

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2019/20

REPORTING PERIOD: FOURTH QUARTER

PART 1: QUARTERLY REPORT

PURPOSE

To submit a report to council within 30 days of the end of each quarter on implementation of the Budget and Financial state of the Municipality as required by Section 52 of the Municipal Finance Management Act

Executive Summary

Section 52 of the Municipal Finance Management Act deals with requirements for quarterly reporting and further states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to council on implementation of the Budget and the financial state of the Municipality.

IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	500 884 685	491 691 657	422 828 567	84%
		-		
OPERATING EXPENDITURE	482 591 369	485 305 414	368 738 011	76%
		-		
TRANSFER - CAPITAL	73 921 000	75 421 443	62 182 962	84%
SURPLUS/(DEFICIT)	92 214 316	103 578 736	134 327 439	146%
CAPITAL EXPENDITURE	95 653 510	113 102 553	84 302 047	88%

Table C1: Quarterly Budget Statement Summary

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	32 756	34 727	36 658	8 977	35 773	36 658	(885)	-2%	36 658
Service charges	82 962	101 507	102 856	19 341	91 506	102 856	(11 350)	-11%	102 856
Investment revenue	2 133	2 946	3 246	141	1 368	3 246	(1 877)	-58%	3 246
Transfers and subsidies	245 324	272 618	272 735	1 076	272 622	272 735	(114)	0%	272 735
Other own revenue	73 848	89 087	76 196	4 393	21 560	76 196	(54 637)	-72%	76 196
Total Revenue excluding capital transfers	437 024	500 885	491 692	33 928	422 829	491 692	(68 863)	-14%	491 692
Employee costs	146 968	147 530	142 665	33 708	142 262	142 665	(403)	0%	142 665
Remuneration of Councillors	23 662	25 554	25 088	6 612	24 574	25 068	(494)	-2%	25 068
Depreciation & asset impairment	54 178	56 520	54 830	-	273	54 830	(54 556)	-100%	54 830
Finance charges	2 797	2 505	2 505	577	2 345	2 505	(160)	-6%	2 505
Materials and bulk purchases	89 566	94 531	104 798	12 571	78 477	104 798	(26 322)	-25%	104 798
Transfers and subsidies	2 483	3 740	3 340	808	2 632	3 340	(708)	-21%	3 340
Other expenditure	157 463	152 210	152 099	21 678	118 175	152 099	(33 924)	-22%	152 099
Total Expenditure	477 117	482 591	485 305	75 954	368 738	485 305	(116 567)	-24%	485 305
Surplus/(Deficit)	(40 092)	18 293	6 386	(42 026)	54 091	6 386	47 704	747%	6 386
Transfers and subsidies - capital	70 766	73 921	75 421	8 732	62 183	75 421	(13 238)	-18%	75 421
Contributions & Contributed assets	-	-	21 771	2 285	18 054	21 771	(3 717)	-17%	21 771
Surplus/(Deficit) after capital transfers	30 674	92 214	103 579	(31 009)	134 327	103 579	30 749	30%	103 579
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	30 674	92 214	103 579	(31 009)	134 327	103 579	30 749	30%	103 579
Capital expenditure & funds sources									
Capital expenditure	76 437	95 654	113 103	11 924	84 302	113 103	(28 801)	-25%	113 103
Capital transfers recognised	61 021	73 921	97 205	9 724	70 710	97 205	(26 494)	-27%	97 205
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15 417	21 733	15 898	2 200	13 592	15 898	(2 306)	-15%	15 898
Total sources of capital funds	76 437	95 654	113 103	11 924	84 302	113 103	(28 801)	-25%	113 103
Financial position									
Total current assets	106 679	115 014	120 388		132 048				120 388
Total non current assets	1 070 962	1 123 066	1 208 090		1 149 021				1 208 090
Total current liabilities	132 534	81 128	87 970		109 500				87 970
Total non current liabilities	107 621	103 696	103 515		102 417				103 515
Community wealth/Equity	937 486	1 053 256	1 136 993		1 069 152				1 136 993
Cash flows									
Net cash from (used) operating	99 560	102 851	121 326	(48 169)	70 452	121 326	50 874	42%	121 326
Net cash from (used) investing	(72 765)	(88 001)	(126 231)	(206)	(84 302)	(126 231)	(41 929)	33%	(126 231)
Net cash from (used) financing	(8 843)	(10 086)	(15 497)	(866)	(8 674)	(15 497)	(6 823)	44%	(15 497)
Cash/cash equivalents at the month/year end	24 177	29 037	10 995	-	2 458	10 995	8 536	78%	4 580
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 618	5 399	3 510	3 051	2 649	2 384	17 060	61 685	105 355
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Revenue

For the fourth quarter of April to June 2020, the year to date actual amounted to R 33, 928 million. In the Fourth quarter no revenue received from equitable shares hence a reduction in revenue amount. Other receipts are from property rates, service charges and other grants.

Operating Expenditure

The operating expenditure for the quarter amounts to R75, 954 million with the year to date expenditure of R368, 738 million which shows 24% year to date variance when compared to the year to date budget.

Capital Expenditure

The year to date actual capital expenditure as at end of Fourth quarter amounts to R84, 302 million and the year to date budget amounts to R113, 103 million and this deviates with 25% when compared to year to date target, and the main contributor to the underspending is due to national lockdown.

Surplus/Deficit

Taking the above into consideration the net operating surplus for the quarter ending 30 June 2019 amounts to negative R31, 009 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors amounts to R105, 355 million. This total debtors is from the end of May, June billing is not yet run due to year end process.

Consumer debtors is made up of service charges and property rates and other debtors. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

Creditors

The municipality is currently striving for paying its creditors within 30 days of receipt of invoice as required by MFMA. However, the municipality has instances where the cash flow position was quite unfavorable and it was then unable to service certain creditors as and when became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

Table C2 – Quarterly Financial Performance (Standard Classification)

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	192 483	214 636	217 729	13 705	223 172	217 729	5 442	2%	217 729
Executive and council	40 562	46 559	46 559	–	46 559	46 559	(0)	0%	46 559
Finance and administration	143 989	159 127	162 220	13 705	167 663	162 220	5 442	3%	162 220
Internal audit	7 932	8 950	8 950	–	8 950	8 950	(0)	0%	8 950
Community and public safety	71 651	94 968	74 760	92	24 327	74 758	(50 431)	-67%	74 760
Community and social services	11 375	9 026	9 076	5	9 037	9 076	(39)	0%	9 076
Sport and recreation	9 710	12 092	12 092	–	12 104	12 090	14	0%	12 092
Public safety	50 566	73 850	53 592	87	3 186	53 592	(50 406)	-94%	53 592
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	116 607	117 004	141 587	10 555	123 212	141 587	(18 375)	-13%	141 587
Planning and development	13 036	21 564	21 339	237	21 248	21 339	(91)	0%	21 339
Road transport	102 541	94 287	118 977	10 318	100 811	118 977	(18 166)	-15%	118 977
Environmental protection	1 030	1 153	1 270	–	1 153	1 270	(117)	-9%	1 270
Trading services	127 049	148 197	154 808	20 229	132 355	154 808	(22 453)	-15%	154 808
Energy sources	106 327	119 623	126 235	18 115	104 223	126 235	(22 012)	-17%	126 235
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	20 722	28 574	28 574	2 113	28 132	28 574	(442)	-2%	28 574
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	507 790	574 806	588 884	44 581	503 065	588 882	(85 817)	-15%	588 884
Expenditure - Functional									
Governance and administration	210 937	191 835	209 573	42 026	195 732	209 573	(13 841)	-7%	209 573
Executive and council	44 433	41 658	50 599	9 111	49 343	50 599	(1 257)	-2%	50 599
Finance and administration	158 816	141 488	152 110	32 748	140 290	152 110	(11 820)	-8%	152 110
Internal audit	7 688	8 689	6 864	166	6 099	6 864	(765)	-11%	6 864
Community and public safety	69 179	76 535	59 454	5 858	25 616	59 454	(33 838)	-57%	59 454
Community and social services	4 988	7 457	5 582	1 172	5 068	5 582	(513)	-9%	5 582
Sport and recreation	6 003	11 037	8 951	1 243	5 514	8 951	(3 437)	-38%	8 951
Public safety	58 188	58 041	44 921	3 443	15 034	44 921	(29 888)	-67%	44 921
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	88 411	87 675	84 795	9 449	45 576	84 795	(39 219)	-46%	84 795
Planning and development	13 453	17 147	19 388	3 249	14 737	19 388	(4 651)	-24%	19 388
Road transport	74 310	69 685	64 766	6 065	30 241	64 766	(34 525)	-53%	64 766
Environmental protection	648	843	641	135	598	641	(43)	-7%	641
Trading services	108 589	126 546	131 483	18 621	101 814	131 483	(29 670)	-23%	131 483
Energy sources	81 381	99 370	104 456	12 481	75 508	104 456	(28 948)	-28%	104 456
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	27 208	27 177	27 027	6 139	26 306	27 027	(722)	-3%	27 027
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	477 117	482 591	485 305	75 954	368 738	485 305	(116 567)	-24%	485 305
Surplus/ (Deficit) for the year	30 674	92 214	103 579	(31 373)	134 327	103 577	30 751	30%	103 579

Table C3 – Quarterly Fin’ Performance (Revenue and Expenditure by vote)

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	35 733	46 559	41 231	–	41 231	41 231	(0)	0%	41 231
Vote 2 - Municipal Manager	24 626	35 643	35 643	–	35 643	35 643	(0)	0%	35 643
Vote 3 - Budget & Treasury	64 175	64 188	67 281	13 629	72 458	67 281	5 177	8%	67 281
Vote 4 - Corporate Services	43 715	40 227	40 227	76	40 493	40 227	266	1%	40 227
Vote 5 - Community Services	105 498	132 693	113 239	2 606	57 897	113 239	(55 341)	-49%	113 239
Vote 6 - Technical Services	211 009	227 629	258 293	28 033	222 464	258 293	(35 829)	-14%	258 293
Vote 7 - Developmental Planning	7 022	14 966	14 741	237	14 650	14 741	(91)	-1%	14 741
Vote 8 - Executive Support	16 013	18 229	18 229	–	18 229	18 229	(0)	0%	18 229
Total Revenue by Vote	507 790	580 134	588 884	44 581	503 065	588 884	(85 819)	-15%	588 884
Expenditure by Vote									
Vote 1 - Executive & Council	37 443	36 873	42 579	8 263	41 936	42 579	(643)	-2%	42 579
Vote 2 - Municipal Manager	46 078	35 065	42 688	7 425	46 489	42 688	3 801	9%	42 688
Vote 3 - Budget & Treasury	64 915	52 917	56 083	12 816	54 686	56 083	(1 397)	-2%	56 083
Vote 4 - Corporate Services	27 310	36 814	30 859	5 652	21 456	30 859	(9 402)	-30%	30 859
Vote 5 - Community Services	103 847	112 427	94 391	13 741	59 595	94 391	(34 796)	-37%	94 391
Vote 6 - Technical Services	171 711	181 124	185 231	21 123	115 674	185 231	(69 557)	-38%	185 231
Vote 7 - Developmental Planning	7 632	13 185	12 998	1 982	8 756	12 998	(4 242)	-33%	12 998
Vote 8 - Executive Support	18 180	15 088	19 749	4 952	20 146	19 749	397	2%	19 749
Total Expenditure by Vote	477 117	483 492	484 577	75 954	368 738	484 577	(115 839)	-24%	484 577
Surplus/ (Deficit) for the year	30 674	96 642	104 307	(31 373)	134 327	104 307	30 020	29%	104 307

Table C2 and C3 measures the quarterly actual against the year to date performance targets which is realized by vote and standard classification. The variances are all reflected in the year to date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury’s standard classification.

Table C4: Quarterly Financial performance by Revenue Source and Expenditure Type

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	32 756	34 727	36 658	8 977	35 773	36 658	(885)	-2%	36 658
Service charges - electricity revenue	75 108	92 957	94 306	17 228	83 075	94 306	(11 232)	-12%	94 306
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	7 854	8 550	8 550	2 113	8 431	8 550	(119)	-1%	8 550
Rental of facilities and equipment	1 644	1 052	2 033	140	702	2 033	(1 331)	-65%	2 033
Interest earned - external investments	2 133	2 946	3 246	141	1 368	3 246	(1 877)	-58%	3 246
Interest earned - outstanding debtors	9 183	7 040	12 303	3 460	12 170	12 303	(132)	-1%	12 303
Dividends received							-		
Fines, penalties and forfeits	56 635	73 860	53 638	91	3 236	53 638	(50 402)	-94%	53 638
Licences and permits	4 707	5 470	6 070	397	4 240	6 070	(1 831)	-30%	6 070
Agency services							-		
Transfers and subsidies	245 324	272 618	272 735	1 076	272 622	272 735	(114)	0%	272 735
Other revenue	1 680	1 664	1 290	305	1 211	1 290	(78)	-6%	1 290
Gains on disposal of PPE		-	862	-	-	862	(862)	-100%	862
Total Revenue (excluding capital transfers)	437 024	500 885	491 692	33 928	422 829	491 692	(68 863)	-14%	491 692
Expenditure By Type									
Employee related costs	146 968	147 530	142 665	33 708	142 262	142 665	(403)	0%	142 665
Remuneration of councillors	23 662	25 554	25 068	6 612	24 574	25 068	(494)	-2%	25 068
Debt impairment	47 752	57 860	43 505	-	-	43 505	(43 505)	-100%	43 505
Depreciation & asset impairment	54 178	56 520	54 830	-	273	54 830	(54 556)	-100%	54 830
Finance charges	2 797	2 505	2 505	577	2 345	2 505	(160)	-6%	2 505
Bulk purchases	73 727	80 941	87 000	10 721	68 417	87 000	(18 583)	-21%	87 000
Other materials	15 839	13 590	17 798	1 850	10 059	17 798	(7 739)	-43%	17 798
Contracted services	67 496	53 788	65 807	15 111	74 997	65 807	9 190	14%	65 807
Transfers and subsidies	2 483	3 740	3 340	808	2 632	3 340	(708)	-21%	3 340
Other expenditure	42 216	40 562	42 787	6 567	43 178	42 787	391	1%	42 787
Loss on disposal of PPE	-	(0)	-	-	-	-	-		
Total Expenditure	477 117	482 591	485 305	75 954	368 738	485 305	(116 567)	-24%	485 305
Surplus/(Deficit)	(40 092)	18 293	6 386	(42 026)	54 091	6 386	47 704	747%	6 386
Transfers and subsidies - capital	70 766	73 921	75 421	8 732	62 183	75 421	(13 238)	-18%	75 421
Transfers and subsidies - capital	-	-	21 771	2 285	18 054	21 771	(3 717)	-17%	21 771
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	30 674	92 214	103 579	(31 009)	134 327	103 579			103 579
Taxation									
Surplus/(Deficit) after taxation	30 674	92 214	103 579	(31 009)	134 327	103 579			103 579
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	30 674	92 214	103 579	(31 009)	134 327	103 579			103 579
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	30 674	92 214	103 579	(31 009)	134 327	103 579			103 579

This table provides the quarterly details for revenue by source and expenditure by type. The reasons for deviations will only be provided in cases where the difference is more than 10% and can be viewed in supporting table SC1.

Table C5 Capex: Quarterly Capital Expenditure by Standard Classification and Funding

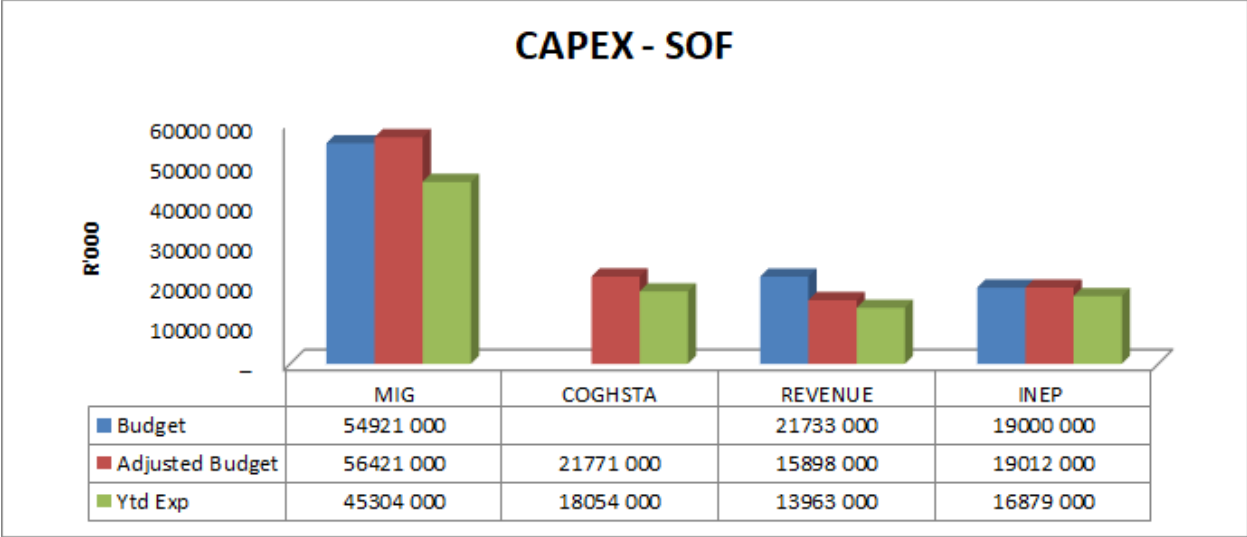
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2 200	1 800	1 015	64	633	1 015	(381)	-38%	1 015
Executive and council							-		
Finance and administration	2 200	1 800	1 015	64	633	1 015	(381)	-38%	1 015
Internal audit							-		
Community and public safety	522	500	-	-	-	-	-		-
Community and social services	522	500	-	-	-	-	-		-
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	58 640	72 006	91 010	10 450	66 134	91 010	(24 877)	-27%	91 010
Planning and development							-		
Road transport	58 640	72 006	91 010	10 450	66 134	91 010	(24 877)	-27%	91 010
Environmental protection							-		
Trading services	15 075	21 348	21 078	1 410	17 535	21 078	(3 543)	-17%	21 078
Energy sources	13 475	19 522	19 574	1 049	16 111	19 574	(3 462)	-18%	19 574
Water management							-		
Waste water management							-		
Waste management	1 600	1 826	1 504	361	1 424	1 504	(80)	-5%	1 504
Other							-		
Total Capital Expenditure - Functional Classification	76 437	95 654	113 103	11 924	84 302	113 103	(28 800)	-25%	113 103
Funded by:									
National Government	61 021	73 921	75 434	7 516	55 011	75 434	(20 422)	-27%	75 434
Provincial Government		-	21 771	2 208	15 699	21 771	(6 072)	-28%	21 771
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	61 021	73 921	97 205	9 724	70 710	97 205	(26 494)	-27%	97 205
Borrowing							-		
Internally generated funds	15 417	21 733	15 898	2 200	13 592	15 898	(2 306)	-15%	15 898
Total Capital Funding	76 437	95 654	113 103	11 924	84 302	113 103	(28 801)	-25%	113 103

Table C5C: Quarterly Capital Expenditure by Vote

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 400	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1 600	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	23 825	50 583	50 828	7 863	43 722	50 828	(7 105)	-14%	50 828
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	26 825	50 583	50 828	7 863	43 722	50 828	(7 105)	-14%	50 828
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	-
Vote 4 - Corporate Services	800	1 800	1 015	64	633	1 015	(381)	-38%	1 015
Vote 5 - Community Services	522	1 826	1 504	361	1 424	1 504	(80)	-5%	1 504
Vote 6 - Technical Services	48 291	40 945	59 756	3 636	38 522	59 756	(21 234)	-36%	59 756
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	49 613	45 071	62 275	4 062	40 580	62 275	(21 695)	-35%	62 275
Total Capital Expenditure	76 437	95 654	113 103	11 924	84 302	113 103	(28 801)	-25%	113 103

Table C5 Capex and C5C present capital expenditure performance for all votes, standard classification and the funding thereof and measures the year-to-date performance targets against the actual capital expenditure figures.

R84, 302 million spending was incurred on capital budget and year to date budget is R113, 103 million and this gave rise to underperformance variance of R28, 801 million that translates to 25%. This is as a result of the national lockdown that was declared due to the COVID 19 pandemic that hit South Africa and the world as a whole.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R113, 102, million, 56, 421 million is funded from Municipal Infrastructure grant, R19, 012 million from INEP, R15, 898 million from own revenue and R21, 771 million from CoGHSTA - Development of Masakaneng.

Table C6: Quarterly Budget Statement Financial Position

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	24 177	4 882	16 697	2 458	16 697
Call investment deposits	-	24 155	-	-	-
Consumer debtors	21 334	41 950	49 631	64 133	49 631
Other debtors	54 923	40 727	49 052	57 019	49 052
Current portion of long-term receivables	-	-	-	-	-
Inventory	6 245	3 300	5 009	8 438	5 009
Total current assets	106 679	115 014	120 388	132 048	120 388
Non current assets					
Long-term receivables	-	-			-
Investments	13 539	-	13 539	-	13 539
Investment property	58 240	53 739	58 240	60 900	58 240
Investments in Associate	-	-			-
Property, plant and equipment	998 680	1 055 765	1 135 808	1 085 676	1 135 808
Biological					
Intangible	39	85	39	1 207	39
Other non-current assets	463	13 476	463	1 237	463
Total non current assets	1 070 962	1 123 066	1 208 090	1 149 021	1 208 090
TOTAL ASSETS	1 177 641	1 238 080	1 328 478	1 281 069	1 328 478
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	9 624	9 686	11 542	2 248	11 542
Consumer deposits	5 383	4 860	5 430	5 581	5 430
Trade and other payables	113 571	60 924	64 491	90 313	64 491
Provisions	3 955	5 658	6 508	11 358	6 508
Total current liabilities	132 534	81 128	87 970	109 500	87 970
Non current liabilities					
Borrowing	13 469	13 554	13 469	17 328	13 469
Provisions	94 152	90 142	90 046	85 088	90 046
Total non current liabilities	107 621	103 696	103 515	102 417	103 515
TOTAL LIABILITIES	240 155	184 824	191 485	211 917	191 485
NET ASSETS	937 486	1 053 256	1 136 993	1 069 152	1 136 993
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937 486	1 053 256	1 136 993	1 069 152	1 136 993
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	937 486	1 053 256	1 136 993	1 069 152	1 136 993

The above table shows that community wealth amounts to R 1 069, 152 billion, total liabilities R211, 917 million and the total assets R1, 281, 069 billion. Non-current liabilities are mainly made up of provisions for long service award, landfill site and bonus.

Total current assets appear not to be fairly reasonable relative to total current liabilities and this as a result portray unfavorable picture of the municipality's current ratio.

Table C7: Quarterly Budgeted Statement Cash Flow

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	28 779	21 878	20 958	5 743	24 332	20 958	3 374	16%	20 958
Service charges	77 686	91 398	101 547	18 280	83 646	101 547	(17 900)	-18%	101 547
Other revenue	14 066	17 441	15 467	3 519	21 010	15 467	5 543	36%	15 467
Government - operating	240 283	272 618	272 735	-	273 214	272 735	479	0%	272 735
Government - capital	97 537	73 921	75 421	-	73 921	75 421	(1 500)	-2%	75 421
Interest	2 966	3 861	15 548	243	2 405	15 548	(13 143)	-85%	15 548
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(356 478)	(372 021)	(374 506)	(74 569)	(403 001)	(374 506)	28 496	-8%	(374 506)
Finance charges	(2 797)	(2 505)	(2 505)	(577)	(2 592)	(2 505)	86	-3%	(2 505)
Transfers and Grants	(2 483)	(3 740)	(3 340)	(808)	(2 483)	(3 340)	(857)	26%	(3 340)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99 560	102 851	121 326	(48 169)	70 452	121 326	50 874	42%	121 326
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2 839	-	862	-	-	862	(862)	-100%	862
Decrease (Increase) in non-current debtors	-	-	-	8 311	-	-	-	-	-
Decrease (increase) other non-current receivables	833	-	(463)	-	-	(463)	463	-100%	(463)
Decrease (increase) in non-current investments	-	-	(13 539)	-	-	(13 539)	13 539	-100%	(13 539)
Payments									
Capital assets	(76 437)	(88 001)	(113 090)	(8 517)	(84 302)	(113 090)	(28 788)	25%	(113 090)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(72 765)	(88 001)	(126 231)	(206)	(84 302)	(126 231)	(41 929)	33%	(126 231)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	1 542	-	-	1 542	(1 542)	-100%	1 542
Increase (decrease) in consumer deposits	-	(400)	170	(12)	131	170	(39)	-23%	170
Payments									
Repayment of borrowing	(8 843)	(9 686)	(17 208)	(855)	(8 805)	(17 208)	(8 403)	49%	(17 208)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 843)	(10 086)	(15 497)	(866)	(8 674)	(15 497)	(6 823)	44%	(15 497)
NET INCREASE/(DECREASE) IN CASH HELD	17 952	4 764	(20 402)	(49 241)	(22 524)	(20 402)			(20 402)
Cash/cash equivalents at beginning:	6 225	24 273	31 396		24 982	31 396			24 982
Cash/cash equivalents at month/year end:	24 177	29 037	10 995		2 458	10 995			4 580

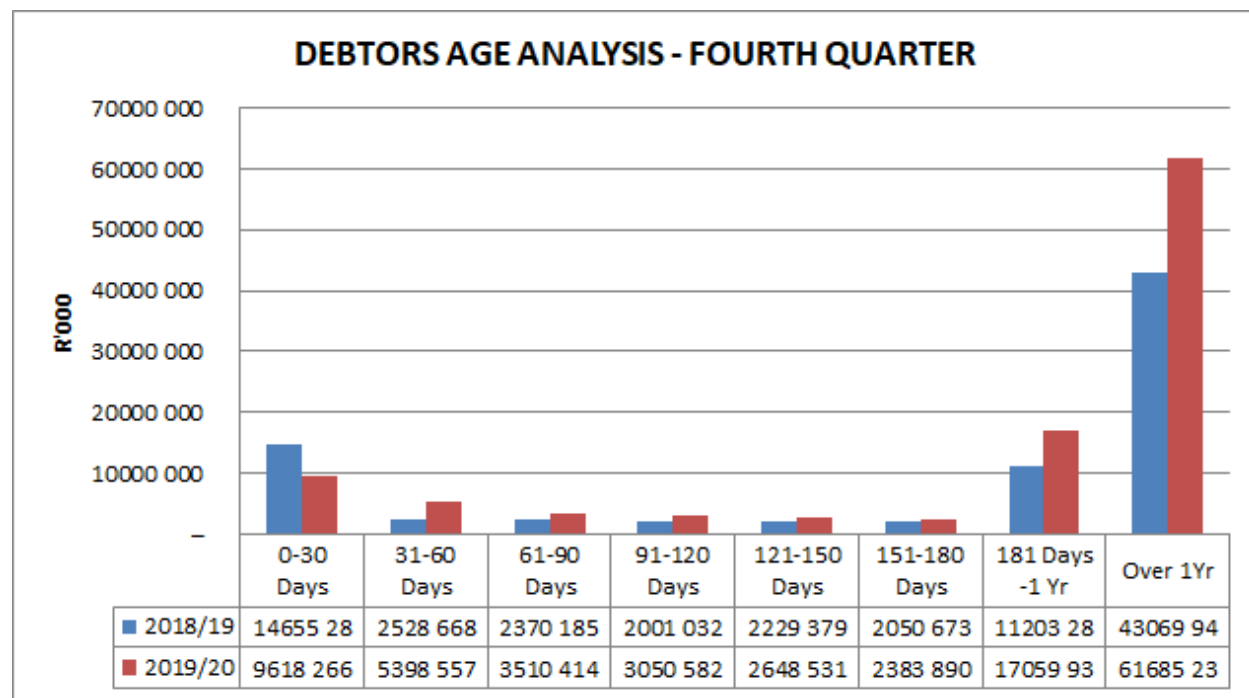
Table C7 provides details of the cash in and outflow. For the quarter ending 30 June 2019 the net cash from operating activities is -R48, 169 million whilst cash used for investing activities is R 206 thousand and the net cash from financing activities is R866 thousand. The cash and cash equivalent held at end of the fourth quarter amounted to R2, 458 million.

PART 2: SUPPORTING TABLES

Table SC3: Debtors Analysis

Description	Budget Year 2019/20										Actual Bad Debts Written Off against Debtors	Impaired - Bad Debts i.to Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	4 348	1 985	693	386	90	58	311	2 967	10 839	3 813	-	-
Receivables from Non-exchange Transactions - Property Rates	2 996	1 552	1 272	1 170	1 119	1 020	9 061	26 612	44 802	38 982	-	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	706	514	434	406	371	366	2 151	9 255	14 203	12 549	-	-
Receivables from Exchange Transactions - Property Rental Debtors	46	10	9	9	9	8	155	889	1 135	1 070	-	-
Interest on Arrear Debtor Accounts	1 169	1 124	1 071	1 036	1 004	972	5 223	21 293	32 892	29 528	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	354	213	31	43	55	(40)	159	669	1 484	886	-	-
Total By Income Source	9 618	5 399	3 510	3 051	2 649	2 384	17 060	61 685	105 355	86 828	-	-
2018/19 - totals only	14 655	2 529	2 370	2 001	2 229	2 051	11 203	43 070	80 108	60 554	-	-
Debtors Age Analysis By Customer Group												
Organs of State	1 405	1 198	716	722	564	540	3 709	13 566	22 419	19 101	-	-
Commercial	3 724	1 576	752	521	438	328	1 919	8 751	18 008	11 957	-	-
Households	3 768	1 911	1 437	1 269	1 117	994	6 444	25 388	42 328	35 213	-	-
Other	722	714	607	538	530	521	4 988	13 981	22 600	20 558	-	-
Total By Customer Group	9 618	5 399	3 510	3 051	2 649	2 384	17 060	61 685	105 355	86 828	-	-

This table provides a breakdown of the consumer and sundry debtors at the end of the quarter. The outstanding debtors amounted to R105, 355 million as at end of May 2020. Consumer debtors amounts to R 69, 845 million and sundry debtors amounts to R 35, 511 million as at end of the Fourth quarter.



The graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of Fourth quarter) and noted from the graph there is an increase in the municipal debt book for 2019/20 financial year.

Table SC4: Creditors Analysis

Description	Budget Year 2019/20									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. No creditors were outstanding for more than 30 days. All invoices were paid within the prescribed period for the Fourth quarter. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are paid through direct/straight payments that do not feed the age analysis module.

Proposal was made that the municipality need to maintain the invoice register that should be used for manually updating the creditors age analysis and the Budget and Treasury department is in a process of implementing the proposed register.

Table SC5: Investment Portfolio Analysis

Municipality had no investments for the fourth quarter ending 30 June 2020.

Table SC6- Allocation and grant receipts

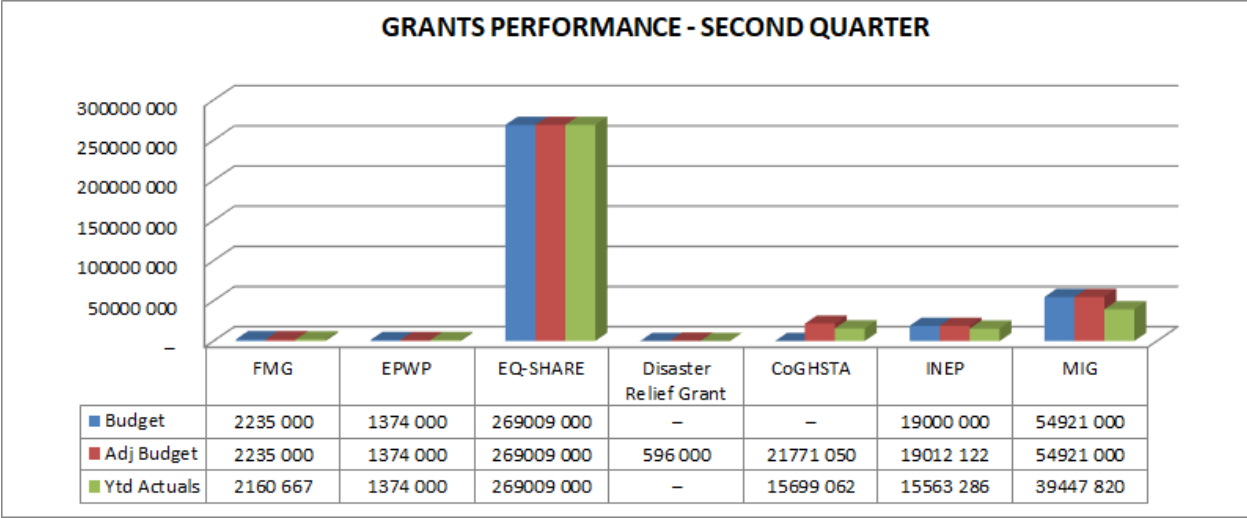
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	245 283	272 618	273 214	596	273 214	273 214	-		273 214
Local Government Equitable Share	237 511	269 009	269 009	-	269 009	269 009	-		269 009
Finance Management	1 770	2 235	2 235	-	2 235	2 235	-		2 235
EPWP Incentive	1 002	1 374	1 374	-	1 374	1 374	-		1 374
Energy Efficiency and Demand Management	5 000	-	-	-	-	-			-
Disaster Relief Grant COVID-19 (Corona virus)	-	-	596	596	596	596			596
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	245 283	272 618	273 214	596	273 214	273 214	-		273 214
Capital Transfers and Grants									
National Government:	72 279	73 921	73 921	-	73 921	73 921	-		73 921
Municipal Infrastructure Grant (MIG)	62 270	54 921	54 921	-	54 921	54 921	-		54 921
Intergrated National Electrification Grant	10 009	19 000	19 000	-	19 000	19 000	-		19 000
Provincial Government:	21 771	-	21 771	-	21 771	21 771	-		21 771
Coghsta - Development	21 771	-	21 771	-	21 771	21 771	-		21 771
Total Capital Transfers and Grants	94 050	73 921	95 692	-	95 692	95 692	-		95 692
TOTAL RECEIPTS OF TRANSFERS & GRANTS	339 333	346 539	368 906	596	368 906	368 906	-		368 906

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R368, 906 million of which the major portion is attributed to equitable share. For the reporting period at least R596 thousand was received from a disaster relief Grant for COVID 19. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Table SC7: Transfers and Grant Expenditure

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	245 283	272 618	273 214	68 449	272 544	273 214	(670)	0%	273 214
Local Government Equitable Share	237 511	269 009	269 009	67 252	269 009	269 009	-		269 009
Finance Management	1 770	2 235	2 235	807	2 161	2 235	(74)	-3%	2 235
EPWP Incentive	1 002	1 374	1 374	390	1 374	1 374	-		1 374
Energy Efficiency and Demand Management	5 000	-	-	-	-	-	-		-
Disaster Relief Grant COVID-19 (Corona virus)	-	-	596	-	-	596	(596)	-100%	596
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total operating expenditure of Transfers and Grants:	245 283	272 618	273 214	68 449	272 544	273 214	(670)	0%	273 214
Capital expenditure of Transfers and Grants									
National Government:	72 279	73 921	73 921	7 516	55 011	73 921	(18 910)	-26%	73 921
Municipal Infrastructure Grant (MIG)	62 270	54 921	54 921	6 557	39 448	54 921	(15 473)	-28%	54 921
Intergrated National Electrification Grant	10 009	19 000	19 000	959	15 563	19 000	(3 437)	-18%	19 000
Provincial Government:	21 771	21 771	21 771	2 208	15 699	21 771	(6 072)	-28%	21 771
Coghsta - Development	21 771	21 771	21 771	2 208	15 699	21 771	(6 072)	-28%	21 771
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total capital expenditure of Transfers and Grants	94 050	95 692	95 692	9 724	70 710	95 692	(24 982)	-26%	95 692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	339 333	368 310	368 906	78 173	343 254	368 906	(25 652)	-7%	368 906

A total amount of R343, 254 million has been spent on grants as at the end of Fourth quarter and the year to date budget thereof amount to R368, 906 million and this resulted in underspending variance of R25, 652 million that translates to -7%. Of the total spending amounting to R343, 254 million, R272, 544 million is spent on operational grants whilst R70, 710 million is spent of capital grants.



The above graph depicts the gazetted and/or budgeted amounts for all the grants and the expenditure thereof as at end of Fourth quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 97%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Disaster Relief Grant COVID – 19 (Corona virus) 0%
- Municipal Infrastructure Grant 72%
- Integrated National Electrification Grant 82%
- CoGHSTA - Development of Masakaneng 72%

Table SC8: Councilor Allowances and Employee Benefits

Summary of Employee and Councilor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	13 395	15 201	14 851	3 874	14 458	14 851	(392)	-3%	14 851
Pension and UIF Contributions	1 605	1 744	1 719	449	1 636	1 719	(83)	-5%	1 719
Medical Aid Contributions	368	369	341	95	395	341	54	16%	341
Motor Vehicle Allowance	5 145	5 611	5 130	1 443	5 149	5 130	19	0%	5 130
Cellphone Allowance	2 708	2 629	2 804	677	2 701	2 804	(103)	-4%	2 804
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	223	74	235	223	12	5%	223
Sub Total - Councillors	23 222	25 554	25 068	6 612	24 574	25 068	(494)	-2%	25 068
% increase		10%	8%						8%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 421	5 150	4 304	1 604	4 938	4 304	634	15%	4 304
Pension and UIF Contributions	100	172	163	53	178	163	15	9%	163
Medical Aid Contributions	102	64	79	21	82	79	2	3%	79
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	403	918	660	168	661	660	1	0%	660
Cellphone Allowance	108	188	161	42	168	161	7	4%	161
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	378	331	445	53	446	445	1	0%	445
Payments in lieu of leave	-	-	-	-	18	-	18	#DIV/0!	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	4 512	6 824	5 813	1 941	6 491	5 813	679	12%	5 813
% increase		51%	29%						29%
Other Municipal Staff									
Basic Salaries and Wages	84 473	91 339	90 220	21 909	88 856	90 220	(1 364)	-2%	90 220
Pension and UIF Contributions	16 792	18 714	17 856	4 435	17 801	17 856	(55)	0%	17 856
Medical Aid Contributions	5 303	4 761	5 391	1 404	5 555	5 391	164	3%	5 391
Overtime	2 166	1 948	1 261	373	1 443	1 261	182	14%	1 261
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	10 390	11 571	11 107	2 749	11 056	11 107	(52)	0%	11 107
Cellphone Allowance	1 437	1 171	1 757	448	1 786	1 757	29	2%	1 757
Housing Allowances	171	437	174	46	179	174	4	3%	174
Other benefits and allowances	7 859	8 329	8 146	304	8 248	8 146	103	1%	8 146
Payments in lieu of leave	5 981	1 951	494	4	407	494	(87)	-18%	494
Long service awards	1 020	486	446	94	439	446	(6)	-1%	446
Post-retirement benefit obligations	3 523	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	139 115	140 707	136 852	31 767	135 771	136 852	(1 081)	-1%	136 852
% increase		1%	-2%						-2%
Total Parent Municipality	166 850	173 085	167 733	40 320	166 836	167 733	(897)	-1%	167 733
		4%	1%						1%
TOTAL SALARY, ALLOWANCES & BENEFITS	166 850	173 085	167 733	40 320	166 836	167 733	(897)	-1%	167 733
% increase		4%	1%						1%
TOTAL MANAGERS AND STAFF	143 628	147 530	142 665	33 708	142 262	142 665	(403)	0%	142 665

This table provides the details for councilor and employee benefits. For the Fourth quarter the total salaries, allowances and benefits amounted to R40, 320 million which deviates with R897 thousand from the planned figure.

Table SC9: Actual and Revised Targets for Cash Receipts

Description	Budget Year 2019/20												2019/20 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Budget	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	2 340	2 014	2 246	2 012	2 102	1 991	1 807	2 022	2 055	1 741	1 889	2 113	24 332	27 452	28 934
Service charges - electricity revenue	5 598	6 336	6 911	7 093	7 290	7 485	6 902	7 163	7 334	6 151	6 570	4 689	79 521	86 220	90 876
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse	428	406	338	342	360	327	338	387	330	239	341	290	4 126	4 596	4 844
Rental of facilities and equipment	17	188	59	24	34	43	25	51	32	27	37	20	559	721	760
Interest earned - external investments	425	456	233	41	–	–	–	–	41	141	–	–	1 336	3 105	3 272
Interest earned - outstanding debtors	150	133	127	102	52	74	68	63	73	62	63	102	1 069	1 484	1 564
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–	–	–	–	10 120	10 667
Licences and permits	475	481	456	521	415	289	450	416	377	0	–	397	4 278	5 766	6 077
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	112 431	2 235	–	–	19 963	69 707	619	411	67 252	596	–	–	273 214	291 737	314 255
Other revenue	1 285	1 215	2 271	1 371	1 521	1 458	1 441	1 144	1 430	1 091	1 201	1 113	16 540	1 754	1 849
Cash Receipts by Source	123 149	13 464	12 640	11 507	31 737	81 374	11 649	11 658	78 923	10 049	10 102	8 723	404 974	432 954	463 098
Other Cash Flows by Source															
Transfer receipts - capital	30 968	–	–	–	5 000	17 476	–	5 000	15 477	–	–	–	73 921	74 234	75 773
Contributions & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase in consumer deposits	56	113	61	(115)	2	7	33	15	(31)	1	(12)	65	196	(350)	(300)
Receipt of non-current debtors			4 651	2 585	2 846	–	12 263	6 021		4 776	8 311	4 915	46 369		
Receipt of non-current receivables															
Change in non-current investments															
Total Cash Receipts by Source	154 173	13 577	17 352	13 977	39 585	98 858	23 946	22 694	94 369	14 826	18 401	13 703	625 460	506 838	538 571
Cash Payments by Type															
Employee related costs	11 243	11 085	11 107	12 045	11 072	18 328	11 205	11 256	11 213	11 121	11 442	11 547	142 665	157 231	165 564
Remuneration of councillors	1 936	1 903	2 102	2 238	1 951	1 981	1 951	1 951	1 951	1 951	2 636	2 026	24 574	27 266	28 093
Interest paid	255	–	–	731	217	217	–	408	187	232	345	–	2 592	1 141	53
Bulk purchases - Electricity	85	8 918	9 123	7 369	6 053	6 691	6 618	5 616	7 222	5 898	4 520	303	68 417	93 406	107 884
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	289	598	990	1 306	803	2 443	666	1 257	411	48	2 125	670	11 607	9 612	9 831
Contracted services	7 339	3 265	7 503	8 035	5 181	14 370	8 314	2 318	3 328	6 161	8 026	1 158	74 997	58 464	61 929
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	217	228	142	209	119	347	246	246	70	564	95	148	2 632	3 942	4 155
General expenses	6 799	3 168	4 748	5 317	2 254	5 258	3 357	2 108	3 099	1 462	3 730	1 038	42 337	40 284	40 150
Cash Payments by Type	28 163	29 164	35 715	37 250	27 650	49 635	32 357	25 159	27 480	27 437	32 919	16 890	369 821	391 346	417 660
Other Cash Flows/Payments by Type															
Capital assets	1 421	9 187	5 542	12 834	14 910	6 657	10 655	6 384	5 799	3 395	8 517	–	85 303	89 158	88 783
Repayment of borrowing	754	763	771	781	790	799	807	818	826	841	855	865	9 670	11 050	2 504
Other Cash Flows/Payments	38 713	6 411	–	9 746	–	12 347	–	–	15 168	–	–	–	82 385	13 000	15 000
Total Cash Payments by Type	69 053	45 525	42 028	60 612	43 350	69 438	43 819	32 361	49 273	31 673	42 291	17 755	547 178	504 555	523 947
NET INCREASE/(DECREASE) IN CASH HELD	85 120	(31 948)	(24 677)	(46 635)	(3 765)	29 420	(19 874)	(9 667)	45 095	(16 847)	(23 890)	(4 052)	(21 719)	2 283	14 624
Cash/cash equivalents at the month/year beginning:	24 177	109 297	77 349	52 672	6 037	2 272	31 692	11 819	2 152	47 247	30 400	6 510	24 177	29 537	31 820
Cash/cash equivalents at the month/year end:	109 297	77 349	52 672	6 037	2 272	31 692	11 819	2 152	47 247	30 400	6 510	2 458	2 458	31 820	46 444

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R13, 703 million and the total cash payment for the month were R17, 755 million and this resulted in net increase in cash held amounting to –R4, 052 million. With cash and cash equivalent of R6, 510 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R2, 458 million.

Table SC12: Capital Expenditure Trend

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
Q1	15 743	27 239	26 926	14 245	14 245	26 926	12 681	47%	15%
Q2	19 091	26 964	27 422	34 419	48 664	54 348	5 684	10%	51%
Q3	10 845	23 536	30 135	23 714	72 378	84 483	12 106	14%	76%
Q4	25 691	17 915	28 619	11 924	84 302	113 103	28 800	25%	88%
Total Capital expenditure	71 370	95 654	113 103	84 302					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this tables serves as a supporting table for table C5. In terms of this table the capital expenditure for Fourth quarter amounts to R84, 302 million. The year to date capital budget is R113, 103 million that gives rise to underspending variance of R28, 800 million.

Table SC13a: Quarterly Capital Expenditure on New Assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	28 613	53 043	74 061	10 133	58 023	74 061	16 038	22%	74 061
Roads Infrastructure	15 138	33 521	54 487	9 750	41 912	54 487	12 576	23%	54 487
Roads	15 138	33 521	54 487	9 750	41 912	54 487	12 576	23%	54 487
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13 475	19 522	19 574	383	16 111	19 574	3 462	18%	19 574
HV Switching Station							-		
HV Transmission Conductors							-		
MV Substations							-		
MV Networks	13 475	19 522	19 574	383	16 111	19 574	3 462	18%	19 574
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
Other assets	4 947	900	-	-	-	-	-		-
Operational Buildings	4 947	900	-	-	-	-	-		-
Municipal Offices	4 947	900	-	-	-	-	-		-
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Computer Equipment	1 000	500	115	24	38	115	76	66%	115
Computer Equipment	1 000	500	115	24	38	115	76	66%	115
Furniture and Office Equipment	400	400	534	-	526	534	8	1%	534
Furniture and Office Equipment	400	400	534	-	526	534	8	1%	534
Machinery and Equipment	300	2 326	1 870	389	1 480	1 870	390	21%	1 870
Machinery and Equipment	300	2 326	1 870	389	1 480	1 870	390	21%	1 870
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on new assets	35 261	57 169	76 580	10 546	60 068	76 580	16 512	22%	76 580

Table SC13b: Quarterly Expenditure on Existing Assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	39 055	21 663	20 701	1 163	13 885	20 701	6 816	33%	20 701
Roads Infrastructure	39 055	21 663	20 701	1 163	13 885	20 701	6 816	33%	20 701
Roads	39 055	21 663	20 701	1 163	13 885	20 701	6 816	33%	20 701
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	522	-	-	-	-	-	-	-	-
Community Facilities	522	-	-	-	-	-	-	-	-
Halls							-		
Clinics/Care Centres							-		
Fire/Ambulance Stations							-		
Cemeteries/Crematoria	522	-	-	-	-	-	-	-	-
Police							-		
PurIs							-		
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices							-		
Pay/Enquiry Points							-		
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights							-		
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	39 577	21 663	20 701	1 163	13 885	20 701	6 816	32.9%	20 701

Table SC13c: Quarterly Expenditure on Repairs & Maintenance

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	6 704	6 756	-	582	582	2 452	1 870	76%	6 756
Roads Infrastructure	2 000	2 000	-	62	62	1 000	938	94%	2 000
Roads	2 000	2 000		62	62	1 000	938	94%	2 000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1 000	1 052	-	212	212	526	314	60%	1 052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1 000	1 052		212	212	526	314	60%	1 052
Solid Waste Infrastructure	3 704	3 704	-	309	309	926	617	67%	3 704
Landfill Sites	3 704	3 704		309	309	926	617	67%	3 704
Waste Transfer Stations							-		
Other assets	1 000	1 052	-	188	188	526	338	64%	1 052
Operational Buildings	1 000	1 052	-	188	188	526	338	64%	1 052
Municipal Offices	1 000	1 052		188	188	526	338	64%	1 052
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1 670	1 757	-	121	121	761	640	84%	1 757
Machinery and Equipment	1 670	1 757		121	121	761	640	84%	1 757
Transport Assets	1 000	1 052	-	7	7	614	606	99%	1 052
Transport Assets	1 000	1 052		7	7	614	606	99%	1 052
Total Repairs and Maintenance Expenditure	10 374	10 617	-	898	898	4 353	3 455	79%	10 617

Table SC13d: Quarterly Depreciation by Asset Class

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Depreciation by Asset Class/Sub-class									
Infrastructure	34 653	39 133	37 142	–	–	37 142	37 142	100%	37 142
Roads Infrastructure	25 147	29 133	27 141	–	–	27 141	27 141	100%	27 141
Roads	25 147	29 133	27 141			27 141	27 141	100%	27 141
Storm water Infrastructure	3 712	3 905	3 905	–	–	3 905	3 905	100%	3 905
Drainage Collection							–		
Storm water Conveyance	3 712	3 905	3 905			3 905	3 905	100%	3 905
Attenuation							–		
Electrical Infrastructure	5 166	5 434	5 434	–	–	5 434	5 434	100%	5 434
Power Plants							–		
HV Substations							–		
HV Switching Station							–		
HV Transmission Conductors	5 166	5 434	5 434	–	–	5 434	5 434	100%	5 434
Solid Waste Infrastructure	629	662	662	–	–	662	662	100%	662
Landfill Sites	629	662	662	–	–	662	662	100%	662
Waste Transfer Stations							–		
Community Assets	2 918	3 070	3 070	–	–	3 070	3 070	100%	3 070
Community Facilities	2 918	3 070	3 070	–	–	3 070	3 070	100%	3 070
Fire/Ambulance Stations							–		
Museums							–		
Cemeteries/Crematoria	2 918	3 070	3 070	–	–	3 070	3 070	0	3 070
Other assets	2 180	2 293	494	–	–	494	494	0	494
Operational Buildings	2 180	2 293	494	–	–	494	494	100%	494
Municipal Offices	2 180	2 293	494	–	–	494	494	100%	494
Building Plan Offices							–		
Intangible Assets	378	398	398	–	–	398	398	100%	398
Servitudes							–		
Licences and Rights	378	398	398	–	–	398	398	100%	398
Computer Software and Applications	378	398	398			398	398	100%	398
Computer Equipment	1 518	1 597	1 597	–	–	1 597	1 597	100%	1 597
Computer Equipment	1 518	1 597	1 597			1 597	1 597	100%	1 597
Furniture and Office Equipment	3 817	4 015	4 015	–	–	4 015	4 015	100%	4 015
Furniture and Office Equipment	3 817	4 015	4 015			4 015	4 015	100%	4 015
Machinery and Equipment	2 175	2 288	2 288	–	–	2 288	2 288	100%	2 288
Machinery and Equipment	2 175	2 288	2 288			2 288	2 288	100%	2 288
Transport Assets	3 542	3 727	3 727	–	273	3 727	3 453	93%	3 727
Transport Assets	3 542	3 727	3 727	–	273	3 727	3 453	93%	3 727
Total Depreciation	51 181	56 520	52 729	–	273	52 729	52 456	99%	52 729

Table SC13e: Quarterly Capital Expenditure on upgrading of existing assets

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	1 600	14 346	14 346	–	9 050	14 346	5 296	37%	14 346
Roads Infrastructure	–	14 346	14 346	–	9 050	14 346	5 296	37%	14 346
Roads		14 346	14 346	–	9 050	14 346	5 296	37%	14 346
Road Structures							–		
Road Furniture							–		
Capital Spares							–		
Storm water Infrastructure	–	–	–	–	–	–	–		–
Drainage Collection							–		
Electrical Infrastructure	–	–	–	–	–	–	–		–
Power Plants							–		
HV Substations							–		
HV Switching Station							–		
HV Transmission Conductors							–		
Solid Waste Infrastructure	1 600	–	–	–	–	–	–		–
Landfill Sites	1 600	–					–		–
Waste Transfer Stations							–		
Community Assets	–	–	–	–	–	–	–		–
Community Facilities	–	–	–	–	–	–	–		–
Halls							–		
Centres							–		
Crèches							–		
Other assets	–	2 476	1 476	215	1 299	1 476	177	0	1 476
Operational Buildings	–	2 476	1 476	215	1 299	1 476	177	12%	1 476
Municipal Offices	–	2 476	1 476	215	1 299	1 476	177	12%	1 476
Pay/Enquiry Points							–		
Intangible Assets	–	–	–	–	–	–	–		–
Servitudes							–		
Licences and Rights	–	–	–	–	–	–	–		–
Water Rights							–		
Computer Equipment	–	–	–	–	–	–	–		–
Computer Equipment							–		
Furniture and Office Equipment	–	–	–	–	–	–	–		–
Furniture and Office Equipment							–		
Machinery and Equipment	–	–	–	–	–	–	–		–
Machinery and Equipment							–		
Transport Assets	–	–	–	–	–	–	–		–
Transport Assets							–		
Total Capital Expenditure on upgrading of existing assets	1 600	16 822	15 822	215	10 349	15 822	5 473	35%	15 822

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

Quality certificate

I **KGWALE MAHLAGAUME MESHACK**, Acting Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly report and supporting documentation for the quarter ending 30 June 2019 have been prepared in accordance with the Municipal Finance Management Act and the regulation made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date

[Handwritten signature]
15 July 2020

