fire & Emergency Services	99	3,000,000.00	0	901	CCR - Rate & General		
Safety & Security	20150047	S&S: Purchase of Plant and Equipment - Fire	103	500,000.00	0	901	CCR - Rate & General		
				<b>59,141,950.00</b>	<b>4,819,153</b>			<b>59,141,950.00</b>	<b>4,819,153</b>
Sanitation	20182431	1411:Fishwater Flats WWTW Grit & Sludge Treatment Facility	457	500,000.00	0	951	USDG	42,350,000.00	1,280,590.82
Sanitation	20200160	Construction of Florida Heights Bulk Sewer	446	500,000.00	0	951	USDG		
Sanitation	20182423	BEP: Supply and install communal ablutions	453	3,000,000.00	0	951	USDG		
Sanitation	20200166	Fish Water Flats WWTW - Renewal of Mechanical Equipment	446	7,500,000.00	0	951	USDG		
Sanitation	20190248	Sanitation: Upgrade of Rocklands WWTW	1494	250,000.00	0	951	USDG		
Sanitation	20190278	Sanitation Services: Upgrading of Fishwater Flats WWTW	457	500,000.00	0	951	USDG		
Sanitation	20190247	Sanitation: Upgrading of Despatch Reclamation Works	741	3,000,000.00	0	951	USDG		
Sanitation	20190257	Sanitation: Rehabilitation of Pump Stations	447	3,000,000.00	490,372.00	951	USDG		
Sanitation	20182411	1411:Driftsands Collector Sewer Augmentation Phase 2	447	500,000.00	207,409.85	951	USDG		
Sanitation	20200144	Sanitation Services: Upgrading of Kwanobuhle WWTW	977	500,000.00	0	951	USDG		
Sanitation	20200168	Upgrading of Mechanical Equipment at Driftsands WWTW	446	4,000,000.00	0	951	USDG		
Sanitation	20110086	Bulk Sewers: Joe Slovo, Mandelaville & Allentridge West U/T	447	500,000.00	0	951	USDG		
Sanitation	20190256	Sanitation: Rehabilitation Of Kwazakhele Collector Sewer	447	500,000.00	0	951	USDG		
Sanitation	20200157	Fish Water Flats WWTW - New Screening and Washing System	446	250,000.00	0	951	USDG		
Sanitation	20190248	Sanitation: Upgrading of Kelvin Jones WWTW	975	5,500,000.00	415,581.25	951	USDG		
Sanitation	20190255	Sanitation: Sewer Protection for Collector Sewers	447	500,000.00	0	951	USDG		
Sanitation	20190245	Sanitation: Upgrade of Cape Recife WWTW	458	5,000,000.00	0	951	USDG		
Sanitation	20200161	Upgrade of Melbrooks Bulk Sewer	446	500,000.00	0	951	USDG		
Sanitation	20200159	Renewal of Mechanical Equipment at Driftsands WWTW	446	1,000,000.00	0	951	USDG		
Sanitation	20190259	Sanitation:Purchase of Telemetry Equipment for Pump Station	449	1,000,000.00	167,227.72	951	USDG		
Sanitation	20200155	Fishwater Flats WWTW - Upgrade of Old Screen House	446	1,000,000.00	0	951	USDG		
Sanitation	20190253	Sanitation Services: Seaview Bulk Sewerage	447	500,000.00	0	951	USDG		
Sanitation	20210244	Sanitation:Security upgrade at Brickfields WWTW	460	500,000.00	0	951	USDG		
Sanitation	20190260	Sanitation: Motherwell North Bulk Sewerage	449	250,000.00	0	951	USDG		
Sanitation	20182540	Fitzpatrick New Sewerage Pump Station	447	500,000.00	0	951	USDG		
Sanitation	20190258	Sanitation: Sampling Station Equipment	447	500,000.00	0	951	USDG		
Sanitation	20190250	Sanitation: Jagtvalke Bulk Sewer	973	500,000.00	0	951	USDG		
Sanitation	20190246	Sanitation: Construction of Access Road	459	1,000,000.00	0	951	USDG		
Sanitation	20200319	Sanitation: Purchase of Small Plant & Equipment	446	500,000.00	0	959	Fuel Levy	2,950,000.00	686,789.37
Sanitation	20200317	Sanitation: Coastal Water Discharge Permit & WULA - FWF WWTW	446	200,000.00	0	959	Fuel Levy		
Sanitation	20210243	Sanitation: Purchase of Computer Equipment	446	250,000.00	0	959	Fuel Levy		
Sanitation	20190251	Sanitation Services : Office Accommodation	446	500,000.00	206,500.00	959	Fuel Levy		
Sanitation	20190244	Purchase of Vehicles for Sanitation Services	451	1,500,000.00	480,289.37	959	Fuel Levy		
Sanitation	20182418	1411-Augment Collector Sewer Walmer Heights & Mount Pleasant	447	500,000.00	0	962	External Loan	40,000,000.00	8,918,623.74
Sanitation	20210390	Sanitation: Brickfields - Fishwater Flats Syphon Upgrade	446	500,000.00	0	962	External Loan		
Sanitation	20182411	1411:Driftsands Collector Sewer Augmentation Phase 2	447	21,500,000.00	8,918,623.74	962	External Loan		
Sanitation	20182425	1411:Lorraine-Bulk Sewer Augmentation/Add Capacity	447	1,000,000.00	0	962	External Loan		
Sanitation	20190252	Sanitation: Improvements to Sewerage System	446	15,000,000.00	0	962	External Loan		

# Annexure "A2(j)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022										SUMMARY BY FIN SOURCE BY DIRECTORATE		
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	BUDGET	EXPENDITURE			
Sanitation	20200283	Sanitation: Major Waste Water Projects	446	1,000,000.00	0	962	External Loan					
Sanitation	20182428	1411:Swartskops Low Level Collector Sewer Upgrade	447	500,000.00	0	962	External Loan	85,300,000.00	10,886,004			
				85,300,000.00	10,886,004							
SRAC	20180432	SRAC: Gevandale Sportsfield Astro turf	690	4,000,000.00		951	USDG	4,000,000.00	0.00			
SRAC	20190320	Construction of Multi-Purpose Centre: Ward 21 (Kwazakhele)	678	800,000.00	0	959	Levies					
SRAC	20200228	Upgrade of Walmer change rooms	64	7,500,000.00	5,852,001.43	959	Levies	33,400,000.00	10,796,560.11			
SRAC	20182617	Construction of Multi-Purpose Centre: Ward 17 (New Brighton)	64	1,000,000.00	0	959	Levies					
SRAC	20190321	Construction of Multi-Purpose Centre: Ward 55 (Motherwell)	678	1,000,000.00	0	959	Levies					
SRAC	20210213	SRAC: Zwile Library roof replacement	1114	700,000.00	0	959	Levies					
SRAC	20182818	Construction of Multi-Purpose Centre - Ward 34(Bethelsdorp)	64	1,000,000.00	0	959	Levies					
SRAC	20200225	Re-Construction of Kwanobuhle Library	857	274,500.00	0	959	Levies					
SRAC	20210301	Construction of Multi-Purpose Center: Ward 45 (Kwanobuhle)	678	1,000,000.00	0	959	Levies					
SRAC	20200028	Art museum serve and UPS system	1675	450,000.00	0	959	Levies					
SRAC	20210217	Construction of new life guard house at Sardinia bay	45	3,000,000.00	0	959	Levies					
SRAC	20060113	Upgrade and Restoration of Libraries - Main Library	1114	275,500.00	275,468.88	959	Levies					
SRAC	20190160	SRAC: Chatty library roof replacement	1114	800,000.00	0	959	Levies					
SRAC	20190151	Wells Estate Beach- Upgrade of Infrastructure	45	1,200,000.00	0	959	Levies					
SRAC	20190432	SRAC: Gevandale Sportsfield Astro turf	690	4,800,000.00	0	959	Levies					
SRAC	20200233	Rehabilitation of Main Pavilion - Uitenhage sportsfields	64	1,000,000.00	619,482.10	959	Levies					
SRAC	20162174	Rehabilitation of Red Location Precinct Buildings	37	4,600,000.00	3,543,331.89	959	Levies					
SRAC	20210112	Fencing of Raymond Mhlabi Sports centre	64	1,000,000.00	0	959	Levies					
SRAC	20210297	Fencing of ST Georges pool	51	400,000.00	391,674.81	959	Levies					
SRAC	20190154	Happy Valley - Upgrade of Infrastructure	45	500,000.00	114,600.00	959	Levies					
SRAC	20200237	Replacement of cork floor - Uitenhage indoor centre	64	2,000,000.00	0	958	Levies	37,400,000.00	10,796,560			
				37,400,000.00	10,796,560							
Water	20190242	Water Services: Upgrading Groendal Water Treatment Works	951	500,000.00	0	951	USDG	355,442,360.00	127,058,856.54			
Water	20210280	Renewal of Elandsdag Water Treatment Works	486	1,000,000.00	0	951	USDG					
Water	20200153	NOOTGEDAGT:NEW PUMP SETS - MWELL - STANFED RD PUMP STATION	474	500,000.00	0	951	USDG					
Water	20190235	Water Services: Rehabilitation of Water Pump Stations	474	9,100,000.00	0	951	USDG					
Water	20190238	Water Services: Upgrading of Churchill Water Treatment Works	483	500,000.00	0	951	USDG					
Water	20190241	Water Services: Purchase of Telemetry Equipment	621	1,750,000.00	0.02	951	USDG					
Water	20210078	Upgrade of Kwanobuhle Water Pump Station	474	31,400,000.00	12,117,128.28	951	USDG					
Water	20190159	Water Services: Nootgedagt Low Level Scheme - Phase 3	487	5,250,000.00	3,768,081.47	951	USDG					
Water	20210274	Upgrade of Linton Grange WTW	484	500,000.00	490,709.39	951	USDG					
Water	20190236	Construction of Coegakop Water Treatment Works (NON-MDRG)	477	144,750,000.00	56,358,758.50	951	USDG					
Water	20210057	Renewal of Water Pipeline - Bloemendal	474	10,000,000.00	9,999,898.04	951	USDG					
Water	20190237	Water Services: Bulk Water Metering + Control	474	500,000.00	498,702.71	951	USDG					
Water	20200147	Water: Upgrade of Reservoir - Struandale	474	500,000.00	0	951	USDG					
Water	20182415	1412: Rehabilitation of Leontie Water Treatment Works	485	2,000,000.00	1,991,721.20	951	USDG					
Water	20080094	Water Services: Rehabilitation of Dams	477	500,000.00	0	951	USDG					
Water	20200008	Water: Installation of Standpipes and Associated Water Meter	474	5,000,000.00	1,997,602.80	951	USDG					
Water	20182414	Groundwater :Drought: Drilling & Equipping of Boreholes	946	140,692,360.00	39,060,460.75	951	USDG					
Water	20190239	Water Services: Installation of Zone Water Meters	504	1,000,000.00	774,773.38	951	USDG					

# Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2021 - 31 JANUARY 2022									
Directorate	Project	Project Title	Org Code	2021/22 Budget	Actual Expenditure	Budget	Finance Source	Budget	EXPENDITURE
Water	20190240	Water Services : Office Accommodation	507	1,900,000.00	303,207.26	959	Fuel Levies	22,307,640.00	6,468,619.00
Water	20180163	Water Services: Purchase of New Vehicles	474	2,000,000.00	0	959	Fuel Levies		
Water	20210078	Upgrade of Kwanobuhle Water Pump Station	474	10,000,000.00	3,858,958.05	959	Fuel Levies		
Water	20200321	Water: Purchase of Furniture & Office Equipment.	474	50,000.00	0	959	Fuel Levies		
Water	20200318	Water: Purchase of Computer Equipment	474	50,000.00	0	959	Fuel Levies		
Water	20182414	Groundwater:Drought, Drilling & Equipping of Boreholes	946	8,307,840.00	2,306,453.69	959	Fuel Levies		
Water	20210260	Renewal of Water Pipelines, Valves & Hydrants in Despatch	474	4,000,000.00	989,987.49	962	External Loan	140,000,000.00	62,395,272.37
Water	20210251	Renewal of Water Pipelines, Valves & Hydrants in Shauderville	474	1,000,000.00	0	962	External Loan		
Water	20210060	Renewal of Water Pipeline - Ibhayi	474	7,500,000.00	0	962	External Loan		
Water	20210250	Renewal of Water Pipelines, Valves & Hydrants in Gelvandale	474	1,000,000.00	0	962	External Loan		
Water	20210247	Renewal of Water Pipelines, Valves & Hydrants in Central	474	1,000,000.00	785,779.47	962	External Loan		
Water	20162356	Water Services: Advanced Meter Infrastructure	506	5,000,000.00	4,998,424.70	962	External Loan		
Water	20210061	Renewal of Water Pipeline - Deal Party	474	2,400,000.00	0	962	External Loan		
Water	20210248	Renewal of Water Pipelines, Valves & Hydrants in Newton Park	474	1,000,000.00	0	962	External Loan		
Water	20210249	Renewal of Water Pipelines, Valves & Hydrants in Algoa Park	474	2,000,000.00	0	962	External Loan		
Water	20210058	Renewal of Water Pipeline - Helenvale	474	10,000,000.00	6,237,967.98	962	External Loan		
Water	20200088	Renewal of Water Pipeline - Airport	474	5,000,000.00	0	962	External Loan		
Water	20210257	Renewal of Water Pipelines, Valves & Hydrants in Uitenhage	474	5,000,000.00	4,959,584.45	962	External Loan		
Water	20210256	Renewal of Water Pipelines, Valves & Hydrants in Mothenwill	474	5,000,000.00	790,548.45	962	External Loan		
Water	20210255	Renewal of Water Pipelines, Valves & Hydrants in Bethelsdorp	474	5,000,000.00	465,991.84	962	External Loan		
Water	20210057	Renewal of Water Pipeline - Bloemendaal	474	8,000,000.00	7,999,918.43	962	External Loan		
Water	20210059	Renewal of Water Pipeline - Govan Mbeki, Ibhayi	474	7,500,000.00	0	962	External Loan		
Water	20210259	Renewal of Water Pipelines, Valves & Hydrants in Kwanobuhle	474	4,000,000.00	2,597,541.68	962	External Loan		
Water	20190243	Water Services: Jsgvtiakter: Bulk Water Supply Pipeline	1577	500,000.00	0	962	External Loan		
Water	20200094	Renewal of Water Pipeline - William Moffat	474	3,100,000.00	3,083,131.70	962	External Loan		
Water	20200093	Renewal of Water Pipeline - Swartkops	474	4,000,000.00	3,989,833.00	962	External Loan		
Water	20200089	Renewal of Water Pipeline - Churchill	474	5,000,000.00	0	962	External Loan		
Water	20210245	Renewal of Water Pipelines, Valves & Hydrants in Walmer	474	1,000,000.00	520,092.00	962	External Loan		
Water	20210258	Renewal of Water Pipelines, Valves & Hydrants in Bloemendaal	474	4,000,000.00	1,358,879.38	962	External Loan		
Water	20200143	Water: Purchase and Installation of Water Meters	474	45,000,000.00	23,089,412.00	962	External Loan		
Water	20210246	Renewal of Water Pipelines, Valves & Hydrants in Summerstrand	474	1,000,000.00	518,179.80	962	External Loan		
Water	20042883	Water Services: Older Dams Pipelines Augmentation	479	2,000,000.00	195,922.748	962	External Loan	517,750,000.00	195,922,748
TOTAL EXPENDITURE AS AT 31 JANUARY 2022				1,508,996,530.00	395,059,497.88		26%	1,508,996,530.00	95,059,497.88

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

## Projected Cash Flow Statement as at 31 March 2022

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), in order to ascertain the adequacy of the cash inflows to cover the cash outflows.

Table C7 Consolidated Monthly Budget Statement - Cash Flow – M09 March 2022

Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	2,241,943	181,664	1,670,312	1,683,973	(13,660)	-1%
Service charges	5,890,939	1,011,423	4,911,487	4,421,627	489,860	11%
Other revenue	929,949	(31,643)	1,375,764	1,110,441	265,323	24%
Transfers and Subsidies - Operational	1,519,298	436,593	1,483,041	1,506,353	(23,312)	-2%
Transfers and Subsidies - Capital	948,360	432,566	899,219	943,878	(44,660)	-5%
Interest	492,947	9,464	100,516	130,149	(29,633)	-23%
Dividends			-		-	
<b>Payments</b>						
Suppliers and employees	(10,561,324)	(910,682)	(8,774,218)	(8,023,715)	750,503	-9%
Finance charges	(124,356)	(16,399)	(109,785)	(105,384)	4,401	-4%
Transfers and Grants	(56,119)	(7,098)	(37,052)	(49,552)	(12,500)	25%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,281,637</b>	<b>1,105,887</b>	<b>1,519,283</b>	<b>1,617,770</b>	<b>98,486</b>	<b>6%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE			-		-	
			-		-	
Decrease (increase) in non-current receivables	2,870		-	1,950	(1,950)	-100%
Decrease (increase) in non-current investments			-		-	
<b>Payments</b>						
Capital assets	(1,553,777)	(90,995)	(903,192)	(1,018,475)	(115,283)	11%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,550,907)</b>	<b>(90,995)</b>	<b>(903,192)</b>	<b>(1,016,525)</b>	<b>(113,333)</b>	<b>11%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans			-		-	
Borrowing long term/refinancing	254,245	152,547	254,245	254,245		
Increase (decrease) in consumer deposits	4,900		-	3,600	(3,600)	-100%
<b>Payments</b>						
Repayment of borrowing	(196,369)	(11,252)	(49,518)	(185,562)	(136,044)	73%
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>62,776</b>	<b>141,295</b>	<b>204,726</b>	<b>72,282</b>	<b>(132,444)</b>	<b>-183%</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(206,494)</b>	<b>1,156,187</b>	<b>820,817</b>	<b>673,527</b>		
Cash/cash equivalents at beginning:	3,291,997		4,299,049	3,291,997		
Cash/cash equivalents at month/year end:	3,085,502		5,119,866	3,965,523		

The significant variances are discussed below:

**Receipts: Ratepayer and Other and Payments: Suppliers and Employees**

- The variances are mainly affected by VAT claimed back from SARS and VAT paid over to SARS.
- The cash for revenue billed should have been higher as only 72.33% of the first 8 months billed revenue was collected as measured against the projected 85% collection rate as per the 2021/22 Operating Budget.
- The COVID19 Pandemic has impacted on the cash collection rate and the expenditure of the NMBM and therefore a budgeted collection rate of 85% for the 2020/21 and 2021/22 financial years compared to the normal 94% in previous years. The low collection rate achieved of only approximately 85.5% in the previous financial year

## Annexure "A3"

seriously impacted on the Cash and Cash equivalent balances and the interest earned on investments.

- Traffic fines revenue is materially lower than anticipated as a result of the speed checking camera tender that was not in place during the first half of the 2021/22 financial year.

Interest Earned

- The growth in interest earned from investments were impacted by the COVID19 Pandemic resulting in lower expenditure trends. However, due to the Reserve Bank increasing the interest rates the interest earned on investments are improving. Consumers not paying their municipal bills resulting in an 72.33% average collection rate for first eight months of the 2021/22 financial year are resulting in higher interest earned on outstanding consumer debtors which are not being converted into cash as consumers are not paying their municipal bills.

External Borrowing, Finance Charges and Capital Payments

- Spending/payments in respect of External Borrowing, Finance Charges are in line with the 2021/22 Budget.
- The COVID pandemic also impacted on the current capital expenditure trends to date.
- NMBM had taken up external borrowing as per the loan agreement in the amount of approximately, R468.66 million since the inception of the R750.6 million loan from Nedbank.

Other factors affecting the cashflow:

- National Treasury has transferred the following Grants relating to previous financial years to NMBM on 31 March 2022: -

2019/20:

Equitable Share: R 255,415,000

2020/21

Equitable Share R10,000,000

- **National Treasury had not approved any roll-over of unspent 2020/21 Conditional Grant Funding. The unspent 2020/21 conditional grant funding had been off set against the Equitable Share on 7 December 2021 in the amount of R 319.6 million. The unspent grants were as follows:**

Public Transport Infrastructure Grant	R 41,967,790
Public Transport Networks Operations Grant	R 93,172,582
Neighbourhood Partnership Development Grant	R 2,157,622
Infrastructure Skills Development Grant	R 1,892,693
Integrated City Development Grant	R 5,292,146
Urban Settlement Development Grant	R175,124,719
<b>Total</b>	<b>R319,607,552</b>

## NMBM BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's budget performance for the 2021/22 financial year at 31 March 2022 and are to be noted by Council. Each table is accompanied by explanatory notes.

[Where the word - Consolidated – appears in the Table title it signifies that the municipal entity figures are included in the table]

### Monthly Budget Tables

**Table C1 Consolidated Monthly Budget Statement Summary – M09 March 2022**

2021/22 Description	2021/22 Budget Year						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	2,637,580	(7,436)	2,684,054	2,640,212	43,842	2%	2,637,580
Service charges	6,930,481	586,473	6,294,703	5,220,654	1,074,049	21%	6,930,481
Investment revenue	173,180	9,774	57,049	131,152	(74,103)	-57%	173,180
Transfers and subsidies	1,625,037	238,672	1,661,706	1,807,598	54,109	3%	1,625,037
Other own revenue	1,469,170	70,533	576,997	1,276,631	(699,634)	-55%	1,469,170
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12,835,448</b>	<b>898,017</b>	<b>11,274,510</b>	<b>10,876,248</b>	<b>398,262</b>	<b>4%</b>	<b>12,835,448</b>
Employee costs	3,915,583	272,133	2,607,956	2,928,627	(320,671)	-11%	3,915,583
Remuneration of Councillors	87,299	6,614	58,428	64,836	(6,410)	-10%	87,299
Depreciation & asset impairment	1,033,770	82,548	775,290	779,312	(4,021)	-1%	1,033,770
Finance charges	119,907	16,578	73,343	105,384	(32,041)	-30%	119,907
Inventory consumed and bulk purchases	4,575,297	635,301	3,627,395	3,395,893	231,502	7%	4,575,297
Transfers and subsidies	56,119	(14,171)	42,319	47,433	(5,115)	-11%	56,119
Other expenditure	3,491,312	48,272	1,210,031	2,553,248	(1,343,217)	-53%	3,491,312
<b>Total Expenditure</b>	<b>13,279,287</b>	<b>1,047,274</b>	<b>8,394,760</b>	<b>9,874,733</b>	<b>(1,479,973)</b>	<b>-15%</b>	<b>13,279,287</b>
<b>Surplus/(Deficit)</b>	<b>(443,839)</b>	<b>(149,257)</b>	<b>2,879,750</b>	<b>1,001,514</b>	<b>1,878,235</b>	<b>188%</b>	<b>(443,839)</b>
Transfers and subsidies - capital (monetary allocations) (Nat / Prov and District)	809,896	54,319	301,444	809,895	(508,451)	-63%	809,896
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Dept Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	40,000	1,085	17,265	27,000	(9,735)	-36%	40,000
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>	<b>1,360,049</b>	<b>74%</b>	<b>406,057</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>	<b>1,360,049</b>	<b>74%</b>	<b>406,057</b>
<b>Capital expenditure &amp; funds sources</b>							
Capital expenditure	1,551,383	92,886	588,281	911,094	(322,813)	-35%	1,551,383
Capital transfers recognised	851,762	55,404	318,709	504,035	(185,326)	-37%	851,762
Borrowing	254,245	15,433	131,928	154,524	(22,596)	-15%	254,245
Internally generated funds	445,377	22,049	137,844	252,535	(114,891)	-45%	445,377
<b>Total sources of capital funds</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>	<b>1,551,383</b>
<b>Financial position</b>							
Total current assets	6,320,549		8,420,242				6,320,549
Total non current assets	19,045,506		18,486,881				19,045,506
Total current liabilities	3,322,160		3,584,394				3,322,160
Total non current liabilities	3,903,755		3,903,755				3,903,755
Community wealth/Equity	18,140,140		19,418,973				18,140,140
<b>Cash flows</b>							
Net cash from (used) operating	1,281,637	1,105,887	1,519,283	1,617,770	98,486	6%	1,281,637
Net cash from (used) investing	(1,550,907)	(90,995)	(903,192)	(1,016,525)	(113,333)	11%	(1,550,907)
Net cash from (used) financing	62,776	141,295	204,726	72,282	(132,444)	-183%	62,776

Cash/cash equivalents at the month/year end	3,085,502	-	5,119,866	3,965,523	(1,154,343)	-29%	4,092,555
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Description	Budget Year 2021/22								
	2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</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	1,749,111	661,925	520,843	411,058	390,136	397,764	1,469,657	5,015,900	10,616,394

### Explanatory notes to Table C1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

**Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) – M09 March 2022**

Description	Budget Year 2021/22							Full Year Forecast
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	3,569,502	(297,287)	3,389,946	3,573,416	(183,470)	-5%	3,569,502	
Executive and council	740	-	292	315	(23)	-7%	740	
Finance and administration	3,568,762	(297,287)	3,389,651	3,573,101	(183,450)	-5%	3,568,762	
Internal audit	-	-	3	-	3	#DIV/0!	-	
<b>Community and public safety</b>	969,958	279,769	658,156	893,987	(235,831)	-26%	969,958	
Community and social services	44,558	1,699	29,339	42,500	(13,161)	-31%	44,558	
Sport and recreation	8,530	2,002	11,339	7,676	3,663	48%	8,530	
Public safety	700,738	275,571	582,131	629,923	(47,792)	-8%	700,738	
Housing	214,284	413	34,431	212,589	(178,158)	-84%	214,284	
Health	1,849	84	916	1,299	(383)	-29%	1,849	
<b>Economic and environmental services</b>	559,418	83,518	229,249	527,285	(298,036)	-57%	559,418	
Planning and development	163,504	73,275	124,767	138,662	(13,895)	-10%	163,504	
Road transport	341,997	10,178	103,215	335,453	(232,237)	-69%	341,997	
Environmental protection	53,918	65	1,266	53,170	(51,904)	-98%	53,918	
<b>Trading services</b>	8,549,578	883,302	7,291,246	6,690,105	601,142	9%	8,549,578	
Energy sources	4,777,992	407,240	3,327,021	3,606,825	(279,804)	-8%	4,777,992	
Water management	2,117,464	235,148	2,844,979	1,709,630	1,135,349	66%	2,117,464	
Waste water management	1,189,244	166,951	755,805	1,025,287	(269,482)	-26%	1,189,244	
Waste management	464,878	73,963	363,441	348,362	15,078	4%	464,878	
Other	36,888	4,119	24,622	28,350	(3,728)	-13%	36,888	
<b>Total Revenue - Functional</b>	<b>13,685,344</b>	<b>953,420</b>	<b>11,593,219</b>	<b>11,713,143</b>	<b>(119,924)</b>	<b>-1%</b>	<b>13,685,344</b>	
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	2,929,206	134,446	1,534,066	2,184,160	(650,094)	-30%	2,929,206	
Executive and council	256,750	17,998	155,688	191,100	(35,412)	-19%	256,750	
Finance and administration	2,607,813	114,779	1,335,540	1,943,200	(607,660)	-31%	2,607,813	
Internal audit	64,644	1,669	42,838	49,860	(7,022)	-14%	64,644	
<b>Community and public safety</b>	1,976,308	121,077	1,273,869	1,446,304	(172,435)	-12%	1,976,308	
Community and social services	368,377	20,003	207,199	263,104	(55,905)	-21%	368,377	
Sport and recreation	610,995	36,427	416,709	463,400	(46,691)	-10%	610,995	
Public safety	716,588	49,462	468,747	518,300	(49,553)	-10%	716,588	
Housing	176,544	9,261	119,126	128,700	(9,574)	-7%	176,544	
Health	103,804	5,925	62,089	72,800	(10,711)	-15%	103,804	
<b>Economic and environmental services</b>	785,461	19,341	470,841	579,998	(109,157)	-19%	785,461	
Planning and development	349,752	5,167	250,101	233,698	16,403	7%	349,752	
Road transport	385,061	10,992	194,437	310,000	(115,563)	-37%	385,061	
Environmental protection	50,648	3,181	26,303	36,300	(9,997)	-28%	50,648	

<b>Trading services</b>	<b>7,517,432</b>	<b>769,195</b>	<b>5,082,488</b>	<b>5,617,838</b>	<b>(535,350)</b>	<b>-10%</b>	<b>7,517,432</b>
Energy sources	5,406,254	675,316	4,026,428	4,044,038	(17,610)	0%	5,406,254
Water management	968,233	48,292	502,928	725,650	(222,721)	-31%	968,233
Waste water management	731,885	27,294	311,527	541,750	(230,223)	-42%	731,885
Waste management	411,060	18,294	241,605	306,400	(64,795)	-21%	411,060
<b>Other</b>	<b>70,880</b>	<b>3,215</b>	<b>33,496</b>	<b>46,434</b>	<b>(12,938)</b>	<b>-28%</b>	<b>70,880</b>
<b>Total Expenditure - Functional</b>	<b>13,279,287</b>	<b>1,047,274</b>	<b>8,394,760</b>	<b>9,874,733</b>	<b>(1,479,973)</b>	<b>-15%</b>	<b>13,279,287</b>
<b>Surplus/ (Deficit) for the year</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,458</b>	<b>1,838,409</b>	<b>1,360,049</b>	<b>74%</b>	<b>406,057</b>

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities. It is to be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

### Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M09 March 2022

Vote Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Revenue by Vote</b>						
Vote 1 - Budget & Treasury	3,488,952	(334,634)	3,321,724	3,470,651	(148,927)	-4.3%
Vote 2 - Public Health	537,896	76,160	385,850	465,167	(79,317)	-17.1%
Vote 3 - Human Settlements	235,396	9,560	69,989	232,589	(162,600)	-69.9%
Vote 4 - Economic Development, Tourism & Agriculture	156,536	68,614	122,178	154,862	(32,684)	-21.1%
Vote 5 - Corporate Services	14,394	1,712	7,480	10,100	(2,620)	-25.9%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	343,603	5,233	86,204	338,675	(252,471)	-74.5%
Vote 7 - Metro Water Service	2,117,540	416,453	2,841,627	1,709,408	1,132,219	66.2%
Vote 8 - Sanitation - Metro	1,189,244	(18,796)	750,358	1,004,837	(254,479)	-25.3%
Vote 9 - Electricity & Energy	4,777,992	407,242	3,327,039	3,617,225	(290,187)	-8.0%
Vote 10 - Executive & Council	20,387	189	5,376	17,907	(12,531)	-70.0%
Vote 11 - Safety & Security	712,645	276,943	594,078	614,621	(20,544)	-3.3%
Vote 12 - Mandela Bay Stadium	53,136	28,039	42,059	44,600	(2,541)	-5.7%
Vote 13 - Special Projects and Programmes	11,640	7,760	11,641	9,600	2,041	21.3%
Vote 14 - Recreational & Cultural Services	25,983	9,026	27,695	22,900	4,795	20.9%
<b>Total Revenue by Vote</b>	<b>13,685,344</b>	<b>953,499</b>	<b>11,593,298</b>	<b>11,713,143</b>	<b>(119,845)</b>	<b>-1.0%</b>
<b>Expenditure by Vote</b>						
Vote 1 - Budget & Treasury	1,327,548	129,766	470,500	977,691	(507,191)	-51.9%
Vote 2 - Public Health	767,082	53,258	460,326	555,073	(94,747)	-17.1%
Vote 3 - Human Settlements	266,928	15,990	180,398	193,500	(13,102)	-6.8%
Vote 4 - Economic Development, Tourism & Agriculture	162,748	(30,010)	120,048	119,998	50	0.0%
Vote 5 - Corporate Services	518,071	(201,645)	271,970	373,100	(101,130)	-27.1%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	989,010	51,500	634,792	756,100	(121,308)	-16.0%
Vote 7 - Metro Water Service	993,032	157,206	514,861	753,284	(238,423)	-31.7%
Vote 8 - Sanitation - Metro	709,317	53,332	300,763	524,216	(223,453)	-42.6%
Vote 9 - Electricity & Energy	5,404,583	653,966	4,025,007	4,047,038	(22,031)	-0.5%
Vote 10 - Executive & Council	363,390	46,246	208,996	277,300	(68,304)	-24.6%
Vote 11 - Safety & Security	1,113,976	80,237	762,372	824,400	(62,028)	-7.5%
Vote 12 - Mandela Bay Stadium	191,336	12,250	147,349	129,800	17,549	13.5%
Vote 13 - Special Projects and Programmes	11,640	799	7,248	7,434	(186)	-2.5%
Vote 14 - Recreational & Cultural Services	460,626	24,456	290,209	335,800	(45,591)	-13.6%
<b>Total Expenditure by Vote</b>	<b>13,279,287</b>	<b>1,047,353</b>	<b>8,394,839</b>	<b>9,874,733</b>	<b>(1,479,894)</b>	<b>-15.0%</b>
<b>Surplus/ (Deficit) for the year</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>	<b>1,360,049</b>	<b>74.0%</b>

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

The purpose of the format in which the monthly budget reporting table is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

**Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) – M09 March 2022**

Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Revenue By Source</b>						
Property rates	2,637,580	(7,436)	2,684,054	2,640,212	43,842	2%
Service charges - electricity revenue	4,530,243	370,107	3,183,552	3,421,199	(237,647)	-7%
Service charges - water revenue	1,379,942	141,791	2,335,124	1,035,070	1,300,054	126%
Service charges - sanitation revenue	739,928	53,468	556,317	555,073	1,244	0%
Service charges - refuse revenue	280,370	21,107	219,710	209,312	10,398	5%
Rental of facilities and equipment	27,867	2,525	16,208	20,745	(4,537)	-22%
Interest earned - external investments	173,180	9,774	57,049	131,152	(74,103)	-57%
Interest earned - outstanding debtors	376,196	41,615	349,380	279,500	69,880	25%
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	193,047	14,617	141,045	146,280	(5,235)	-4%
Licences and permits	12,550	1,371	13,733	9,412	4,321	46%
Agency services	3,242	340	3,001	2,430	571	24%
Transfers and subsidies	1,625,037	238,672	1,661,706	1,607,598	54,109	3%
Other revenue	855,757	10,065	53,449	817,964	(764,514)	-93%
Gains	510	(0)	181	300	(119)	-40%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12,835,448</b>	<b>898,017</b>	<b>11,274,510</b>	<b>10,876,248</b>	<b>398,262</b>	<b>4%</b>
<b>Expenditure By Type</b>						
Employee related costs	3,915,583	272,133	2,607,956	2,928,627	(320,671)	-11%
Remuneration of councillors	87,299	6,614	58,426	64,836	(6,410)	-10%
Debt impairment	1,418,966	38,135	332,879	1,064,546	(731,668)	-69%
Depreciation & asset impairment	1,033,770	82,548	775,290	779,312	(4,021)	-1%
Finance charges	119,907	16,578	73,343	105,384	(32,041)	-30%
Bulk purchases - electricity	4,289,195	624,310	3,507,698	3,178,592	329,106	10%
Inventory consumed	286,102	10,991	119,697	217,301	(97,603)	-45%
Contracted services	1,312,128	10,294	488,611	970,621	(482,009)	-50%
Transfers and subsidies	56,119	(14,171)	42,319	47,433	(5,115)	-11%
Other expenditure	702,540	(157)	388,541	474,881	(86,340)	-18%
Losses	57,679	-	-	43,200	(43,200)	-100%
<b>Total Expenditure</b>	<b>13,279,287</b>	<b>1,047,274</b>	<b>8,394,760</b>	<b>9,874,733</b>	<b>(1,479,973)</b>	<b>-15%</b>
<b>Surplus/(Deficit)</b>	<b>(443,839)</b>	<b>(149,257)</b>	<b>2,879,750</b>	<b>1,001,514</b>	<b>1,878,235</b>	<b>0</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	809,896	54,319	301,444	809,895	(508,451)	(0)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	40,000	1,085	17,265	27,000	(9,735)	(0)
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>		
Taxation						
<b>Surplus/(Deficit) after taxation</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>		
Attributable to minorities						
<b>Surplus/(Deficit) attributable to municipality</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>		
Share of surplus/ (deficit) of associate						
<b>Surplus/ (Deficit) for the year</b>	<b>406,057</b>	<b>(93,854)</b>	<b>3,198,459</b>	<b>1,838,409</b>		

### Explanatory notes to Table C4 - Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections and the original budget, so as to assess performance.

**Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) – M09 March 2022**

Vote Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Multi-Year expenditure appropriation</b>						
Vote 1 - Budget & Treasury	1,000	-	121	379	(258)	-68%
Vote 2 - Public Health	5,700	42	2,248	3,120	(872)	-28%
Vote 3 - Human Settlements	81,127	7,902	18,165	49,254	(31,089)	-63%
Vote 4 - Economic Development, Tourism & Agriculture	61,585	1,556	21,064	29,619	(8,555)	-29%
Vote 5 - Corporate Services	13,200	153	3,029	11,965	(8,936)	-75%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	282,791	12,822	96,519	188,491	(91,972)	-49%
Vote 7 - Metro Water Service	502,250	40,617	78,161	321,338	(243,176)	-76%
Vote 8 - Sanitation - Metro	80,850	3,572	196,574	51,990	144,584	278%
Vote 9 - Electricity & Energy	234,303	18,048	114,611	133,340	(18,728)	-14%
Vote 10 - Executive & Council	-	-	-	-	-	-
Vote 11 - Safety & Security	7,812	-	247	1,900	(1,653)	-87%
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	28,700	948	11,238	23,100	(11,862)	-51%
<b>Total Capital Multi-year expenditure</b>	<b>1,299,319</b>	<b>85,659</b>	<b>541,977</b>	<b>814,495</b>	<b>(272,518)</b>	<b>-33%</b>
<b>Single Year expenditure appropriation</b>						
Vote 1 - Budget & Treasury	2,771	-	124	1,700	(1,576)	-93%
Vote 2 - Public Health	64,384	1,195	8,977	17,879	(8,902)	-50%
Vote 3 - Human Settlements	-	-	-	-	-	-
Vote 4 - Economic Development, Tourism & Agriculture	7,265	899	1,084	7,265	(6,182)	-85%
Vote 5 - Corporate Services	20,295	1,186	10,427	19,355	(8,928)	-46%
Vote 6 - Infrastructure & Engineering Unit - Rate & General	69,219	563	6,583	32,869	(26,286)	-80%
Vote 7 - Metro Water Service	15,500	1,723	2,561	5,000	(2,439)	-49%
Vote 8 - Sanitation - Metro	4,450	-	7,799	-	7,799	#DIV/0!
Vote 9 - Electricity & Energy	8,150	-	-	2,100	(2,100)	-100%
Vote 10 - Executive & Council	-	-	-	-	-	-
Vote 11 - Safety & Security	51,330	129	5,215	5,130	85	2%
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	8,700	1,532	3,534	5,300	(1,766)	-33%
<b>Total Capital single-year expenditure</b>	<b>252,065</b>	<b>7,227</b>	<b>46,304</b>	<b>96,599</b>	<b>(50,295)</b>	<b>-52%</b>
<b>Total Capital Expenditure</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,613)</b>	<b>-35%</b>
<b>Capital Expenditure - Functional Classification</b>						
<b>Governance and administration</b>	<b>140,619</b>	<b>1,813</b>	<b>13,908</b>	<b>50,723</b>	<b>(36,814)</b>	<b>-73%</b>
Executive and council	-	-	-	-	-	-
Finance and administration	140,619	1,813	13,908	50,723	(36,814)	-73%
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>	<b>78,031</b>	<b>3,572</b>	<b>35,890</b>	<b>58,968</b>	<b>(23,078)</b>	<b>-39%</b>
Community and social services	29,340	-	9,616	22,410	(12,794)	-57%
Sport and recreation	35,000	3,530	18,498	26,150	(7,652)	-29%
Public safety	11,165	-	7,734	9,608	(1,874)	-20%
Housing	-	-	-	-	-	-
Health	2,525	42	42	800	(758)	-95%
<b>Economic and environmental services</b>	<b>352,595</b>	<b>15,943</b>	<b>119,000</b>	<b>224,951</b>	<b>(105,952)</b>	<b>-47%</b>
Planning and development	39,477	899	11,372	28,494	(17,122)	-60%
Road transport	313,119	15,044	107,627	196,457	(88,830)	-45%

Environmental protection	-	-	-	-	-	-
<b>Trading services</b>	<b>978,638</b>	<b>71,559</b>	<b>419,483</b>	<b>575,327</b>	<b>(155,844)</b>	<b>-27%</b>
Energy sources	239,453	18,048	114,611	134,440	(19,828)	-15%
Water management	529,817	43,326	268,627	335,014	(66,387)	-20%
Waste water management	172,542	10,185	36,245	99,752	(63,507)	-64%
Waste management	36,826	-	-	6,122	(6,122)	-100%
Other	1,500	-	-	1,125	(1,125)	-100%
<b>Total Capital Expenditure - Functional Classification</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>
<b>Funded by:</b>						
National Government	809,896	54,319	301,444	471,669	(170,225)	-36%
Provincial Government	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	41,865	1,085	17,265	32,365	(15,101)	-47%
Transfers recognised - capital	851,762	55,404	318,709	504,035	(185,326)	-37%
<b>Borrowing</b>	<b>254,245</b>	<b>15,433</b>	<b>131,928</b>	<b>154,524</b>	<b>(22,596)</b>	<b>-15%</b>
<b>Internally generated funds</b>	<b>445,377</b>	<b>22,049</b>	<b>137,641</b>	<b>252,535</b>	<b>(114,891)</b>	<b>-45%</b>
<b>Total Capital Funding</b>	<b>1,551,383</b>	<b>92,886</b>	<b>588,281</b>	<b>911,094</b>	<b>(322,813)</b>	<b>-35%</b>

### Explanatory notes to Table C5 - Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

### Table C6 Consolidated Monthly Budget Statement - Financial Position – M09 March 2022

Description	Budget Year 2021/22			
	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	200,200		1,699,741	200,200
Call investment deposits	2,885,302		3,420,125	2,885,302
Consumer debtors	2,616,440		2,641,038	2,616,440
Other debtors	450,158		384,623	450,158
Current portion of long-term receivables	-		-	-
Inventory	168,449		274,714	168,449
<b>Total current assets</b>	<b>6,320,549</b>	<b>-</b>	<b>8,420,242</b>	<b>6,320,549</b>
<b>Non-current assets</b>				
Long-term receivables	60,265		112,780	60,265
Investments				-
Investment property	159,363		152,119	159,363
Investments in Associate				-
Property, plant and equipment	18,684,586		18,118,886	18,684,586
Biological				-
Intangible	141,291		103,096	141,291
Other non-current assets				-
<b>Total non-current assets</b>	<b>19,045,506</b>	<b>-</b>	<b>18,486,881</b>	<b>19,045,506</b>
<b>TOTAL ASSETS</b>	<b>25,366,055</b>	<b>-</b>	<b>26,907,122</b>	<b>25,366,055</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft				-
Borrowing	192,847		192,847	192,847
Consumer deposits	168,247		161,818	168,247
Trade and other payables	2,744,534		3,009,202	2,744,534
Provisions	216,532		220,526	216,532
<b>Total current liabilities</b>	<b>3,322,160</b>	<b>-</b>	<b>3,584,394</b>	<b>3,322,160</b>

<b>Non-current liabilities</b>				
Borrowing	1,277,416		1,277,416	1,277,416
Provisions	2,626,339		2,626,339	2,626,339
<b>Total non-current liabilities</b>	<b>3,903,755</b>	<b>-</b>	<b>3,903,755</b>	<b>3,903,755</b>
<b>TOTAL LIABILITIES</b>	<b>7,225,915</b>	<b>-</b>	<b>7,488,149</b>	<b>7,225,915</b>
<b>NET ASSETS</b>	<b>18,140,140</b>	<b>-</b>	<b>19,418,973</b>	<b>18,140,140</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	17,255,035		18,533,869	17,255,035
Reserves	885,105		885,105	885,105
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>18,140,140</b>	<b>-</b>	<b>19,418,973</b>	<b>18,140,140</b>

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

1. The table presents Assets less, Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

**Table C7 Consolidated Monthly Budget Statement - Cash Flow – M09 March 2022**

Description	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	2,241,943	181,664	1,670,312	1,683,973	(13,660)	-1%
Service charges	5,890,939	1,011,423	4,911,487	4,421,627	489,860	11%
Other revenue	929,949	(31,643)	1,375,764	1,110,441	265,323	24%
Transfers and Subsidies - Operational	1,519,298	436,593	1,483,041	1,506,353	(23,312)	-2%
Transfers and Subsidies - Capital	948,360	432,566	899,219	943,878	(44,660)	-5%
Interest	492,947	9,464	100,516	130,149	(29,633)	-23%
Dividends						
<b>Payments</b>						
Suppliers and employees	(10,561,324)	(910,682)	(8,774,218)	(8,023,715)	750,503	-9%
Finance charges	(124,356)	(16,399)	(109,785)	(105,384)	4,401	-4%
Transfers and Grants	(56,119)	(7,098)	(37,052)	(49,552)	(12,500)	25%
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1,281,637</b>	<b>1,105,887</b>	<b>1,519,283</b>	<b>1,617,770</b>	<b>98,486</b>	<b>6%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE						
Decrease (increase) in non-current receivables	2,870			1,950	(1,950)	-100%
Decrease (increase) in non-current investments						
<b>Payments</b>						
Capital assets	(1,553,777)	(90,995)	(903,192)	(1,018,475)	(115,283)	11%
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1,550,907)</b>	<b>(90,995)</b>	<b>(903,192)</b>	<b>(1,016,525)</b>	<b>(113,333)</b>	<b>11%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans						
Borrowing long term/refinancing	254,245	152,547	254,245	254,245		
Increase (decrease) in consumer deposits	4,900			3,600	(3,600)	-100%
<b>Payments</b>						

Repayment of borrowing	(196,369)	(11,252)	(49,518)	(185,562)	(136,044)	73%
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>62,776</b>	<b>141,295</b>	<b>204,726</b>	<b>72,282</b>	<b>(132,444)</b>	<b>-183%</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(206,494)</b>	<b>1,156,187</b>	<b>820,817</b>	<b>673,527</b>		
Cash/cash equivalents at beginning:	3,291,997		4,299,049	3,291,997		
Cash/cash equivalents at month/year end:	3,085,502		5,119,866	3,965,523		

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

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus cash outflows that are likely to result from the implementation of the budget.

## ANALYSIS OF THE MUNICIPALITY'S BALANCE SHEET

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

### 1. DEBTORS AGE ANALYSIS & ANNUAL DEBTORS COLLECTION RATE POSITION AS AT 31 MARCH 2022 (2021/2022 FINANCIAL YEAR)

#### 1.1. Overview of Outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 31 March 2022 compared to the position as at 30 June 2021.

#### Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2021

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 300,280,615	R 176,480,266	R 132,796,510	R 133,195,881	R 111,569,703	R 93,823,249	R 451,419,590	R 967,647,464	R 2,367,213,278
Trade and Other Receivables from Exchange Transactions - Electricity	R 252,810,401	R 39,485,415	R 21,518,964	R 40,221,775	R 15,895,999	R 9,053,541	R 60,894,296	R 487,558,495	R 921,498,886
Receivables from Non-exchange Transactions - Property Rates	R 226,072,559	R 24,281,224	R 12,472,238	R 6,823,002	R 26,337,192	R 85,967,794	R 159,028,773	R 594,142,314	R 1,135,125,096
Receivables from Exchange Transactions - Waste Water Management	R 109,615,516	R 43,724,512	R 30,322,091	R 30,616,115	R 21,845,058	R 20,924,322	R 101,609,468	R 451,507,856	R 810,164,938
Receivables from Exchange Transactions - Waste Management	R 45,411,285	R 19,509,776	R 12,642,202	R 9,077,635	R 10,825,802	R 12,364,227	R 56,931,969	R 287,080,749	R 453,843,645
Receivables from Exchange Transactions - Property Rental Debtors	R 2,884,028	R 1,012,968	R 886,182	R 161,688	R 651,031	R 1,089,904	R 3,778,826	R 30,977,473	R 41,442,100
Interest on Arrear Debtor Accounts	R 38,514,132	R 33,640,077	R 30,586,977	R 19,221,322	R 28,947,973	R 38,811,944	R 139,478,498	R 814,696,729	R 1,143,697,652
Other	R 28,096,329	R 18,720,709	R 7,645,686	R 5,318,401	R 5,041,375	R 1,114,035	R 15,101,762	R 298,074,050	R 379,112,347
<b>Total By Income Source</b>	<b>R 1,003,484,865</b>	<b>R 350,854,947</b>	<b>R 248,870,850</b>	<b>R 244,635,819</b>	<b>R 221,114,133</b>	<b>R 263,149,016</b>	<b>R 988,243,182</b>	<b>R 3,931,685,130</b>	<b>R 7,252,037,942</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	R 42,416,289	R 16,563,884	R 5,057,505	R 12,995,835	R 1,947,865	R 3,584,995	R 19,044,853	R 80,131,638	R 181,742,864
Commercial	R 423,131,928	R 58,715,690	R 40,736,421	R 56,576,256	R 51,794,417	R 72,658,654	R 174,414,008	R 1,127,896,707	R 2,005,924,081
Households	R 526,226,530	R 270,810,073	R 202,552,393	R 174,400,939	R 166,830,425	R 186,244,683	R 791,424,817	R 2,696,742,902	R 5,015,032,762
Other NMBM	R 11,710,118	R 4,965,300	R 524,531	R 662,789	R 341,426	R 660,684	R 3,359,504	R 26,913,883	R 49,336,235
<b>Total By Customer Group</b>	<b>R 1,003,484,865</b>	<b>R 350,854,947</b>	<b>R 248,870,850</b>	<b>R 244,635,819</b>	<b>R 221,114,133</b>	<b>R 263,149,016</b>	<b>R 988,243,182</b>	<b>R 3,931,685,130</b>	<b>R 7,252,037,942</b>

#### Debtors' Age Analysis (Inclusive of VAT) as at 31 March 2022

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R455,697,289	R353,394,758	R287,146,609	R221,546,198	R256,802,203	R267,542,801	R893,526,802	R1,471,037,280	R4,206,695,740
Trade and Other Receivables from Exchange Transactions - Electricity	R313,089,329	R100,336,785	R45,863,732	R32,328,189	R18,848,468	R17,793,591	R68,275,282	R542,809,878	R1,139,343,254
Receivables from Non-exchange Transactions - Property Rates	R780,189,509	R81,415,629	R88,900,056	R83,401,857	R30,321,510	R35,895,246	R94,322,585	R754,650,649	R1,947,077,041
Receivables from Exchange Transactions - Waste Water Management	R98,221,704	R48,977,605	R43,160,833	R33,475,813	R34,969,029	R29,522,051	R133,027,174	R571,987,444	R993,341,453
Receivables from Exchange Transactions - Waste Management	R42,815,230	R21,021,321	R16,484,898	R10,929,913	R13,562,159	R12,705,734	R73,714,209	R355,137,665	R548,381,129
Receivables from Exchange Transactions - Property Rental Debtors	R1,832,365	R946,912	R478,761	R141,485	R514,760	R512,911	R3,468,854	R30,281,190	R38,177,258
Interest on Arrear Debtor Accounts	R46,159,689	R48,434,900	R35,373,870	R24,371,977	R31,004,435	R28,653,327	R168,734,234	R1,004,032,473	R1,384,784,905
Other	R23,879,192	R8,443,153	R6,426,107	R5,626,140	R5,119,966	R6,002,167	R42,407,033	R314,301,153	R412,004,811
<b>Total By Income Source</b>	<b>R1,781,864,327</b>	<b>R882,971,063</b>	<b>R821,844,666</b>	<b>R411,821,572</b>	<b>R391,142,530</b>	<b>R398,827,628</b>	<b>R1,475,476,173</b>	<b>R5,044,237,732</b>	<b>R10,867,785,891</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	R48,437,695	R27,223,527	R21,617,478	R20,240,550	R10,313,895	R21,222,445	R34,176,700	R85,111,829	R268,344,119
Commercial	R725,276,293	R187,956,910	R109,189,083	R54,100,837	R50,733,642	R37,413,798	R150,852,475	R1,311,882,758	R2,827,205,806
Households	R975,397,070	R446,744,781	R390,038,728	R336,717,020	R329,088,015	R339,128,248	R1,284,827,799	R3,618,804,953	R7,720,844,614
Other NMBM	R12,553,269	R1,045,845	R1,001,367	R763,365	R1,006,978	R863,137	R5,819,199	R28,338,192	R81,391,352
<b>Total By Customer Group</b>	<b>R1,781,864,327</b>	<b>R882,971,063</b>	<b>R821,844,666</b>	<b>R411,821,572</b>	<b>R391,142,530</b>	<b>R398,827,628</b>	<b>R1,475,476,173</b>	<b>R5,044,237,732</b>	<b>R10,867,785,891</b>

The aforementioned analysis indicates that from 30 June 2020 to 31 March 2022 the overdue debts have increased by R 2,657,568,287 as follows:

Detail	OVERDUE AMOUNTS		
	June 2021	At the End of March 2022	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 2,066,932,663	R 3,750,998,451	R 1,684,065,788
Trade and Other Receivables from Exchange Transactions – Electricity	R 668,628,485	R 826,253,925	R 157,625,440
Receivables from Non-exchange Transactions - Property Rates	R 909,052,537	R 1,166,907,532	R 257,854,995
Receivables from Exchange Transactions - Waste Water Management	R 700,549,422	R 895,119,749	R 194,570,327
Receivables from Exchange Transactions - Waste Management	R 408,432,360	R 503,565,899	R 95,133,539
Receivables from Exchange Transactions - Property Rental Debtors	R 38,558,072	R 36,344,873	-R 2,213,199
Interest on Arrear Debtor Accounts	R 1,105,383,520	R 1,338,605,216	R 233,221,696
Other	R 351,016,018	R 388,325,719	R 37,309,701
<b>Total By Income Source</b>	<b>R 6,248,553,077</b>	<b>R 8,906,121,364</b>	<b>R 2,657,568,287</b>
<b>Debtors Age Analysis By Customer Group</b>			
Organs of State	R 139,326,575	R 219,906,424	R 80,579,849
Commercial	R 1,582,792,153	R 1,901,929,313	R 319,137,160
Households	R 4,488,806,232	R 6,745,447,544	R 2,256,641,312
Other NMBM	R 37,628,117	R 38,838,083	R 1,209,966
<b>Total By Customer Group</b>	<b>R 6,248,553,077</b>	<b>R 8,906,121,364</b>	<b>R 2,657,568,287</b>

The credit control policy is being implemented to its fullest extent except for the component dealing with the sale in execution of both movable and immovable assets. The Municipality is currently implementing the Debt Relief Programme, as previously approved by Council.

### Growth in Debt by category

The following table further provides the Committee with the history of how the arrear debt situation has escalated from July 2017 up to date:

Outstanding Debtors by Category					
Month	Category	Business	Household	NMBM	Total
Jul-17	131,605,461	948,819,329	1,498,914,440	18,866,863	2,598,206,093
Aug-17	104,633,792	952,594,059	1,561,708,130	13,877,297	2,632,813,278
Sep-17	111,750,722	739,558,610	1,568,778,756	14,095,837	2,434,183,925
Oct-17	179,672,102	906,897,383	1,763,941,360	14,472,532	2,864,983,377
Nov-17	127,932,749	888,213,821	1,805,477,552	14,986,214	2,836,610,336
Dec-17	134,972,713	913,685,465	1,879,858,438	18,109,773	2,946,626,389
Jan-18	134,134,638	975,421,884	1,977,500,540	14,795,257	3,101,852,319
Feb-18	105,343,973	893,996,624	1,987,125,644	14,980,713	3,001,446,954
Mar-18	109,231,097	1,036,621,747	2,022,574,714	15,946,568	3,184,374,126
Apr-18	109,626,926	1,039,180,221	2,094,728,530	15,742,771	3,259,278,448
May-18	112,735,842	1,053,595,707	2,105,708,816	16,901,890	3,288,942,255
Jun-18	102,939,284	1,035,331,542	2,108,261,598	17,624,231	3,264,156,655
Jul-18	99,708,290	1,049,275,412	2,113,075,158	16,332,077	3,278,390,937
Aug-18	103,554,527	1,066,307,271	2,162,454,892	16,527,891	3,348,844,581
Sep-18	94,561,804	979,168,582	2,280,929,826	20,170,905	3,374,831,117
Oct-18	164,982,480	993,875,094	2,350,424,434	21,538,214	3,530,820,222
Nov-18	116,018,020	987,991,661	2,371,146,994	21,013,996	3,496,170,671
Dec-18	113,652,702	1,023,496,281	2,454,062,638	22,896,183	3,614,107,804
Jan-19	115,131,644	1,044,563,530	2,548,552,149	23,798,153	3,732,045,476
Feb-19	110,516,104	992,773,520	2,551,914,535	24,053,840	3,679,257,999
Mar-19	122,275,466	1,040,446,996	2,629,763,511	27,671,454	3,820,157,427
Apr-19	119,176,147	1,024,408,324	2,645,586,093	30,585,500	3,819,756,064
May-19	104,537,696	999,611,086	2,676,167,109	29,507,234	3,809,823,125
Jun-19	91,038,489	989,505,419	2,702,507,784	30,001,743	3,813,053,435

Outstanding Debtors by Category					
Month	Category	Business	Household	NMBM	Total
Jul-19	85,564,815	1,142,778,505	2,653,304,020	32,088,668	3,913,735,808
Aug-19	90,373,388	1,149,814,821	2,703,970,584	31,759,862	3,975,918,655
Sep-19	109,368,442	1,178,190,411	2,364,851,705	33,842,941	3,686,053,499
Oct-19	151,413,880	1,193,345,083	2,433,626,335	26,910,325	3,805,295,623
Nov-19	113,090,936	1,198,838,764	2,504,504,602	26,241,036	3,842,675,338
Dec-19	130,945,358	1,258,698,481	2,634,641,368	32,546,934	4,056,832,141
Jan-20	135,178,726	1,293,896,794	2,780,370,815	31,468,179	4,240,914,514
Feb-20	126,380,147	1,269,003,363	2,836,445,913	28,645,808	4,260,475,231
Mar-20	138,997,054	1,337,089,989	2,920,985,491	38,497,040	4,435,569,574
Apr-20	181,347,872	1,520,914,374	3,080,706,601	54,029,438	4,836,998,285
May-20	217,075,706	1,397,620,326	3,200,372,813	63,806,044	4,878,874,889
Jun-20	226,436,994	1,504,983,613	3,254,120,628	30,423,021	5,015,964,256
Jul-20	176,399,253	1,473,562,003	3,311,089,732	30,578,375	4,991,609,363
Aug-20	178,700,904	1,518,494,930	3,391,965,425	33,202,062	5,122,363,321
Sep-20	177,913,838	1,514,531,406	3,460,129,495	35,876,824	5,188,451,563
Oct-20	180,838,124	1,585,419,568	3,609,290,419	30,348,519	5,405,896,630
Nov-20	199,820,603	1,570,647,648	3,886,751,212	43,555,953	5,700,775,416
Dec-20	207,370,797	1,604,414,662	3,930,727,030	35,623,793	5,778,136,282
Jan-21	201,207,009	1,599,260,902	4,070,002,886	31,756,091	5,902,226,888
Feb-21	202,847,103	1,551,589,618	4,120,115,720	37,884,321	5,912,436,762
Mar-21	198,750,607	1,579,442,827	4,248,102,288	32,492,235	6,058,787,957
Apr-21	201,827,172	1,608,128,527	4,333,259,122	33,258,939	6,176,473,760
May-21	151,384,533	1,648,118,675	4,431,481,988	33,565,247	6,264,550,443
Jun-21	139,326,575	1,582,792,153	4,488,806,232	37,628,117	6,248,553,077
Jul-21	164,531,984	1,650,649,855	4,642,038,574	40,205,793	6,497,426,206
Aug-21	152,655,812	1,696,234,145	4,847,662,045	56,852,499	6,753,404,501
Sep-21	154,560,053	1,703,479,311	5,113,737,194	35,130,687	7,006,907,245
Oct-21	177,656,262	1,802,561,606	5,461,557,379	36,729,127	7,478,504,374
Nov-21	207,095,304	1,828,372,065	5,785,896,888	37,354,462	7,858,718,719
Dec-21	223,874,721	1,784,577,155	6,040,058,139	40,020,922	8,088,530,937
Jan-22	237,008,342	1,901,393,994	6,320,662,619	45,053,874	8,504,118,829
Feb-22	198,555,915	1,845,283,283	6,553,678,171	41,994,914	8,693,512,283
Mar-22	219,906,424	1,901,929,313	6,745,447,544	38,838,083	8,906,121,364

## 1.2. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The ratio is 85% as per the 2021/2022 Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Total Payments Received in respect of Accounts rendered during Financial year}}{\text{Total Value of Accounts Rendered during Financial year.}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the year 2020/2021 was 85.5%. However, the average collection rate for the 2021/22 year is 71.5%, whilst the collection rate for revenue raised in February 2022 collected in the month ending 31 March 2022 amounts to only 85.2%.

## 1.3 Other Debtors

The bridge financing of the Housing function is at a level of R195.28 million as at 31 March 2022. It is critical that the current level of R195.278 million be managed downwards. Despite efforts from Budget & Treasury to try to arrange meetings with officials from the PDoHS, the NMBM Human Settlements Directorate and Budget and Treasury in order to address problem areas, no meetings are currently being held as NMBM Human Settlements officials appear not to be complying with province requests for sufficient substantive information.

National Treasury has transferred the following Grants relating to previous financial years to NMBM on 31 March 2022, thereby reducing Other Debtors as at 30 June 2021: -

2019/20:

Equitable Share: R 255,415,000

2020/21

Equitable Share R10,000,000

### Overview of Creditors position

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

### Supporting Table SC4 Monthly Budget Statement - aged creditors – M09 March 2022

Detail	0 – 30 Days R '000	31-60 days R '000	61 – 90 days R '000	Above 91 days R '000	Total R '000	%
Bulk Electricity	374,230,321.48	-	-	-	374,230,321.48	19.40
Bulk Water	13,349,019.10	-	-	-	13,349,019.10	0.69
PAYE deductions	43,160,396.30	-	-	-	43,160,396.30	2.24
VAT (output less input)	23,438,821.84	-	-	-	23,438,821.84	1.21
Pensions / Retirement deductions	43,104,100.42	-	-	-	43,104,100.42	2.23
Loan Repayments	-	-	-	-	-	-
Trade Creditors	661,653.30	103,065.16	1,687,783.74	1,424,544,320.16	1,426,996,822.36	73.97
Auditor-General	4,909,323.17	-	-	-	4,909,323.17	0.25
Other	-	-	-	-	-	-
<b>Total</b>	<b>502,853,635.61</b>	<b>103,065.16</b>	<b>1,687,783.74</b>	<b>1,424,544,320.16</b>	<b>1,929,188,804.67</b>	<b>100</b>

The above amounts represent invoices still to be paid by the NMBM and MBDA. Creditors' payments for the NMBM approximate **85.83** days, based on the date of invoice. The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date. The **85.83** days excludes delayed payments as a result of irregular expenditure.

The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date.

A monthly report is submitted to Management Team on the outcome of the creditors' payment process. Executive Directors are held responsible for outcomes in the following two areas: -

- Adhering to the **19** days allocated to Directorates for processing of all payments – this currently forms part of the Executive Directors' scorecards; and
- Reporting on and being held accountable for irregular expenditure – this is dealt with through the MPAC sub-committee for irregular, fruitless & wasteful and unauthorised expenditure.

### Payment of Service Providers

Section 65(2)(e) of the MFMA states that "all monies owing by the Municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

To ensure efficient administration all reporting in relation to payment is based on using the invoice date as the baseline and not the date of receipt of the invoice. An average number of days to make payment from the date of invoice have been calculated at 35 days, by allowing 5 days for postal travel of the invoice from supplier to the municipality.

For performance measuring purpose the 35 days has been split as follows:

- Phase 1 – The Directorate has 19 days to process from date of invoice; and

- Phase 2 – Creditors, Accountants & Cash Management have 16 days to finalise the payment process.

It must be noted that the date of receipt is inserted in the payments program by the directorate who is capturing the invoice. This date is subjective as it relies on the directorate to be honest when capturing the date, the invoice document was physically received by the municipality.

This reporting standard is being applied due to the fact that:

- Service Providers give discount based on the invoice date, irrespective of the invoice receipt date.
- Performance of the NMBM in relation to payment is determined by the Service Provider from the date of the invoice.
- Recording of the invoice receipt date may be subjective, impractical to manage and difficult to prove.

#### DATE OF INVOICE vs DATE OF DIRECTORATE APPROVAL

**Table 1: Reflects the number of Days taken by Directorates to process documentation for payment from Date of Invoice**

DIRECTORATE	January 2022	Total No. of Invoices	February 2022	Total No. of Invoices	March 2022	Total No. of Invoices
Budget & Treasury	16.69	745	40.36	513	16.54	1047
Chief Operating Officer	82.96	83	97.97	86	101.25	203
Corporate Services	90.47	2935	109.05	3594	92.09	8835
Economic Development, Tourism & Agriculture	91.47	19	48.29	17	40.91	23
Electricity & Energy	55.14	154	52.35	222	39.2	224
Human Settlements	155.22	32	147.65	26	87.29	73
Infrastructure & Engineering: Rate & General	44.37	663	43.08	744	36.73	789
Water Services	24.6	108	39	60	28.52	87
Municipal Manager	46.88	24	25.86	7	57.29	28
Office of the Executive Mayor	111.07	15	72.8	5	152	1
Public Health	31.12	270	60.93	288	28.22	351
Recreational & Cultural Services	43.96	75	71.91	32	49.56	113
Safety & Security	60.41	151	75.62	112	30.42	169
Sanitation	38.77	115	95.92	78	45.77	125
Special Projects & Programmes						
<b>Average for all Directorates</b>	<b>66.84</b>		<b>87.84</b>		<b>76.83</b>	

An analysis of **Table 1** illustrates the following:

During March the number of days to process documentation has increased significantly from February for the following Directorates:

Directorate	No. of Days (March)
Office of the Executive Mayor	152
Chief Operating Officer	101.25
Municipal Manager	57.29

The March payment day's results of the Chief Operating Officer Directorate are attributed to late payments that were made to supplier AFRISAVE CASH AND CARRY supplier which were paid in excess of 200 days from the Date of Invoice.

The March payment day's results of the Office of the Executive Mayor Directorate are attributed to late payments that were made to supplier EXTRAVIS SOLUTIONS supplier which were paid in excess of 100 days from the Date of Invoice.

#### **DATE OF RECEIPT OF INVOICE vs DATE OF DIRECTORATE APPROVAL**

**Table 2** below illustrates by Directorate the number of days taken to process documentation from the date of Receipt of invoice:

DIRECTORATE	January 2022	Total No of Invoices	February 2022	Total No of Invoices	March 2022	Total No of Invoices
Budget & Treasury	6.11	745	8.71	513	3.36	1047
Chief Operating Officer	15.95	83	18.88	86	14.52	203
Corporate Services	85.51	2935	102.68	3594	84.61	8835
Economic Development, Tourism & Agriculture	25.74	19	10.29	17	16.78	23
Electricity & Energy	18.32	154	29.54	222	15.9	224
Human Settlements	115.34	32	66.31	26	3.3	73
Infrastructure & Engineering: Rate & General	12.61	663	13.11	744	10.92	789
Water Services	11.79	108	15.12	60	4.62	87
Municipal Manager	34.5	24	16.29	7	46.18	28
Office of the Executive Mayor	106.53	15	72.8	5	152	1
Public Health	10.45	270	14.58	288	7.13	351
Recreational & Cultural Services	23.72	75	12.97	32	33.27	113
Safety & Security	44.19	151	54.33	112	14.47	169
Sanitation	23.09	115	69.94	78	31.02	125
Special Projects & Programmes						
<b>Average for all Directorates</b>	<b>53.78</b>		<b>71.04</b>		<b>64.7</b>	

Although the reporting in **Table 2** is measured from the date of receipt of Invoice, the Directorates are still lagging in efforts to meet the 19 days' turnaround time assigned to them.

The recording of the Invoice received Date is performed by each respective Directorate and is subjective as Suppliers often dispute that there has been any delay for submitting Invoices to the NMBM. When Suppliers initiate punitive action for late payment, such as legal action; penalty interest; revoking the NMBM's credit facility, etc. the date of the Invoice becomes relevant and not the date that it was received. The analysis of the Average Number of Days between the **Invoice Date** and the **Date of Receipt of Invoice** per Directorate indicates the following for March 2022:

Directorate	No. of Days (March)
Budget & Treasury	16.08
Chief Operating Officer	88.87
Corporate Services	21
Economic Development, Tourism & Agriculture	34.39
Electricity & Energy	32.5
Human Settlements	84.58
Infrastructure & Engineering: Rate & General	30.76
Water Services	52.07
Municipal Manager	12.79
Office of the Executive Mayor	0
Public Health	22.79
Recreational & Cultural Services	22.73
Safety & Security	20.15
Sanitation	24.1

The above information indicates that there is a significant delay between the Supplier's Invoice date and the date that it is received at the NMBM. This is evident for the following Directorates where it has taken in excess of 30 Days for the Invoices to be received:

• Chief Operating Officer	88.87
• Economic Development, Tourism & Agriculture	34.39
• Electricity & Energy	32.5
• Human Settlements	84.58
• Infrastructure & Engineering: Rate & General	30.76
• Water Services	52.07

All Directorates who encounter delays in receiving Invoices from Suppliers should address this with the respective Supplier(s) as the resultant late payments may be attributed to the NMBM and punitive action against the NMBM may be initiated by the Supplier(s).

The overall number of days taken to process documentation for payment has not improved for March 2022 when compared to February 2022 and will impact negatively on the NMBM's compliance with Section 65(2) (e) of the MFMA. Compliance with Section 65 (2) (e) of the MFMA is dependent on all role-players within the payment value chain adhering to their respective timeframe.

**Table 3: Reflects the Average number of Days taken by the NMBM to pay Service Providers from the date that the EFT is available for release**

	Number of Days taken by Accountant to sign off documentation	Number of Days taken by Creditors to process & final Sign Off of EFT	Delay in release of EFT's	Total No. of days from date Directorate approves Invoice
January	11	11	0	22
February	21	8	0	29
March	6	3	0	9

Table 3 above reflects the Phase 2 process payment cycle where the target has been set at **16 days**. The target for this phase of processing has been met for the month of March 2022. If we combine Phase 1 and Phase 2 in the payment process, then the number of days taken to pay creditors from date of invoice is as follows against the target of 35 days.

January	2022 – 88.84 days
February	2022 – 116.84 days
March	2022 – 85.83 days

The National Treasury target has been set at 30 days from the date when the invoice has been received. By using the receipt date of the invoice, as recorded by the Directorate, the number of days taken to pay creditors during the quarter is as follows:

January	2022 – 77 days
February	2022 – 99 days
March	2022 – 65 days

The results above indicate that the Creditors' payment days were not met for the period January 2022 to March 2022. It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

The March 2022 payment day's results for the NMBM (**65 days**) are mainly attributed to late payments that were made to VODACOM which a total of **8533** Invoices were paid in excess of 100 days from the Date of Receipt of Invoice.

Another factor that contributed to the poor payment days' outcome of March 2022 is that most Directorates paid the majority of their Invoices in excess of 30 days from the Date of Receipt of Invoice as per the analysis below which measures the efficiency rate per Directorate.

Directorate	Total No. Of Invoices (March 2022)	No. of Invoices paid <u>within</u> 30 Days of Receipt	Efficiency Rate (%),calculated as No. of Invoices paid within 30 days of Receipt /Total No. of Invoices*100
Budget & Treasury	1047	850	81.18
Chief Operating Officer	203	132	65.02
Corporate Services	8835	201	2.28
Economic Development, Tourism & Agriculture	23	18	78.26
Electricity & Energy	224	167	74.55
Human Settlements	73	57	78.08
Infrastructure & Engineering: Rate & General	789	468	59.32
Water Services	87	79	90.80
Municipal Manager	28	16	57.14
Office of the Executive Mayor	1	0	0.00
Public Health	351	277	78.92
Recreational & Cultural Services	113	69	61.06
Safety & Security	169	105	62.13
Sanitation	125	91	72.80

3. Investment Portfolio as at 31 March 2022

Below is an analysis of the Investment Portfolio as at 31 March 2022: -

Financial Institution	ABSA		FNB		Investec		Nedbank		Nedbank		Standard Bank		Stanlib		Total NIFIM		ABSA		MEDA		Sanlam		Total		
Type of Investment	Term Deposit R'000	Call Deposit R'000	Term Deposit R'000	Call Deposit R'000	Call Deposit R'000	Term Deposit R'000	Term Deposit R'000	Call Deposit R'000	Term Deposit R'000	Call Deposit R'000	Term Deposit R'000	Term Deposit R'000	Call Deposit R'000	Investments R'000	Current Account R'000	Shares R'000	Investments R'000	Current Account R'000	Shares R'000	Investments R'000	Current Account R'000	Shares R'000	Investments R'000	Current Account R'000	Shares R'000
Value of Investment: 30Jun21	908,000,000	3,310,000	908,000,000	153,354,886	100,500,000	818,000,000	918,612,500	100,500,000	818,612,500	259,657	816,700,000	816,700,000	259,657	3,810,037,143	460,877,397	2,411,766	67,063,764	460,877,397	2,411,766	67,063,764	460,877,397	2,411,766	4,273,425,736	460,877,397	2,411,766
Value of Investment: 31Mar22	810,000,000	3,310,000	815,000,000	157,355,162	100,500,000	715,000,000	816,700,000	100,500,000	816,700,000	259,657	816,700,000	816,700,000	259,657	3,418,124,819	1,603,311,266	2,511,199	85,918,812	1,603,311,266	2,511,199	85,918,812	1,603,311,266	2,511,199	5,119,865,929	1,603,311,266	2,511,199
(Decrease) / Increase in Investments	-88,000,000	0	-83,000,000	-4,000,276	0	-103,000,000	-101,912,500	0	-101,912,500	0	0	0	0	-391,912,324	1,142,433,902	99,433	28,834,848	1,142,433,902	99,433	28,834,848	1,142,433,902	99,433	846,440,193	1,142,433,902	99,433
% Exposure of Institution	15.82%	0.06%	15.92%	3.07%	1.96%	13.67%	15.95%	0.01%	15.95%	0.01%	0.01%	0.01%	0.01%	66.76%	31.32%	0.05%	4.67%	31.32%	0.05%	4.67%	31.32%	0.05%	100.00%	31.32%	0.05%
Actual Interest earned to date	-10,785,273	-112,108	-12,390,356	-4,000,275	-2,165,385	-10,166,278	-14,035,758	-7,070	-14,035,758	-7,070	-50,729,538	-4,439,018	-1,880,807	-50,729,538	-1,880,807	0	-4,439,018	-1,880,807	0	-4,439,018	-1,880,807	0	-57,049,463	-1,880,807	0

There is an increase in the investment portfolio since 30 June 2021 amounting to R846.4 million. As at 31 March 2022 the unspent conditional grants amount to R853.24 million.

It is important to note the following: -

- The Unspent Borrowing amounted to R167.64 million as at 31 March 2022;

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

<b>Cash backed Reserves</b>	<b>R'000</b>
Bank Balances and Cash	1,699,741
Short-term Investment Deposits	3,417,814
Short-term Investments	2,511
	<b>5,119,866</b>
<b>Application of Cash</b>	
Unspent Conditional Grants	853,242
Statutory Funds -- COID	55,805
Self-Insurance Fund	147,367
Outstanding Creditors Liability	1,929,188
Internally Generated Funding	307,733
Provision for Land Fill Sites	406,886
Provision for Rehab of Swartkops river	94,665
Brookes Bequest	22,637
Current Provisions	134,355
Consumer Deposits	161,818
Capital Replacement Reserve Fund	500,000
Capital Replacement Reserve	114,144
Unspent Borrowing	167,643
<b>Total Commitments</b>	<b>4,895,283</b>
<b>Cash and Cash Equivalents in excess of Commitments</b>	<b>224,583</b>

The Cash and Cash Equivalents exceed Commitments by an amount of 244.6 million. Approximately R853.2 million represents Unspent Conditional Grant funds. The sustainability of the Municipality will remain under pressure until sufficient working capital levels have been established. To Note is that the above do not include the long-term Retirement Provision that is also required to be fully cash funded.

The following financial strategies are being implemented to address this situation:

- Optimisation of all revenue streams.
- Increasing collection rates above the targeted percentage utilising the credit control policy of Council.
- Disposal of serviced land in order to boost the depleted Capital Replacement Reserve.
- Implementation of Cost Containment Policy.

## 4. Allocation and Grant receipts and expenditure for the 2021/22 financial year

## Monthly Budget Statement - Transfers and Grants - Receipts and Expenditure – March 2022

Description	Budget Year 2021/22		
	Original Budget	YearTD actual	YearTD budget
R thousands			
		<b>RECEIPTS:</b>	<b>PAYMENTS</b>
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	<b>1,519,298</b>	<b>1,470,468</b>	<b>1,045,663</b>
Local Government Equitable Share	1,143,807	1,143,807	974,301
EPWP Incentive	7,116	7,116	3,596
Finance Management	1,000	1,000	728
Infrastructure Skills Development	10,500	10,500	6,178
LGSETA	2,500	4,210	2,813
Urban Settlements Development	23,544	23,544	11,605
Public Transport Networks Operations	165,110	113,235	33,797
Neighbourhood Development Partnership Grant		15,581	-
Programme and Project Support Grant	11,267	11,267	-
Informal Settlements Partnership Grant	154,454	140,208	12,645
<b>Provincial Government:</b>	<b>30,766</b>	<b>28,443</b>	<b>28,790</b>
Sport and Recreation	15,870	15,870	15,870
DRPW (Maintenance of Roads)	14,000	12,410	12,410
Marine and Coastal Development	896	163	510
<b>Total Operating Transfers and Grants</b>	<b>1,550,064</b>	<b>1,498,911</b>	<b>1,074,453</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	<b>908,360</b>	<b>899,219</b>	<b>345,638</b>
Public Transport Infrastructure	163,468	105,252	28,949
Urban Settlements Development	569,601	569,601	274,395
Neighbourhood Development Partnership	23,700	23,700	13,044
Informal Settlements partnership Grant	161,591	142,837	29,251
Drought Relief Grant		57,829	-
<b>Other grant providers:</b>	<b>40,000</b>	<b>-</b>	<b>19,282</b>
Private Contributions	40,000	-	19,282
<b>Total Capital Transfers and Grants</b>	<b>948,360</b>	<b>899,219</b>	<b>364,840</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>2,498,425</b>	<b>2,398,129</b>	<b>1,439,293</b>

National Treasury has now transferred the following outstanding Grants relating to previous financial years to NMBM on 31 March 2022.: -

2019/20:  
Equitable Share: R 255,415,000

2020/21  
Equitable Share R 10,000,000

**DORA Operating Grants:****Expanded Public Works Programme (EPWP)**

This grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery.

DORA Allocation: R 7,116,000  
Amount of Grant Received R 7,116,000  
Expenditure to date: R 3,595,816  
**Unspent as at 31 March 2022 R 3,520,184**

As at 31 March 2022, 50.53% of the DORA allocation was spent.

**Infrastructure Skills Development**

This grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R 10,500,000
Amount of Grant Received	R 10,500,000
Expenditure to date:	R 6,178,337
<b>Unspent as at 31 March 2022:</b>	<b>R 4,321,663</b>

As at 31 March 2022, 58.84% of the DORA allocation was spent.

**Finance Management Grant**

This grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,000,000
Amount of Grant Received	R 1,000,000
Expenditure to date:	R 727,956
<b>Unspent as at 31 March 2022:</b>	<b>R 272,044</b>

As at 31 March 2022, 72.8% of the DORA allocation was spent.

**Programme and Project Preparation Support Grant**

This grant is to support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation.

DORA Allocation:	R 11,267,000
Amount of Grant Received	R 11,267,000
Expenditure to date:	R Nil
<b>Unspent as at 31 March 2022:</b>	<b>R 11,267,000</b>

As at 31 March 2022, 0% of the DORA allocation was spent.

**Urban Settlements Development Grant – Portion allocated for operational expenditure**

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R 23,544,353
Amount of Grant Received	R 23,544,352
Expenditure to date:	R 11,605,310
<b>Unspent as at 31 March 2022:</b>	<b>R 11,939,043</b>

As at 31 March 2022, 49.29% of the DORA allocation was spent.

**Public Transport Networks Operations – Portion allocated for operational expenditure**

This grant is to provide supplementary operational funding to municipalities.

DORA Allocation:	R 113,235,381
Amount of Grant Received	R 113,235,381
Expenditure to date:	R 33,796,759
<b>Unspent as at 31 March 2022:</b>	<b>R 79,438,622</b>

As at 31 March 2022, 29.85% of the DORA allocation was spent.

**Informal Settlements Partnership Grant – Portion allocated for operational expenditure**

In 2020/21, this new grant was introduced to fund Operating Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R 140,207,658
Amount of Grant Received	R 140,207,658
Expenditure to date:	R 12,645,485
<b>Unspent as at 31 March 2022:</b>	<b>R 127,562,173</b>

As at 31 March 2022, 9.02% of the DORA allocation was spent.

**Neighbourhood Development Partnership Grant - Portion allocated for operational expenditure**

A new allocation for 2021/22 to fund Technical Assistance operational cost relating to EPWP projects.

DORA Allocation:	R 15,581,000
Amount of Grant Received	R 15,581,000
Expenditure to date:	R Nil
<b>Unspent as at 31 March 2022:</b>	<b>R 15,581,000</b>

As at 31 March 2022, 0.0% of the DORA allocation was spent.

**Capital Grants (DORA)****Urban Settlements Development Grant**

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R 569,600,647
Amount of Grant Received	R 569,600,647
Expenditure to date:	R 274,394,803
<b>Unspent as at 31 March 2022:</b>	<b>R 295,205,844</b>

As at 31 March 2022, 48.17% of the DORA allocation was spent.

**Public Transport Infrastructure Grant**

This grant is to provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

DORA Allocation:	R 105,251,519
Amount of Grant Received	R 105,251,519
Expenditure to date:	R 28,948,629
<b>Unspent as at 31 March 2022:</b>	<b>R 76,302,890</b>

As at 31 March 2022, 27.50% of the DORA allocations was spent.

**Neighbourhood Development Partnership**

This grant is to support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation:	R 23,700,000
Amount of Grant Received:	R 23,700,000
Expenditure to date:	R 13,043,677
<b>Unspent as at 31 March 2022:</b>	<b>R 10,656,323</b>

As at 31 March 2022, 55.04% of the DORA allocation was spent.

**Informal Settlements Partnership Grant – Portion allocated for capital expenditure**

In 2020/21, this new grant was introduced to fund Capital Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R 142,837,342
Amount of Grant Received	R 142,837,342
Expenditure to date:	R 29,250,708
Unspent as at 31 March 2022:	R 113,586,634

As at 31 March 2022, 20.48% of the DORA allocation was spent.

**Important to Note that National Treasury had not approved any roll-over of unspent 2020/21 Conditional Grant Funding. The unspent 2020/21 conditional grant funding had been off-set against the Equitable Share on 7 January 2022 in the amount of R 319.6 million. The unspent grants were as follows:**

Public Transport Infrastructure Grant	R 41,967,790
Public Transport Networks Operations Grant	R 93,172,582
Neighbourhood Partnership Development Grant	R 2,157,622
Infrastructure Skills Development Grant	R 1,892,693
Integrated City Development Grant	R 5,292,146
Urban Settlement Development Grant	R175,124,719
<b>Total</b>	<b>R319,607,552</b>

**5. Councillor and Board members' allowances and employee benefits**

Below is an analysis of Councillor, Board members' allowances and employee benefits:

**Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits – M09 March 2022**

Summary of Employee and Councillor remuneration	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Councillors (Political Office Bearers plus Other)</b>						
Basic Salaries and Wages	80,587	5,975	53,141	59,852	(6,711)	-11%
Cell phone Allowance	6,614	405	3,907	4,912	(1,005)	-20%
Other benefits and allowances	97	10	150	72	77	107%
<b>Sub Total - Councillors</b>	<b>87,299</b>	<b>6,389</b>	<b>57,198</b>	<b>64,836</b>	<b>(7,638)</b>	<b>-12%</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	27,247	1,376	14,026	20,347	(6,321)	-31%
Pension and UIF Contributions	20	1	14	15	(1)	-5%
Performance Bonus	2,700		183	2,016	(1,832)	-91%
<b>Sub Total - Senior Managers of Municipality</b>	<b>29,966</b>	<b>1,377</b>	<b>14,224</b>	<b>22,378</b>	<b>(6,154)</b>	<b>-36%</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	2,403,868	165,247	1,506,571	1,795,108	(288,537)	-16%
Pension and UIF Contributions	380,755	30,000	273,797	284,332	(10,535)	-4%
Medical Aid Contributions	203,458	16,313	144,566	151,934	(7,367)	-5%
Overtime	270,592	25,598	237,265	202,067	35,199	17%
Performance Bonus	209,765	6,741	175,387	156,643	18,744	12%
Motor Vehicle Allowance	65,460	4,903	43,548	48,883	(5,335)	-11%
Cell phone Allowance	8	1	5	6	(1)	-16%
Housing Allowances	44,379	3,141	28,591	33,140	(4,550)	-14%
Other benefits and allowances	75,972	8,315	73,096	56,732	16,363	29%
Payments in lieu of leave	17,780		-	13,277	(13,277)	-100%
Long service awards	117,656	9,572	86,358	87,860	(1,502)	-2%
Post-retirement benefit obligations	63,788		-	47,634	(47,634)	-100%
<b>Sub Total - Other Municipal Staff</b>	<b>3,853,480</b>	<b>269,831</b>	<b>2,569,184</b>	<b>2,877,617</b>	<b>(308,433)</b>	<b>-11%</b>
<b>Total Parent Municipality</b>	<b>3,970,745</b>	<b>277,598</b>	<b>2,640,607</b>	<b>2,964,831</b>	<b>(324,225)</b>	<b>-11%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>						

Summary of Employee and Councilor remuneration	Budget Year 2021/22					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Board Members of Entities</b>						
Board Fees	1,200	225	1,228		1,228	#DIV/0!
<b>Sub Total - Board Members of Entities</b>	<b>1,200</b>	<b>225</b>	<b>1,228</b>	<b>-</b>	<b>1,228</b>	<b>#DIV/0!</b>
<b>Senior Managers of Entities</b>						
Basic Salaries and Wages	12,753	367	9,740	9,523	217	2%
Pension and UIF Contributions	1,529	34	900	1,142	(242)	-21%
Medical Aid Contributions	1,668	20	518	1,246	(728)	-58%
Performance Bonus		2	64	-	64	#DIV/0!
Motor Vehicle Allowance	277	95	2,523	207	2,316	1118%
Cell phone Allowance		0	3	-	3	#DIV/0!
Other benefits and allowances		3	80	-	80	#DIV/0!
<b>Sub Total - Senior Managers of Entities</b>	<b>16,228</b>	<b>521</b>	<b>13,828</b>	<b>12,118</b>	<b>1,710</b>	<b>14%</b>
<b>Other Staff of Entities</b>						
Basic Salaries and Wages	18,640	331	8,792	13,920	(5,128)	-37%
Pension and UIF Contributions	1,529	32	849	1,142	(293)	-26%
Medical Aid Contributions	1,668	35	926	1,246	(320)	-26%
Other benefits and allowances	277	6	154	207	(53)	-26%
<b>Sub Total - Other Staff of Entities</b>	<b>22,115</b>	<b>404</b>	<b>10,720</b>	<b>16,515</b>	<b>(5,794)</b>	<b>-35%</b>
<b>Total Municipal Entities</b>	<b>39,542</b>	<b>1,150</b>	<b>25,776</b>	<b>28,633</b>	<b>(2,857)</b>	<b>-10%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>4,010,288</b>	<b>278,747</b>	<b>2,466,383</b>	<b>2,993,464</b>	<b>(327,081)</b>	<b>-11%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>3,921,789</b>	<b>272,133</b>	<b>2,607,956</b>	<b>2,928,627</b>	<b>(320,671)</b>	<b>-11%</b>

## 6. Key performance indicators

The table below reflects the key performance indicators as per the 2021/22 Budget and the associated performance to date.

### Supporting Table SC2 Monthly Budget Statement - performance indicators – M08 March 2022

Description of financial Indicator	Basis of calculation	Budget Year 2021/22	
		Original Budget	YearTD actual
<b>Borrowing Management</b>			
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	2.4%	1.46%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	36.3%	94.31%
<b>Safety of Capital</b>			
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	23.2%	23.07%
Gearing	Long Term Borrowing/ Funds & Reserves	7.0%	6.58%
<b>Liquidity</b>			
Current Ratio	Current assets/current liabilities	1.90:1	2.35:1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.92:1	1.43:1
<b>Revenue Management</b>			
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	88%	72.33%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.4%	24.45%
<b>Creditors Management</b>			
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%	21%
<b>Other Indicators</b>			
Employee costs	Employee costs/Total Revenue - capital revenue	30.5%	23.13%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	3.8%	2.03%
Interest & Depreciation	I&D/Total Revenue - capital revenue	8.9%	7.5%
<b>IDP regulation financial viability indicators</b>			
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	35.4 times	78.24 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	24.31%	28.78%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.4 months	4.51 months

The above table is discussed in detail below.

**6.1 Borrowing Management**

**6.1.1 Borrowing to Asset Ratio**

This ratio assesses to what extent there are adequate assets to cover the amount of outstanding long-term borrowing (refer figure 1).

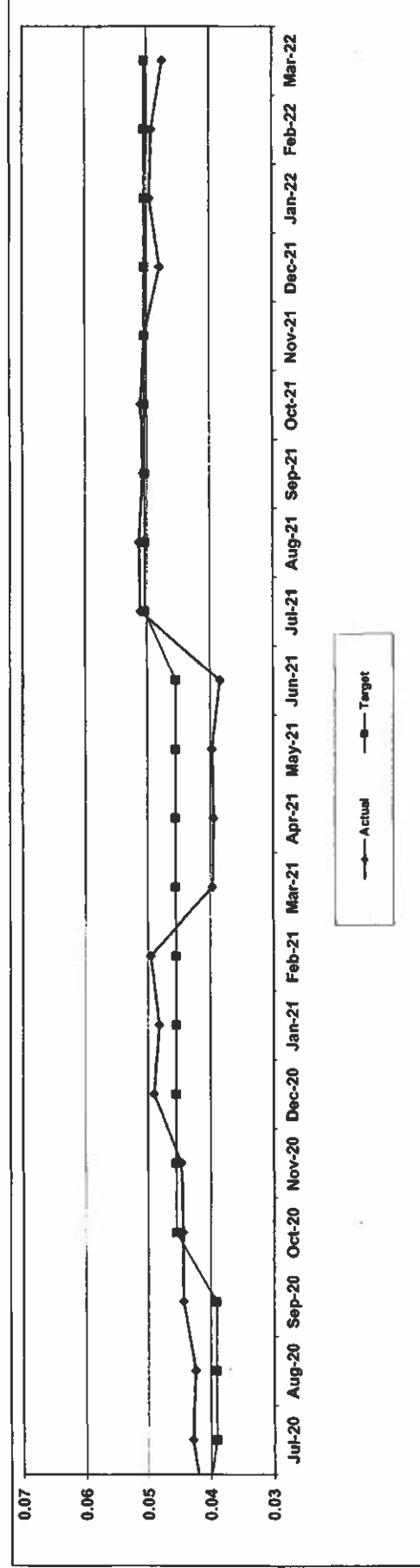
The ratio is determined as follows:

$$\text{Long-Term Borrowing} / \text{Total Assets}$$

The risk that the Municipality might not be able to settle its long-term borrowing becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its assets are not overburdened by raising excessive borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality's continued financial viability.

As at the end of March 2022, the borrowing to asset ratio was at **0.0475:1**, compared to the 2021/22 budget target of 0.0504:1. A ratio of 0.0504:1 as reflected in the 2021/22 Approved Budget appears to be appropriate for the Municipality from a financial affordability and sustainability perspective. External borrowing should only be utilised for the creation of economic assets that will generate future revenue streams for the Municipality

**Figure 1: Borrowing to Asset Ratio**



6.1.2 Capital Charges to Operating Expenditure

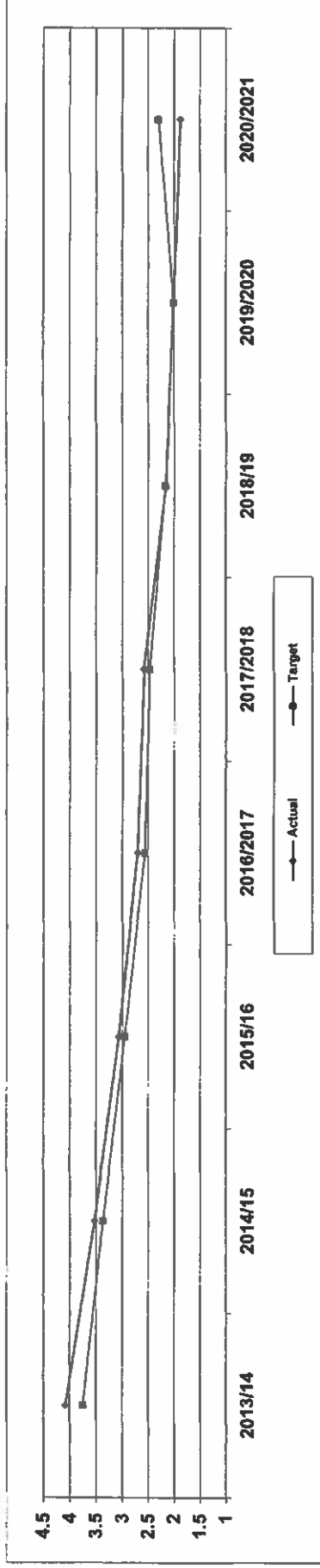
This ratio indicates the proportion of capital charges (interest and principal paid on borrowing) to actual operating expenditure to date. The ratio also provides an assurance that the proportion of capital charges to total annual operating expenditure is financially prudent. (Refer figure 2).

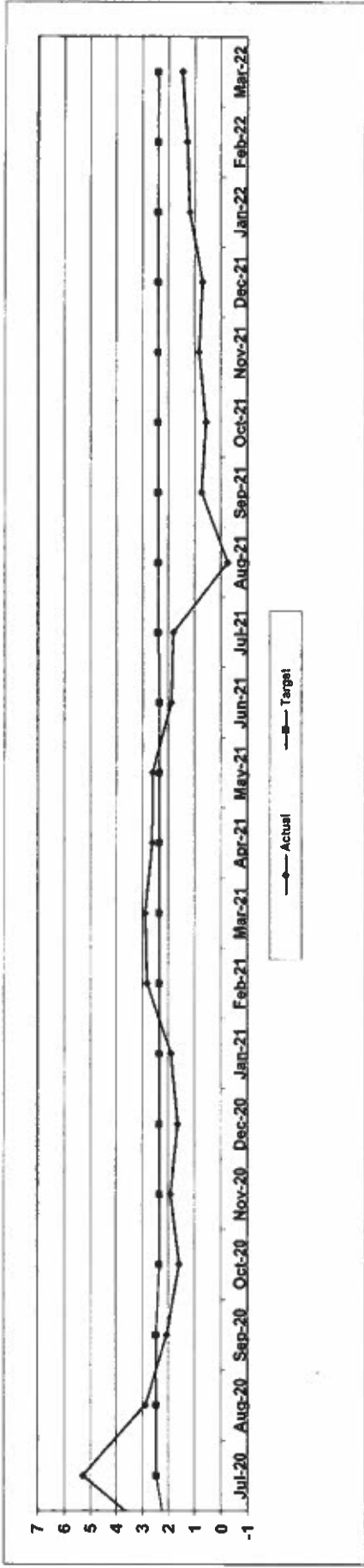
The ratio is determined as follows:

$$\text{Capital Charges / Total Operating Expenditure to date}$$

The ratio indicates that 1.46% of the Operating Budget was utilised for capital charges, compared to the 2021/22 budget target of 2.38%. Capital charges (Debt servicing costs) are paid at specific intervals.

Figure 2: Capital Charges to Annual Operating Expenditure





6.1.3 Borrowed funding of capital expenditure

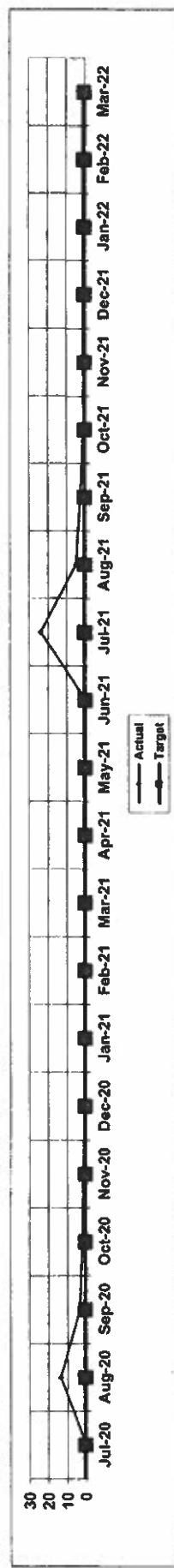
This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant-funded expenditure (refer figure 3).

The ratio is determined as follows:

$$\text{Capital expenditure funded from Borrowings} / \text{Total Capital Expenditure to date (excluding transfers and grants)}$$

The ratio was at 0.94:1 compared to the budget target of 0.36:1 as per the 2021/22 Operating Budget.

Figure 3: Borrowed funding of Capital Expenditure



6.1.4 Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date. (Refer figure 4).

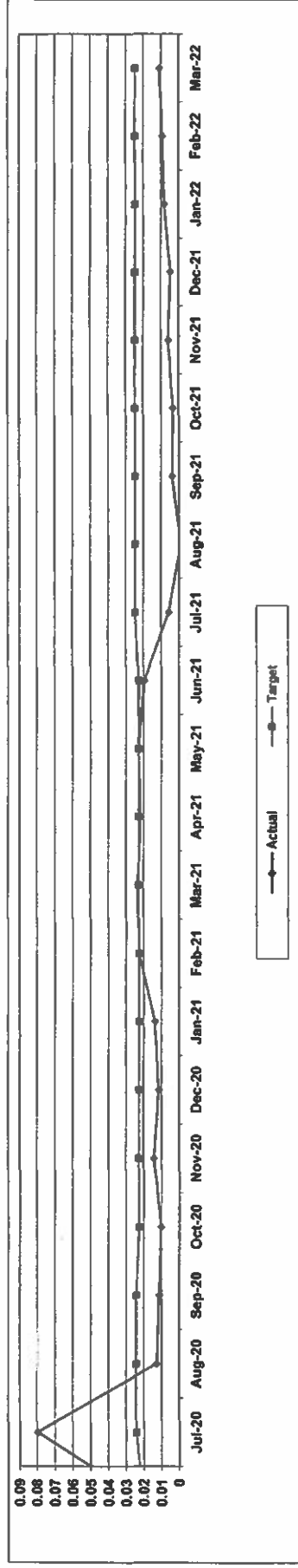
The ratio is determined as follows:

$$\text{Debt Servicing Costs} / \text{Operating Revenue}$$

The risk that the Municipality might not be able to settle its annual long-term borrowing commitments becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its operating revenues are not overburdened by the level of borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality's continued financial viability.

As at the end of March 2022, the debt servicing costs to operating revenue ratio was at 0.01:1, compared to the 2021/22 budget target of 0.024:1. A ratio of 0.03:1 appears to be the maximum borrowing level for the Municipality from a financial affordability and sustainability perspective. The ratio indicates that the Municipality is positioned to take on limited external borrowing over the short to medium term. The external borrowing in the amount of R101,547,689 was taken up on 1 August 2021 as per the signed loan agreement. The ratio as at 31 March 2022 will reduce as financial year -end accruals are being processed.

Figure 4: Debt Servicing Costs to Operating Revenue Ratio



**2. Safety of Capital**

**6.2.1 Gearing Ratio**

The gearing ratio assesses the percentage of capital employed that is financed by long-term borrowing (refer figure 5).

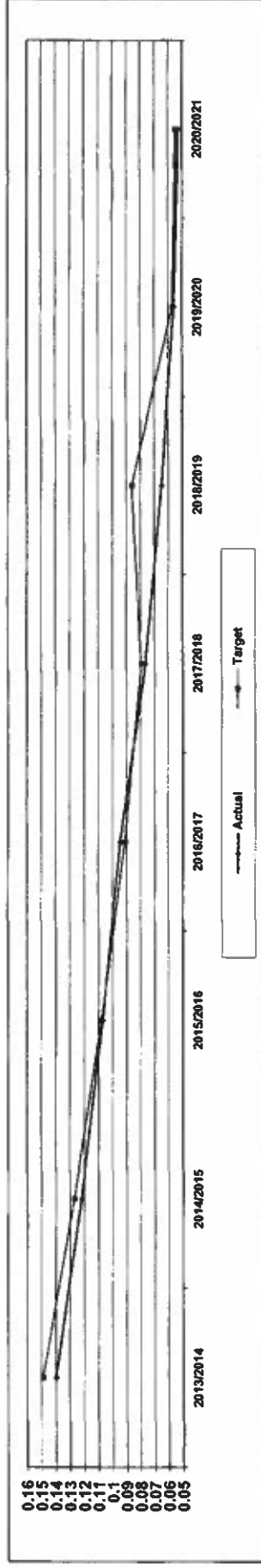
The ratio is determined as follows:

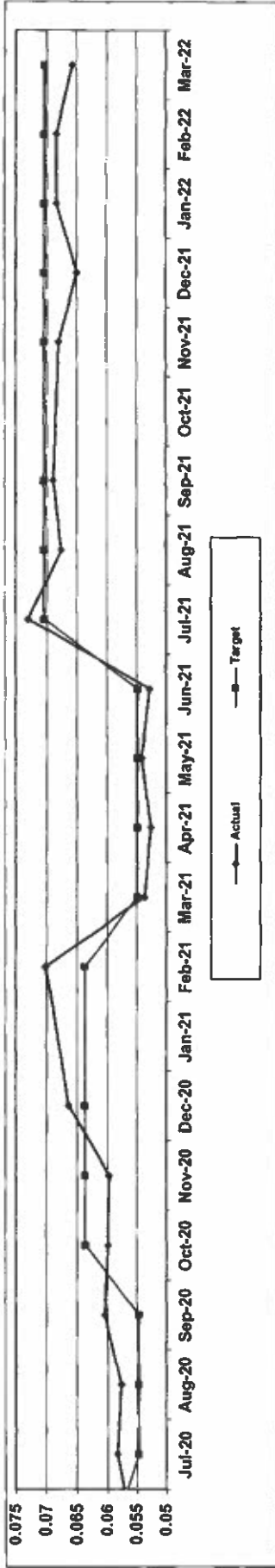
$$\text{Long Term Borrowing / Funds \& Reserves (Equity)}$$

The higher the gearing ratio, the higher the dependence will be on borrowings. The lower the gearing ratio, the higher will be the dependence on the Municipality's funds and reserves.

The gearing ratio as at the end of March 2022 was **0.0657:1**, compared to the 2021/22 budget target of **0.0704:1**.

**Figure 5: Gearing Ratio**





**6.3 Liquidity**

**6.3.1 Current Ratio**

The current ratio assesses a Municipality's ability to meet its short-term commitments (refer figure 6).

The ratio is determined as follows:

$$\text{Current assets} / \text{Current liabilities}$$

The different components of current assets and current liabilities are reflected below:

Current Assets	R	%
Cash & investments	5,119,865,929	60.80%
Consumer Debtors	2,641,038,371	31.37%
Other Debtors	384,623,491	4.57%
Current portion of long-term receivables		0.00%
Inventory	274,713,735	3.26%
<b>Total</b>	<b>8,420,241,525</b>	<b>100.00%</b>

## Annexure "A5"

Current Liabilities	R	%
Borrowing	192,847,458	5.38%
Consumer Deposits	161,818,226	4.51%
Trade and other payables	3,009,201,711	83.95%
Provisions	220,526,469	6.15%
<b>Total</b>	<b>3,584,393,865</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>2.35:1</b>	

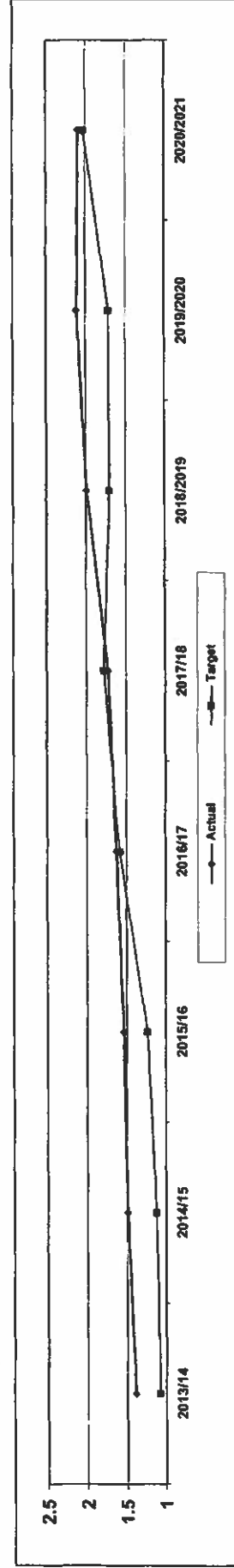
It is to be noted that cash and investments, consumer & other debtors and inventory comprise 60.80%, 35.94% and 3.26% respectively of total current assets. Trade and other payables constitute 83.95% of total current liabilities (refer to Sections 1.8.3, 1.8.1 and 1.8.2 of this report for a further discussion on investments, debtors and creditors).

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments to its creditors. In this regard, it is important that the Municipality ensure the relative liquidity of its current assets. Non-liquid assets, such as long outstanding debtors, could negatively affect liquidity, possibly resulting in a situation where current assets are not liquid enough to cover current liabilities. The ratio as of 31 March 2022 was 2.35:1.

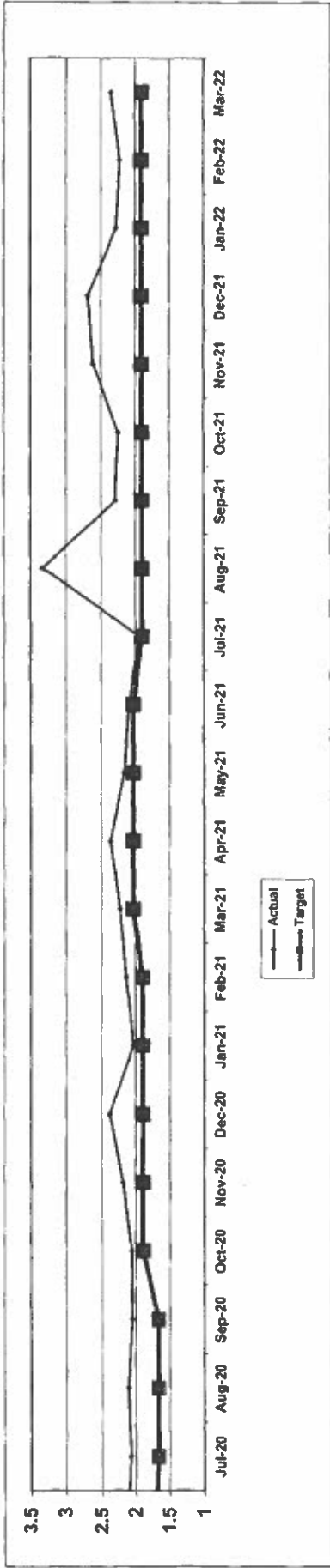
The current ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. Although the 2021/22 budget target is 1.90:1, it does not imply that it is a satisfactory target. It is important that a ratio of at least 2:1 be achieved for medium and long-term financial sustainability.

The current ratio will become under pressure as National Treasury continues with the current trend of not transferring all gazetted DORA allocations to the NMBM. The poor collection rate of 72.33% is not assisting to improve the financial viability of NMBM.

**Figure 6: Current Ratio**



Annexure "A5"



6.3.2 Liquidity Ratio

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets (refer figure 7).

The ratio is determined as follows:

**Monetary assets / Current liabilities**

The different components of monetary assets and current liabilities are reflected below.

Monetary Assets	R	%
Cash & investments	5,119,865,929	100.00%
<b>Total</b>	<b>5,119,865,929</b>	<b>100.00%</b>

Current Liabilities	R	%
Borrowing	192,847,458	5.38%
Consumer Deposits	161,818,226	4.51%
Trade and other payables	3,009,201,711	83.95%
Provisions	220,526,469	6.15%
<b>Total</b>	<b>3,584,393,865</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>1.43:1</b>	

## Annexure "A5"

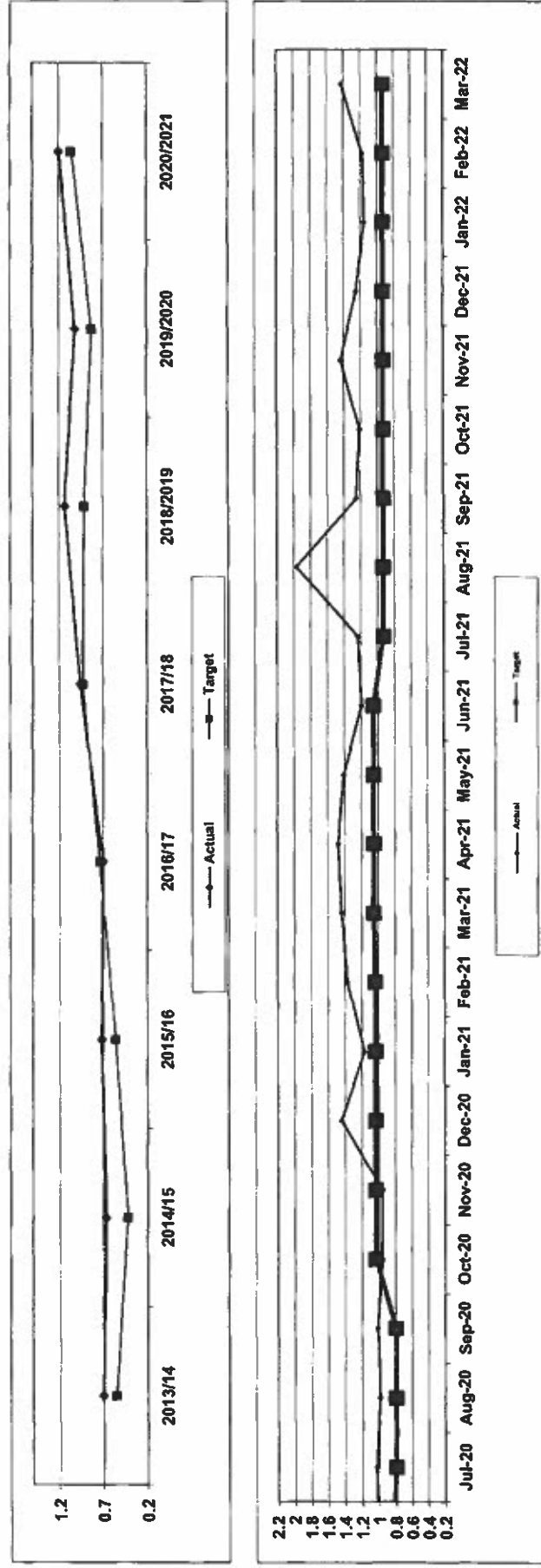
A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 March 2022 is 1.43:1.

The liquidity ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. The 2021/22 budget target of 0.93:1 is not a satisfactory target. It is important that a ratio of at least 1:1 be achieved for medium and long-term financial sustainability.

The liquidity ratio will become under pressure as National Treasury continues with the current trend of not transferring all gazetted DORA allocations to the NMBM. The poor average annual collection rate of 72.33% for 2021/2022 is not assisting to improve the financial viability of NMBM.

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**Figure 7: Liquidity Ratio**



6.4 Revenue Management

6.4.1 Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The ratio is 85% as per the 2021/22 Original Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Total Payments Received in respect of Billing this Financial year}}{\text{Total Value of Accounts Rendered this Financial year}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the period July 2021 to March 2022 is 72.33%. The collection rate for March 2022 amounted to 78.41%. There is a substantial risk that the collection rate of 88% on budgeted revenue will not be achieved during the 2021/22 financial year. However, strategies and policies should be adhered to ensure that the projected collection rate be achieved.

Figure 8: Annual Debtors Collection Rate

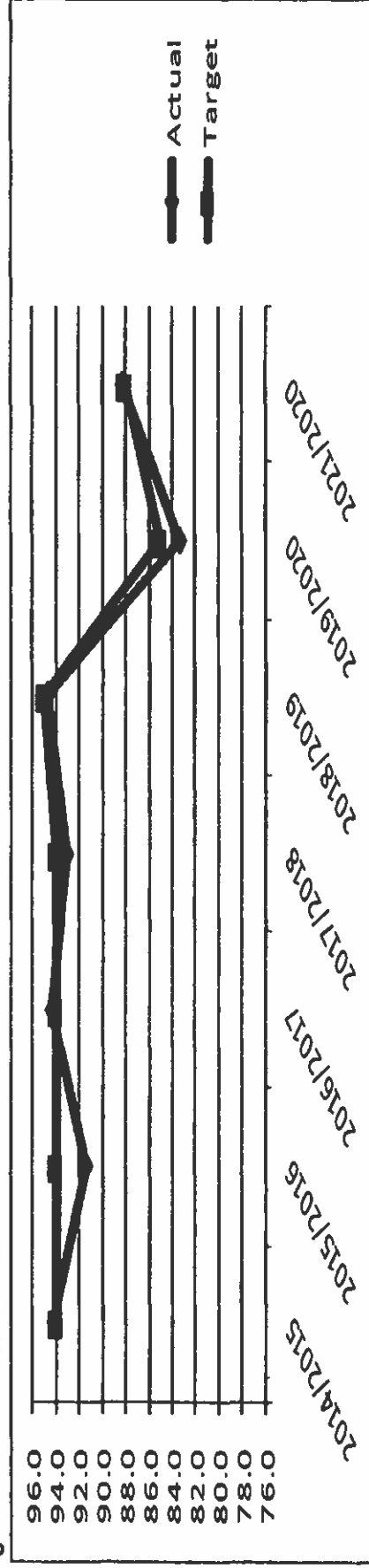
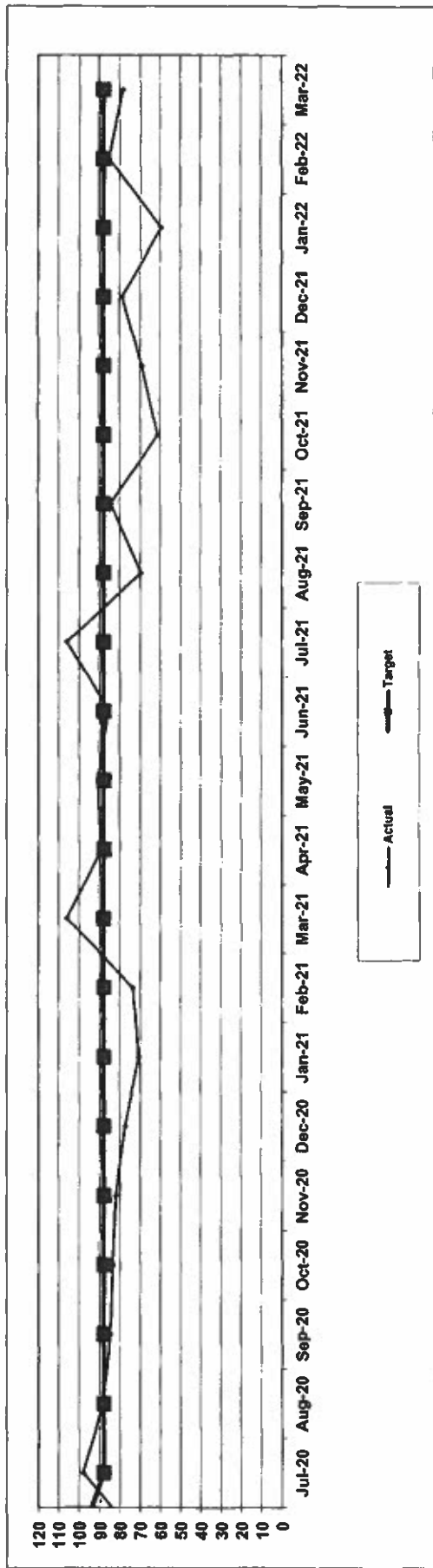


Figure 9: Monthly Debtors Collection Rate



6.4.2 Outstanding Debtors to Annual Operating Revenue

This ratio focuses on the amount owed by outstanding debtors as a percentage of the annualised operating revenue.

The ratio is determined as follows:

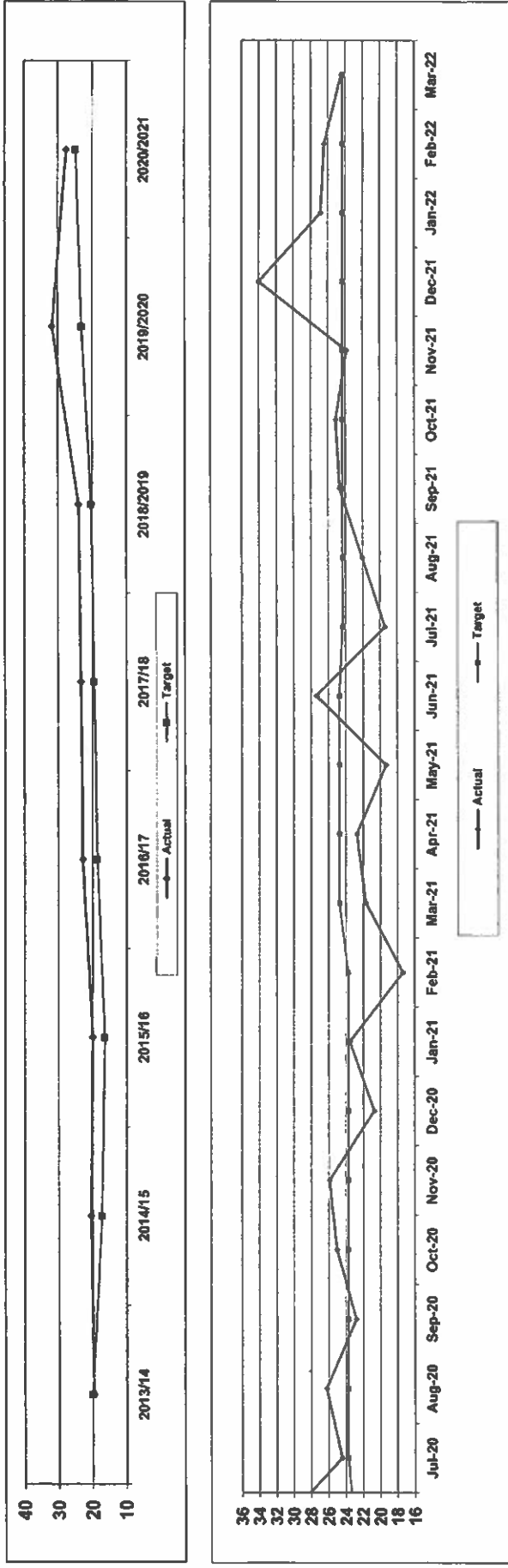
$$\text{Outstanding Debtors} / \text{Annualised Operating Revenue}$$

The ratio at the end of March 2022 was 24.45% compared to the 2021/22 budget target of 24.36%.

The ratio is impacted by the fact that long outstanding debt is not written off timeously and therefore attracts further interest charges. Due to the lack of regular Council meetings over the last two financial years to approve the write-off of doubtful debt where applicable the debtors' book is growing. The poor economy as well as the punitive water tariffs because of severe drought conditions inter alia contributed further to the fast-growing gross outstanding debtors' position.

It is considered of the utmost importance that strict financial management is maintained, to decrease the outstanding debt owed to Council. A Revenue Enhancement Strategy to improve revenue collection has been drafted and is being reviewed. This strategy is monitored by the CFO monthly and reported to the Budget and Treasury Standing Committee on a quarterly basis. Amongst others, the decline in the current economic climate has had a negative impact on this ratio. It is important that the collection rate of at least 95% be achieved to reduce the escalating outstanding debtors.

Figure 9: Outstanding Debtors to Annual Operating Revenue



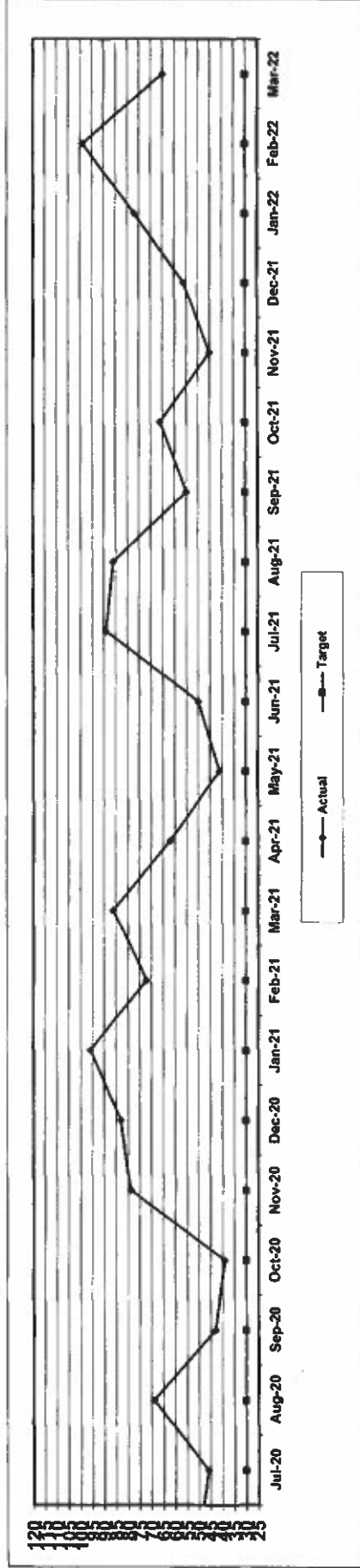
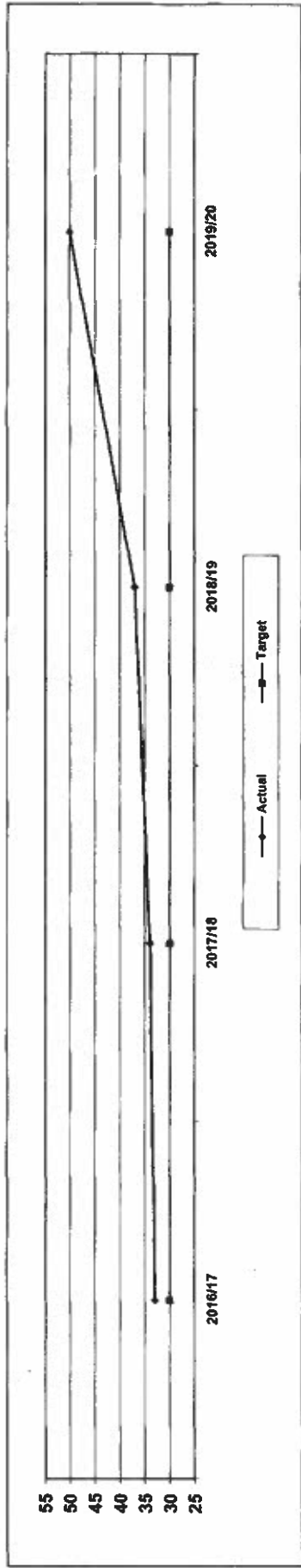
6.5 **Creditor Management**

6.5.1 Creditors Turnover (days)

This ratio reflects the number of days that it takes on average to pay the Municipality's suppliers. Section 65 (2) (e) of the MFMA states that all money owing by the Municipality must be paid within 30 days of receiving the relevant invoice or statement (refer figure 10).

The ratio is determined from the date of receipt of the invoice until the date of payment. The ratio as at 31 March 2022 amounted to 65 days (also refer to Section 1.8.2 of this report.)

Figure 10: Creditors Turnover (days) (From date of Invoice Received)



**6.6 Financial Viability and Sustainability**

**6.6.1 Operating Surplus**

The ratio indicates the extent to which revenues cover operational expenses only or are also available for capital funding or debt repayments.

The ratio is determined as follows:

**Operating Result or Net Results (Excluding Capital Items) x 100**  
**Total Operating Revenue (Excluding Capital Items)**

The ratio as at 31 March 2022 amounted to **25.54%**.

	2016/17 Audited AFS	2017/18 Restated AFS	2018/19 Pre Audited AFS	2019/20 Operating budget	2019/20 2 <sup>nd</sup> Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	March 2022
Operating surplus/(deficit)	1,063,847,739	2,001,476,031	1,474,825,341	1,482,406,904	980,374,999	1,224,804,268	1,086,670,639	406,057,160	3,198,458,571
Less: Transfers recognised Capital	973,156,239	1,348,305,565	1,397,578,556	1,088,829,651	1,124,719,714	977,009,786	711,898,872	851,761,620	318,708,961
Total	-235,310,036	652,170,466	77,246,785	393,577,253	-144,344,715	247,794,483	374,771,968	-445,704,460	2,879,749,610
Total Operating Revenue	8,918,689,930	9,569,552,365	9,995,609,051	11,266,723,317	11,509,629,367	11,839,658,863	12,222,925,790	12,835,447,880	11,274,509,909
Ratio	-2.64	6.82	0.77	3.49	-1.25	2.08	3.07	-3.47	25.54

### 6.6.2 Cost coverage

The ratio indicates the extent to which the available cash and investments are adequate to cover monthly payments (refer figure 11).

The ratio is determined as follows:

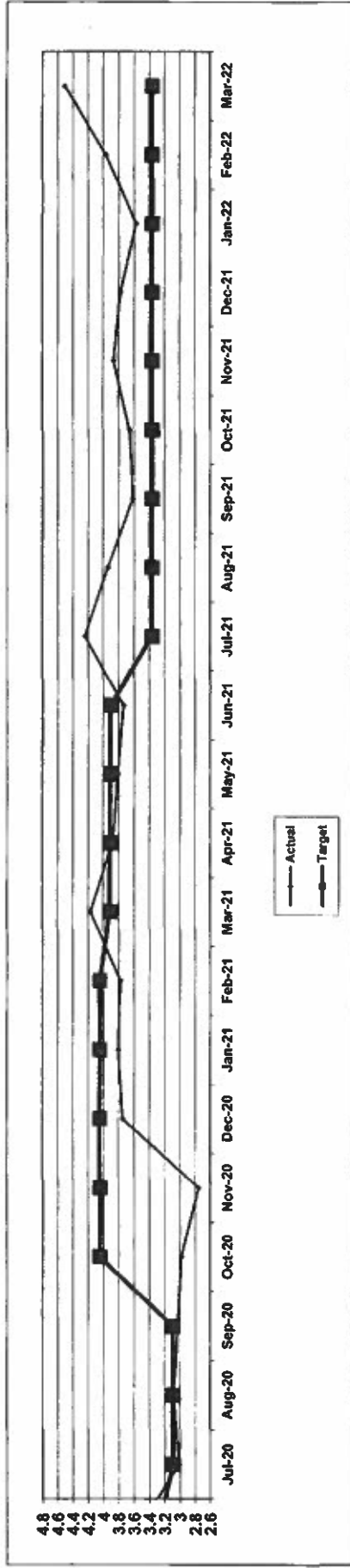
**Cash and Cash Equivalents – Unspent Conditional Grants – Overdraft – Unspent External Loan + Short Term Investments /Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provisions for Bad Debts, Impairment and Loss on the disposal of Assets):**

$$\frac{R5,119,865,929 - R853,242,642 - R164,763,317}{R909,088,634} = 4.51 \text{ months (135.36 days)}$$

The cost coverage ratio of 4.51 months is above the IDP target of 1.5 months. The monthly average projected operating payments for the period July 2021 to June 2022 was used as a basis for the calculation. The 2021/22 budget target is 3.36 months.

National Treasury has indicated that the cost coverage of 3 months should be the target.

Figure 11: Cost Coverage (months)



6.6.3 Net Financial Liabilities

This ratio indicates the extent to which total liabilities, from which current assets are subtracted, can be serviced from operating revenues.

The ratio is determined as follows:

$$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue (Excluding Capital Items)}} \times 100$$

The ratio as at 31 March 2022 amounts to -8.27.

Net Financial Liabilities Ratio	2018/17 Audited AFS	2017/18 Audited AFS	2018/19 Unaudited AFS	2019/20 Operating budget	2019/20 2 <sup>nd</sup> Adjustments budget	2020/21 Operating budget	2020/21 Adjustments Budget	2021/22 Operating Budget	March 2022
Total Liabilities	5,980,994,889	6,440,709,666	6,651,692,367	7,526,953,827	7,037,026,501	7,294,045,405	7,521,362,193	7,225,915,005	7,488,149,074
Less: Current Assets	3,799,982,666	4,946,791,228	4,806,245,489	5,431,983,452	5,421,068,883	5,455,686,919	6,288,466,533	6,320,549,421	8,420,241,545
Total	2,181,012,223	1,493,918,438	1,845,446,878	2,094,969,375	1,615,957,618	1,838,358,486	1,232,895,659	985,365,584	-932,092,451
Operating Revenue excl. Transfer recognised Capital	8,918,689,930	9,542,115,842	9,452,115,842	11,265,723,317	11,509,629,367	11,939,658,863	12,222,925,790	12,835,447,880	11,274,509,909
Ratio	24.45	15.66	15.66	18.60	14.04	15.40	10.09	7.05	-8.27

## Annexure "A5"

### 6.6.4 Asset Sustainability

This ratio indicates the extent to which the infrastructure (non-financial) assets managed by the Municipality are being replaced as they reach the end of their useful lives

The ratio is determined as follows:

$$\frac{\text{Capital Expenditure in Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}} \times 100$$

The ratio as of 31 March 2022 amounts to 16.65%.

Asset Sustainability Ratio	2016/17 Audited AFS	2017/18 Audited AFS	2018/19 Unaudited AFS	2019/20 Operating budget	2019/20 2 <sup>nd</sup> Adjustments budget	2020/21 Operating budget	2020/21 Adjustments budget	2021/22 Operating Budget	March 2022
Capital renewals	771,215,653	332,131,558	288,753,015	313,609,860	235,822,048	303,828,967	302,258,967	266,314,170	129,111,635
Depreciation	778,250,286	636,791,733	738,535,181	614,541,199	739,657,047	740,575,415	740,575,415	1,033,770,465	775,290,399
Ratio	99.10	52.16	39.10	51.03	31.88	41.03	40.81	25.76	16.65

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Due to the lower current rate of spending in respect of the capital budget to date, the ratio indicates that capital renewals, as compared to depreciation is higher than anticipated in the 2021/22 Budget.

### 6.6.5 Asset Preservation

This ratio indicates the extent to which repairs and maintenance expenditure is incurred in relation to the useful lives of the assets

The ratio is determined as follows:

$$\frac{\text{Operating Expenditure on Repairs & Maintenance} + \text{Capital Expenditure on Renewals}}{\text{Depreciation Expenditure}} \times 100$$

The ratio as of 31 March 2022 amounts to 46.20%.

# Annexure "A5"

Asset Preservation Ratio	2016/17 Audited AFS	2017/18 Audited AFS	2018/19 Unaudited AFS	2019/20 Operating Budget	2019/20 2 <sup>nd</sup> Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	March 2022
Operating Repairs and maintenance	342,298,119	334,923,900	460,219,360	481,278,730	454,913,720	477,612,894	464,474,380	497,619,120	228,059,298
Capital renewals	771,215,653	332,131,558	288,753,015	313,609,860	235,822,048	303,828,967	302,258,967	268,314,170	129,111,635
<b>Total</b>	<b>1,113,513,772</b>	<b>666,429,677</b>	<b>748,972,375</b>	<b>794,888,590</b>	<b>690,735,768</b>	<b>781,441,861</b>	<b>766,733,347</b>	<b>763,933,290</b>	<b>358,170,933</b>
Depreciation	778,250,286	280,095,083	738,535,181	614,541,199	739,657,047	740,575,415	740,575,415	1,033,770,465	775,290,389
Ratio	143.08	237.92	101.41	129.35	93.39	105.52	103.53	73.90	46.20

Due to the low spending in respect of the capital budget and repairs and maintenance to date the ratio indicates that capital renewals and the repairs and maintenance, as compared to depreciation are decreasing. The ratio is lower than anticipated in the 2021/22 Budget.

## 6.7 Other Indicators

### 6.7.1 Employee costs as a percentage of Total Operating Income

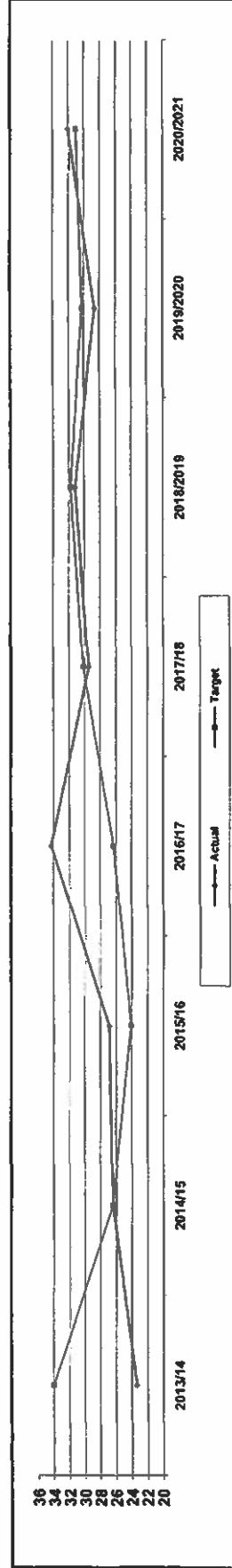
This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the employment of human resources (refer figure 12).

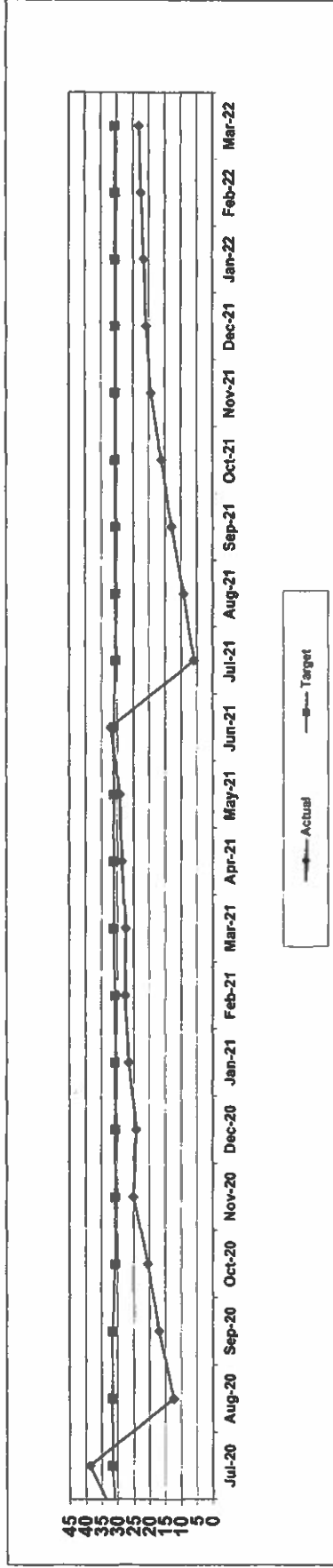
The ratio is determined as follows:

$$\text{Employee Costs to Date / Total Operating Revenue to Date}$$

The target has been set at 30.51% for the financial year. As of 31 March 2022, the actual personnel costs constituted 23.13% of the total operating income.

**Figure 12: Personnel Cost as a % of Total Revenue**





**6.7.2 Repairs and Maintenance as a % of Total Operating Revenue**

This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the repairs and maintenance of its assets (refer figure 13).

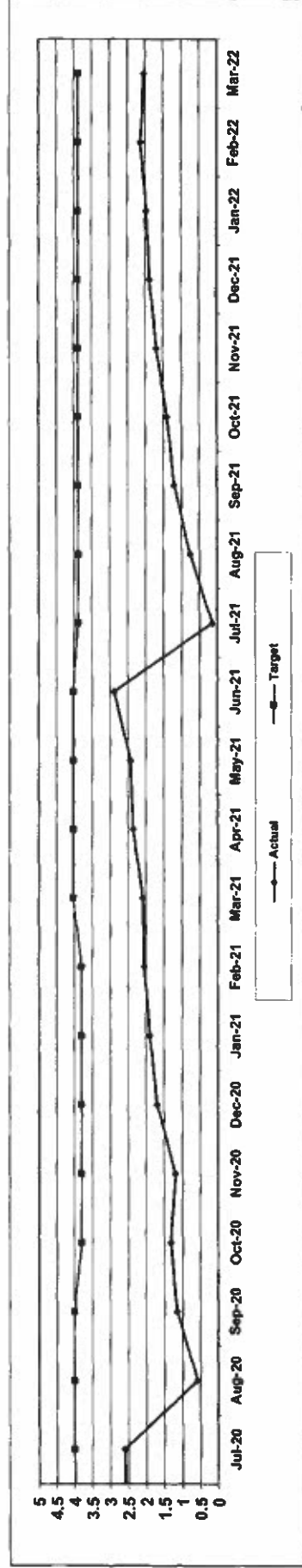
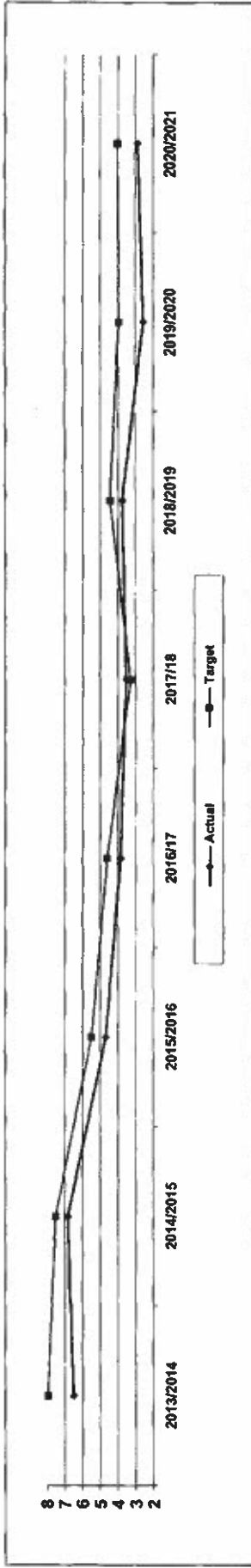
The ratio is determined as follows:

$$\text{Repairs and Maintenance expenditure to date} / \text{Total Operating Income to date}$$

The actual expenditure of 2.03% is below the 2021/22 budget target of 3.88%. The unbundling of the repairs and maintenance vote for mSCOA purposes make comparison of results to previous financial years problematic. However, once the mSCOA budgeting of Repairs and Maintenance at the project level commences, it will provide management with the actual spending on repairs and maintenance.

Repairs and Maintenance of assets are undertaken on an on-going basis.

Figure 13: Repairs and Maintenance as a % of Total Operating Income



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

This ratio assesses the level of repairs and maintenance expenditure incurred, compared to the book value of PPE (refer figure 14).

The ratio is determined as follows:

$$\text{Repairs and maintenance expenditure to date} / \text{Book value of PPE to date}$$

## Annexure "A5"

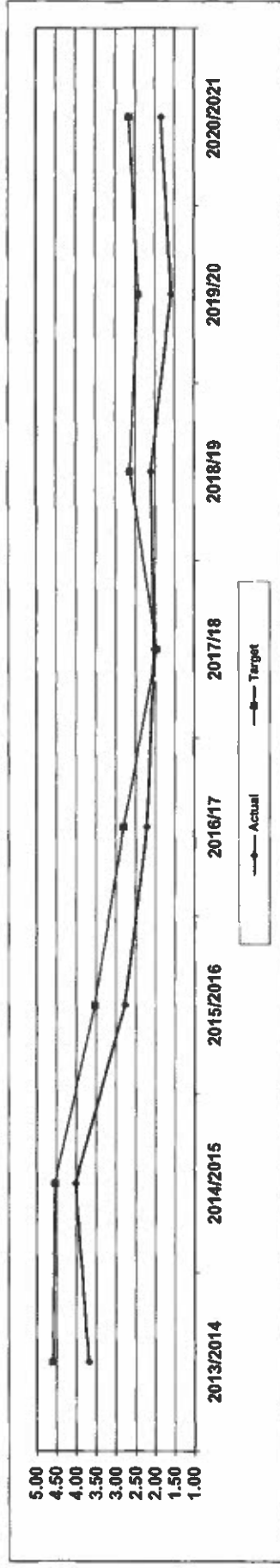
The repairs and maintenance expenditure incurred to date constitutes 1.25% of the book value of PPE, as at the end of March 2022, compared to the 2021/22 budget target of 2.64%. This indicates a relatively low level of repairs and maintenance expenditure, considering that significant backlogs currently exist. The expenditure levels are anticipated to increase in future, as the maintenance backlogs have now been determined.

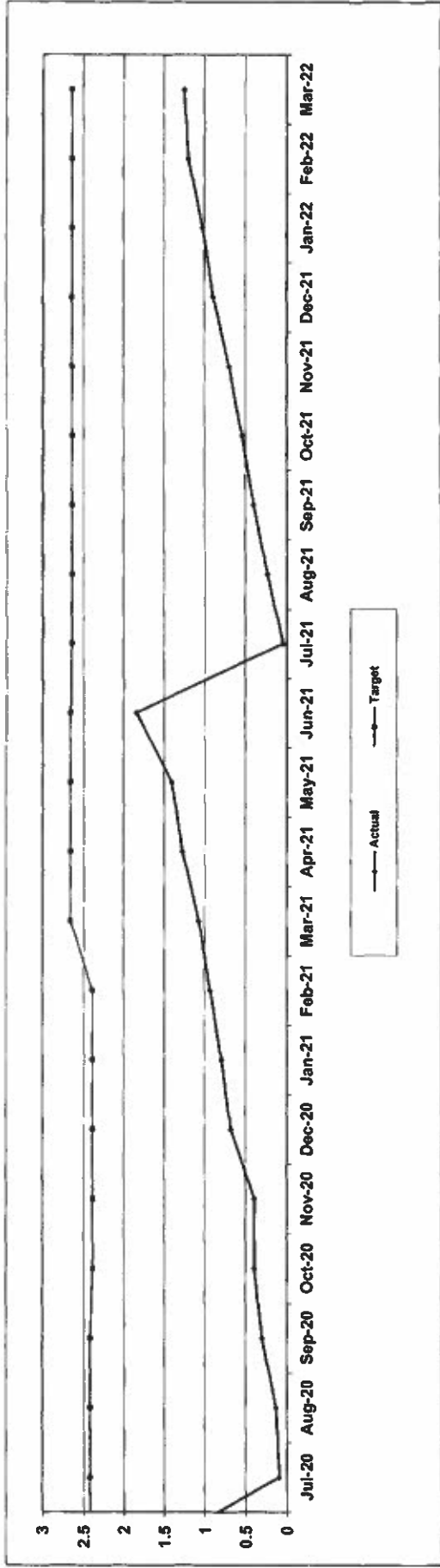
The unbundling of the repairs and maintenance vote for mSCOA purposes makes comparison of results to previous financial years problematic. However, once the mSCOA budgeting of Repairs and Maintenance at the project level commences, it will provide management with the actual spending on repairs and maintenance

It should be noted that new assets would not have an immediate effect on the repairs and maintenance component, as they do not generally deteriorate within the first few years.

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Figure 14: Repairs and Maintenance as a % of the book value of (PPE)





**6.7.4 Capital Budget Spending**

This ratio assesses the level of actual capital spending compared to the budgeted capital expenditure (refer figure 15).

The ratio is determined as follows:

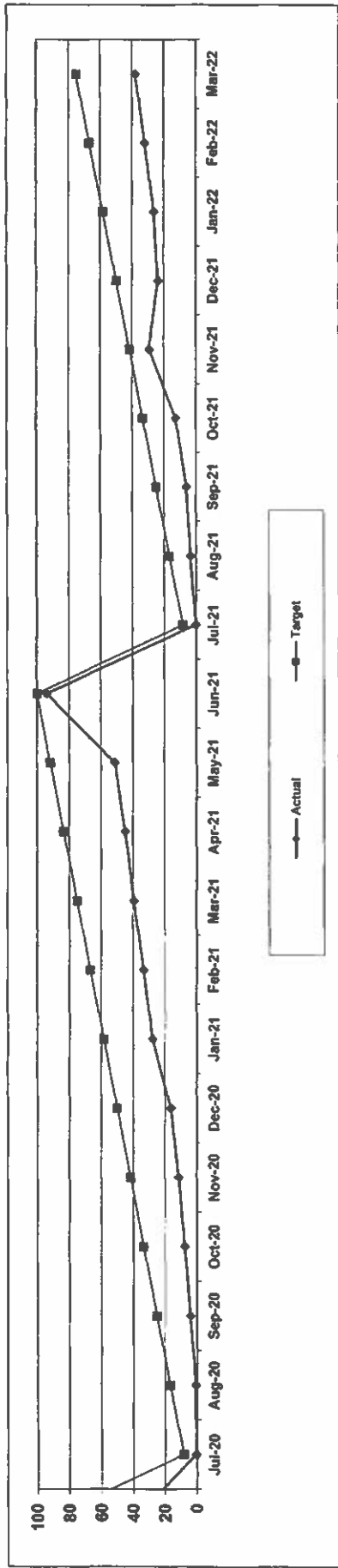
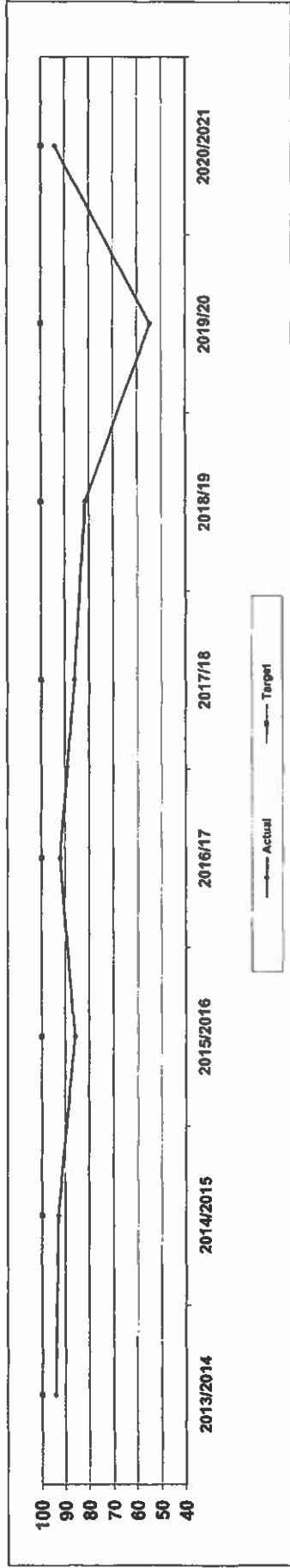
$$\text{Actual Capital spending to date / Approved Capital Budget}$$

- The actual spending as at the end of March 2022 amounted to 37.92%. Effort must be made by the directorates to spend their capital budgets in order to ensure that all conditional grant funding is used productively towards achieving the SDBIP and therefore, the IDP of the Municipality.

The Budget Performance Monitoring Forum meets every two months, as opposed to previously meeting on a quarterly basis. The Executive Directors present their capital budgets at the Forum meetings by project, with detailed explanations in the event of under/over spending.

Monthly one-on-one sessions are held with Directorates, in order to identify problem areas early on in the process. These meetings are attended by the Chairperson of the Budget and Treasury Committee, the Portfolio Councillor and the Executive Director of the Directorate concerned and representatives from the Budget and Treasury Directorate.

Figure 15: Capital Budget Spending



6.7.5 Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations (refer figure 16).

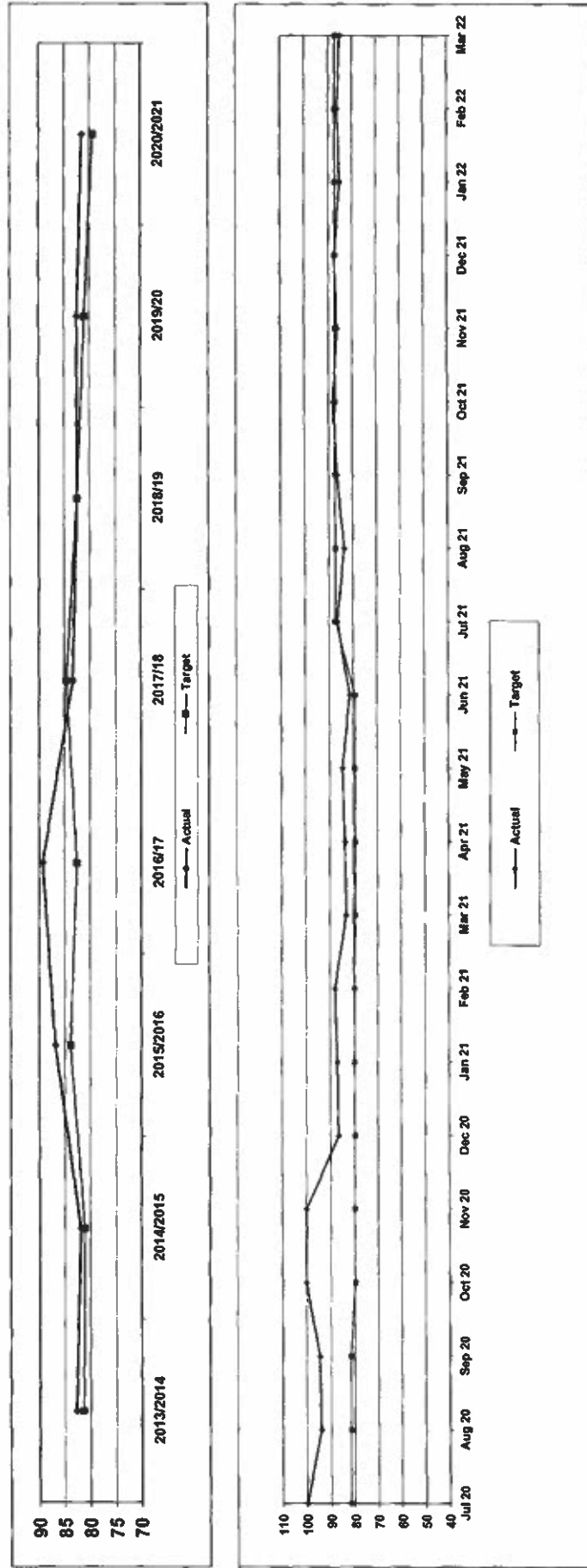
The ratio is determined as follows:

$$\text{Own Revenue Sources} / \text{Total Operating Income (includes operating grants)}$$

# Annexure "A5"

As at the end of March 2022, the Municipality's own revenue sources constituted 85.26% of its total Operating Income compared to the 2021/22 Budget target of 87.34%. The Municipality is thus not fully reliant on the finances received from Provincial and National Government to support its day-to-day operations. The equitable share, for example greatly assists the Municipality to cover the ATPP subsidies. Although the Municipality would like to become sufficient by not having to rely on Government support via Grants and Subsidies it has become very clear that without increased Government funding the Municipality will not be able to meet its service delivery mandate from its limited revenue base.

**Figure 16: Own Revenue Generation**



## 6.7.6 Reducing Electricity and Water Losses

### 6.7.6.1 Electricity Losses

This ratio indicates the percentage of electricity losses incurred in relation to the number of electricity units purchased

The ratio is determined as follows:

$$\frac{\text{Electricity units purchased} - \text{Electricity units sold}}{\text{Electricity units purchased}} \times 100$$

Total non-revenue electricity losses (excluding unbilled street lighting and traffic lights) for the year to date as at 31 March 2022 amounts to R508.613 million (453,285,011 kWh) or 23.30%. The average total non-revenue electricity loss would be 25.06% should the Street lighting and Traffic lights estimated costs not be eliminated from the loss calculation. Estimated Non-revenue Electricity Losses for the month of March 2022 amounts to R60.272 million (23.32% or 67,970,931 kWh).

The highest percentage non-revenue electricity losses per month are always incurred during the high season tariff months namely July 2021 (25.71% - R122,182 million), August 2021 (27.99% - R129.564 million) and January 2022 (26.62% - R64,534 million), which materially affects the value of electricity losses. It is evident that the current strategies implemented to address electricity losses are not yielding positive results. Electricity losses have increased materially over the last 5 financial years, including the 2021/22 financial year.

Kindly note that electricity losses for February 2022 and March 2022 is an estimation as all electricity meters have not been read as at the date this report was compiled.

### 6.7.6.2 Water Losses

This ratio indicates the percentage of water losses incurred in relation to the number of water units purchased

The ratio is determined as follows:

$$\frac{\text{Water units purchased} - \text{Water units sold}}{\text{Water units purchased}} \times 100$$

The Non-revenue Water Losses for March 2022 amount to 3.973 million kl or 46.5%. The cumulative Water losses for the period 01 July 2021 to 31 March 2022 amounts to 34.653 million kl or 44.8%. Strategies to address this trend are currently being implemented. In comparison, the Water losses for the period 01 July 2020 to 31 March 2021 were 35.993 million kl or 44.5%.



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**Mandela Bay Development Agency NPC (Reg No. 2003/017900/08)**  
**The MBDA is an entity of the Nelson Mandela Bay Municipality**

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**A Municipal Entity of the Nelson Mandela Bay Municipality**

## **MONTHLY BUDGET STATEMENT REPORT**

**31 MARCH 2022**