

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JANUARY 2021

Table of Contents

PART 1: IN - YEAR REPORT	3
PURPOSE	3
EXECUTIVE SUMMARY	3
IN YEAR BUDGET STATEMENT TABLES	3
Table C1 – Budget Statement Summary	4
Table C2 – Financial Performance (Standard Classification)	7
Table C3 – Financial Performance (Revenue and Expenditure by vote)	8
Table C4 – Financial Performance by Revenue Source and Expenditure Type	9
Table C5 Capex – Monthly Capital Expenditure by Standard Classification and Funding	
Table C5C – Monthly Capital Expenditure by Vote	11
Figure 1: Capital expenditure by source of finance	12
Figure 2: Monthly capital expenditure	12
Table C6– Monthly Budget Statement Financial Position	
Table C7– Monthly Budget Statement Cash Flow	
PART 2: SUPPORTING TABLES	15
Supporting Table: SC 1 Material Variance Explanations	15
Supporting Table: SC 3 - Debtors Age Analysis	17
Figure 3: Debtors age analysis	18
Figure 4: Monthly debtors book	19
TOP TWENTY DEBTORS	20
Supporting Table: SC 4 - Creditors Age Analysis	20
TOP CREDITORS PAID	21
Supporting Table: SC 5 - Investment Portfolio	22
Supporting Table: SC 6 - Transfers and Grant Receipts	22
Supporting Table: SC 7 - Transfers and Grant Expenditure	23
Figure 5: Grants Performance	24
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs	25
Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts	26
Supporting Table: SC 12 Capital Expenditure Trend	27
Supporting Table: SC 13(a) Capital Expenditure on New Assets	28
Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets	29
Supporting Table: SC 13(c) Repairs and Maintenance Expenditure	30
Supporting Table: SC 13(d) Depreciation and asset impairment	31
Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets	32
List of Capital Programmes and Projects	34
QUALITY CERTIFICATE	35

PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the January or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2021-21 financial year amounts are not yet audited.

IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2020/21			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	531,567,983	589,458,004	365,848,388	62%
		-		
OPERATING EXPENDITURE	512,448,796	557,451,548	233,187,130	42%
		-		
TRANSFER - CAPITAL	74,561,000	69,561,000	43,087,076	62%
SURPLUS/(DEFICIT)	93,680,187	101,567,456	175,748,335	173%
CAPITAL EXPENDITURE	89,279,520	84,279,520	40,831,862	48%

Table C1 – Budget Statement Summary

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	35,773	38,345	38,345	3,283	22,922	21,903	1,020	5%	38,345
Service charges	95,493	110,873	110,873	8,442	56,888	55,540	1,348	2%	110,873
Investment revenue	2,068	3,042	3,042	–	225	1,474	(1,249)	-85%	3,042
Transfers and subsidies	273,218	293,916	351,806	188	272,028	248,876	23,152	9%	351,806
Other own revenue	32,632	85,393	85,393	2,243	13,785	38,888	(25,103)	-65%	85,393
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	589,458	14,157	365,848	366,680	(832)	0%	589,458
Employee costs	141,837	169,749	170,616	13,128	91,818	90,126	1,692	2%	170,616
Remuneration of Councillors	24,575	26,525	26,525	2,020	14,178	14,126	52	0%	26,525
Depreciation & asset impairment	56,343	55,163	55,163	–	–	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	270	2,367	1,502	865	58%	1,184
Materials and bulk purchases	93,140	111,976	122,770	6,767	54,734	44,909	9,825	22%	122,770
Transfers and subsidies	2,984	3,468	3,468	252	1,904	1,307	598	46%	3,468
Other expenditure	142,158	144,385	177,726	11,004	68,186	66,075	2,110	3%	177,726
Total Expenditure	464,574	512,449	557,452	33,441	233,187	241,030	(7,843)	-3%	557,452
Surplus/(Deficit)	(25,390)	19,119	32,006	(19,284)	132,661	125,650	7,011	6%	32,006
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	8,800	43,087	41,125	1,962	5%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	101,567	(10,484)	175,748	166,775	8,973	5%	101,567
Surplus/ (Deficit) for the year	66,766	93,680	101,567	(10,484)	175,748	166,775	8,973	5%	101,567
Capital expenditure & funds sources									
Capital expenditure	92,168	89,280	84,280	3,012	40,832	41,637	(806)	-2%	84,280
Capital transfers recognised	78,193	74,561	69,561	3,012	32,349	33,659	(1,309)	-4%	69,561
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13,975	14,719	14,719	–	8,483	7,979	504	6%	14,719
Total sources of capital funds	92,168	89,280	84,280	3,012	40,832	41,637	(806)	-2%	84,280
Financial position									
Total current assets	129,467	134,416	147,899		258,089				147,899
Total non current assets	1,125,020	1,286,031	1,286,031		1,151,968				1,286,031
Total current liabilities	125,588	93,706	93,706		132,681				93,706
Total non current liabilities	79,251	94,548	94,548		73,611				94,548
Community wealth/Equity	1,049,667	1,232,193	1,245,677		1,203,766				1,245,677
Cash flows									
Net cash from (used) operating	25,247	108,434	121,917	(31,951)	105,761	96,848	(8,913)	-9%	121,917
Net cash from (used) investing	(85,303)	(87,593)	(84,280)	(3,012)	(40,832)	(41,589)	(757)	2%	(84,280)
Net cash from (used) financing	(9,474)	(11,480)	(11,480)	(918)	(6,270)	(5,592)	678	-12%	(11,480)
Cash/cash equivalents at the month/year end	(44,548)	20,356	37,152	–	60,589	60,662	73	0%	28,087
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	13,537	4,649	3,251	3,002	2,995	2,850	13,359	82,786	126,428
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of January is R365, 848 million and the year to date budget of R366, 680 million and this reflects a negative variance of R832 thousands which is mostly attributable to equitable shares received amounting to R270, 517 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 85% unfavorable variance,
- Interest earned – outstanding debtors: 6% favorable variance,
- Rental on Facilities and Equipment: 28% unfavorable variance,
- Fines, penalties and forfeits: 99% unfavorable variance
- Services Charges – electricity revenue: 2% favorable variance
- Services Charges – refuse revenue: 4% favorable variance
- Licenses and permits: 44% unfavorable variance
- Property rates: 5% favorable variance
- Other revenue: 77% favorable
- Transfer and subsidies: 9% favorable

Operating Expenditure

The year to date operational expenditure as at end of January amounts to R233, 187 million and the year to date budget is R241, 030 million. This reflects underspending variance of R7, 843 million that translates to 3% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Bulk purchases: 34% over performance
- Other Materials: 21% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 100% under performance
- Finance charges: 58% under performance
- Contracted services: 47% over performance
- Transfer and subsidies: 46% over performance
- Other expenditure: 33% over performance

The above material variances are explained more in detail on Supporting Tables SC 1

Capital Expenditure

The year to date actual capital expenditure as at end of January 2021 amounts to R40, 832 million and the year to date budget amounts to R41, 637 million and this gives rise to R806 thousands under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of January is R175, 748 million that is mainly attributed over performance on capital and operating expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of January amounts to R126, 428 million and this shows an increase of R18, 190 million as compared to R108, 238 million as at end of 2019/20 financial year.

Consumer debtors is made up of service charges and property rates that amount to R82, 244 million and other debtors amounting to R44, 184 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, the do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice in the month of January as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	223,026	228,630	265,347	5,085	205,439	186,885	18,554	10%	265,347
Executive and council	46,559	49,315	57,497	–	44,886	42,220	2,666	6%	57,497
Finance and administration	167,516	169,450	194,961	5,085	149,589	134,100	15,489	12%	194,961
Internal audit	8,950	9,864	12,888	–	10,964	10,565	399	4%	12,888
Community and public safety	36,265	94,154	100,671	53	19,611	41,968	(22,356)	-53%	100,671
Community and social services	9,633	10,636	15,485	13	5,705	5,037	667	13%	15,485
Sport and recreation	12,104	13,344	15,012	–	13,621	12,956	665	5%	15,012
Public safety	14,529	70,174	70,174	40	286	23,974	(23,688)	-99%	70,174
Economic and environmental services	132,942	121,857	131,744	9,377	93,965	91,800	2,165	2%	131,744
Planning and development	21,248	23,604	27,619	137	21,266	20,572	694	3%	27,619
Road transport	110,541	96,853	102,596	9,240	71,082	69,862	1,220	2%	102,596
Environmental protection	1,153	1,400	1,529	–	1,617	1,365	251	18%	1,529
Trading services	139,107	161,488	161,258	8,442	89,920	87,153	2,767	3%	161,258
Energy sources	110,981	130,709	127,150	7,702	63,291	62,565	726	1%	127,150
Waste management	28,126	30,779	34,107	740	26,629	24,588	2,041	8%	34,107
Total Revenue - Functional	531,340	606,129	659,019	22,957	408,935	407,805	1,130	0%	659,019
Expenditure - Functional									
Governance and administration	210,068	216,242	243,085	17,409	118,344	113,559	4,785	4%	243,085
Executive and council	50,877	49,314	56,334	3,343	23,596	22,157	1,439	6%	56,334
Finance and administration	152,835	158,383	178,206	12,979	92,397	87,023	5,374	6%	178,206
Internal audit	6,356	8,545	8,545	1,088	2,351	4,379	(2,028)	-46%	8,545
Community and public safety	25,269	61,707	66,773	2,636	17,608	25,343	(7,735)	-31%	66,773
Community and social services	5,097	8,269	10,680	499	3,612	3,281	331	10%	10,680
Sport and recreation	6,833	10,698	12,348	635	4,330	4,424	(94)	-2%	12,348
Public safety	13,339	42,740	43,745	1,502	9,666	17,638	(7,972)	-45%	43,745
Economic and environmental services	91,700	97,667	103,541	3,685	27,493	40,713	(13,219)	-32%	103,541
Planning and development	14,923	16,561	16,571	901	7,256	6,769	487	7%	16,571
Road transport	76,178	80,487	86,341	2,727	19,852	33,703	(13,851)	-41%	86,341
Environmental protection	598	619	629	57	386	241	145	60%	629
Trading services	137,538	136,832	144,052	9,710	69,742	61,415	8,326	14%	144,052
Energy sources	93,187	111,667	116,511	6,777	52,295	47,926	4,369	9%	116,511
Waste management	44,351	25,165	27,541	2,932	17,447	13,490	3,957	29%	27,541
Total Expenditure - Functional	464,574	512,449	557,452	33,441	233,187	241,030	(7,843)	-3%	557,452
Surplus/ (Deficit) for the year	66,766	93,680	101,567	(10,484)	175,748	166,775	8,973	5%	101,567

Table C3 – Financial Performance (Revenue and Expenditure by vote)

Vote Description	2019/20	Budget Year 2020/21							
	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	41,231	43,443	49,824	–	41,529	39,254	2,275	6%	49,824
Vote 2 - Municipal Manager	35,643	39,284	48,962	–	34,211	32,217	1,994	6%	48,962
Vote 3 - Budget & Treasury	72,301	66,279	74,294	5,085	52,174	43,400	8,775	20%	74,294
Vote 4 - Corporate Services	40,504	44,328	52,292	–	40,653	38,124	2,529	7%	52,292
Vote 5 - Community Services	69,521	135,511	146,509	1,173	51,662	73,196	(21,534)	-29%	146,509
Vote 6 - Technical Services	239,261	241,319	246,627	16,561	151,512	146,933	4,579	3%	246,627
Vote 7 - Developmental Planning	14,650	16,332	18,118	137	17,109	16,897	212	1%	18,118
Vote 8 - Executive Support	18,229	19,633	22,392	–	20,083	17,783	2,300	13%	22,392
Total Revenue by Vote	531,340	606,129	659,019	22,957	408,935	407,805	1,130	0%	659,019
Expenditure by Vote									
Vote 1 - Executive & Council	42,975	41,789	44,789	3,061	21,104	19,133	1,971	10%	44,789
Vote 2 - Municipal Manager	49,330	39,198	48,238	4,737	27,421	25,065	2,356	9%	48,238
Vote 3 - Budget & Treasury	55,077	62,769	75,570	3,994	37,221	33,190	4,031	12%	75,570
Vote 4 - Corporate Services	24,723	36,795	36,863	2,246	11,671	14,582	(2,911)	-20%	36,863
Vote 5 - Community Services	77,292	96,097	103,549	6,285	40,090	42,478	(2,388)	-6%	103,549
Vote 6 - Technical Services	186,065	207,387	219,343	9,973	77,173	88,738	(11,565)	-13%	219,343
Vote 7 - Developmental Planning	8,942	11,455	11,465	544	4,392	4,625	(233)	-5%	11,465
Vote 8 - Executive Support	20,169	16,960	17,635	2,600	14,116	13,220	896	7%	17,635
Total Expenditure by Vote	464,574	512,449	557,452	33,441	233,187	241,030	(7,843)	-3%	557,452
Surplus/ (Deficit) for the year	66,766	93,680	101,567	(10,484)	175,748	166,775	8,973	5%	101,567

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. 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: Financial Performance by Revenue Source and Expenditure Type

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	35,773	38,345	38,345	3,283	22,922	21,903	1,020	5%	38,345
Service charges - electricity revenue	87,068	101,945	101,945	7,702	51,717	50,585	1,133	2%	101,945
Service charges - refuse revenue	8,425	8,928	8,928	740	5,170	4,955	216	4%	8,928
Rental of facilities and equipment	897	1,220	1,220	58	366	508	(142)	-28%	1,220
Interest earned - external investments	2,068	3,042	3,042	-	225	1,474	(1,249)	-85%	3,042
Interest earned - outstanding debtors	12,170	6,656	6,656	1,362	9,695	9,157	538	6%	6,656
Fines, penalties and forfeits	14,570	70,242	70,242	96	277	23,992	(23,715)	-99%	70,242
Licences and permits	3,939	6,344	6,344	325	2,694	4,805	(2,111)	-44%	6,344
Transfers and subsidies	273,218	293,916	351,806	188	272,028	248,876	23,152	9%	351,806
Other revenue	1,056	931	931	402	754	427	327	77%	931
Gains	-						-		
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	589,458	14,157	365,848	366,680	(832)	0%	589,458
Expenditure By Type									
Employee related costs	141,837	169,749	170,616	13,128	91,818	90,126	1,692	2%	170,616
Remuneration of councillors	24,575	26,525	26,525	2,020	14,178	14,126	52	0%	26,525
Debt impairment	13,246	42,658	42,658	-	-	17,774	(17,774)	-100%	42,658
Depreciation & asset impairment	56,343	55,163	55,163	-	-	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	270	2,367	1,502	865	58%	1,184
Bulk purchases	81,428	94,047	94,047	6,204	47,177	35,325	11,852	34%	94,047
Other materials	11,713	17,929	28,723	563	7,557	9,584	(2,028)	-21%	28,723
Contracted services	83,969	60,660	80,799	7,867	42,857	29,200	13,657	47%	80,799
Transfers and subsidies	2,984	3,468	3,468	252	1,904	1,307	598	46%	3,468
Other expenditure	46,003	41,067	54,269	3,137	25,328	19,101	6,227	33%	54,269
Losses	(1,060)	-					-		-
Total Expenditure	464,574	512,449	557,452	33,441	233,187	241,030	(7,843)	-3%	557,452
Surplus/(Deficit)	(25,390)	19,119	32,006	(19,284)	132,661	125,650	7,011	6%	32,006
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	8,800	43,087	41,125	1,962	5%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	-					-		-
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	101,567	(10,484)	175,748	166,775			101,567
Taxation									
Surplus/(Deficit) after taxation	66,766	93,680	101,567	(10,484)	175,748	166,775			101,567
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	66,766	93,680	101,567	(10,484)	175,748	166,775			101,567
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	66,766	93,680	101,567	(10,484)	175,748	166,775			101,567

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance; Remuneration of councilors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

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

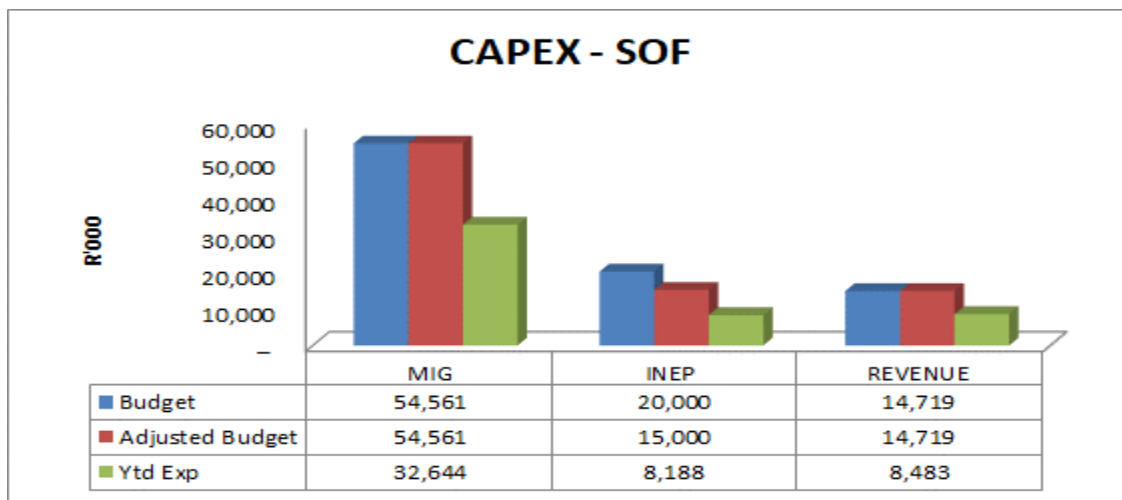
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,957	1,900	1,900	-	469	1,051	(582)	-55%	1,900
Executive and council							-		
Finance and administration	1,957	1,900	1,900	-	469	1,051	(582)	-55%	1,900
Internal audit							-		
Community and public safety	-	2,200	2,200	-	29	790	(761)	-96%	2,200
Community and social services		600	600	-	-	450	(450)	-100%	600
Sport and recreation		1,000	1,000	-	29	340	(311)	-92%	1,000
Public safety		600	600	-	-	-	-		600
Housing							-		
Health							-		
Economic and environmental services	69,833	64,830	64,830	3,012	33,269	31,589	1,679	5%	64,830
Planning and development							-		
Road transport	69,833	64,830	64,830	3,012	33,269	31,589	1,679	5%	64,830
Environmental protection							-		
Trading services	20,378	20,350	15,350	-	7,065	8,207	(1,142)	-14%	15,350
Energy sources	18,954	20,350	15,350	-	7,065	8,207	(1,142)	-14%	15,350
Waste management	1,424	-		-	-	-	-		-
Other							-		
Total Capital Expenditure - Functional Classification	92,168	89,280	84,280	3,012	40,832	41,637	(806)	-2%	84,280
Funded by:									
National Government	56,721	74,561	69,561	3,012	32,349	33,659	(1,309)	-4%	69,561
Provincial Government	21,471	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	78,193	74,561	69,561	3,012	32,349	33,659	(1,309)	-4%	69,561
Borrowing							-		
Internally generated funds	13,975	14,719	14,719	-	8,483	7,979	504	6%	14,719
Total Capital Funding	92,168	89,280	84,280	3,012	40,832	41,637	(806)	-2%	84,280

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2019/20	Budget Year 2020/21							
	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	-	1,050	1,050	-	415	500	(85)	-17%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	46,151	13,240	8,629	-	7,234	7,896	(662)	-8%	8,140
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	46,151	14,290	9,679	-	7,649	8,396	(747)	-9%	9,190
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	350	-	-	350	(350)	-100%	350
Vote 4 - Corporate Services	633	500	500	-	54	201	(147)	-73%	500
Vote 5 - Community Services	1,424	2,200	2,200	-	29	790	(761)	-96%	2,200
Vote 6 - Technical Services	43,960	71,939	71,551	3,012	33,100	31,901	1,200	4%	72,039
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	46,017	74,989	74,601	3,012	33,183	33,242	(58)	0%	75,089
Total Capital Expenditure	92,168	89,280	84,280	3,012	40,832	41,637	(806)	-2%	84,280

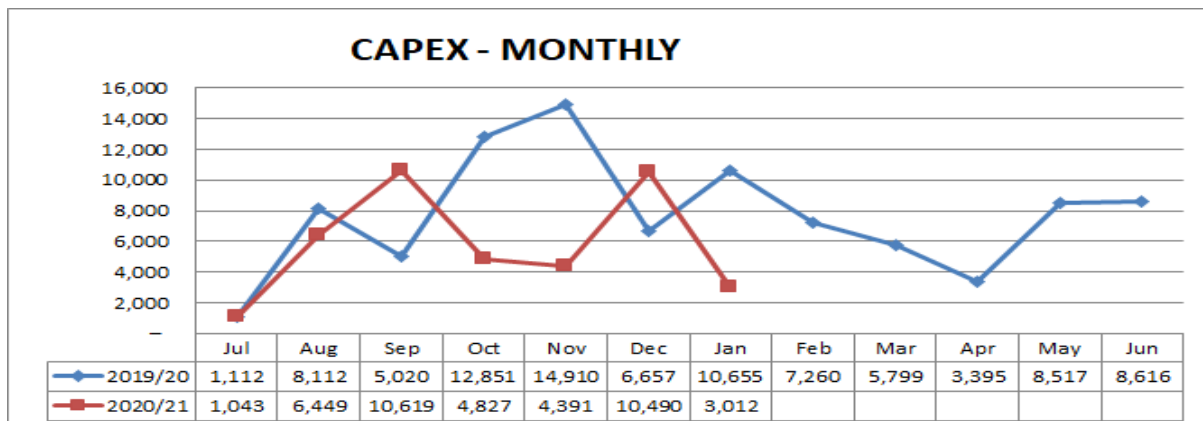
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of January 2021, R3, 012 million spending is incurred and that increased the year to date expenditure to R40, 832 million whilst the year to date budget is R41, 637 million and this gave rise to under spending variance of R806 thousand that translates to 2%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total adjusted capital budget of R84, 280 million, R54, 561 million is funded from Municipal Infrastructure grant, R15, 000 million from Integrated National Electrification Programme and R14, 719 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2019/20 and 2021/21 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	1,929	12,300	15,784	60,589	15,784
Call investment deposits	–	8,056	18,056	–	18,056
Consumer debtors	65,806	54,594	54,594	87,285	54,594
Other debtors	53,542	53,957	53,957	97,765	53,957
Current portion of long-term receivables	–			–	
Inventory	8,190	5,510	5,510	12,450	5,510
Total current assets	129,467	134,416	147,899	258,089	147,899
Non current assets					
Long-term receivables				–	
Investments	–	–		–	–
Investment property	60,324	48,000	48,000	60,324	48,000
Investments in Associate					
Property, plant and equipment	1,048,853	1,223,249	1,223,249	1,089,685	1,223,249
Biological				–	
Intangible	31	30	30	31	30
Other non-current assets	15,811	14,752	14,752	1,928	14,752
Total non current assets	1,125,020	1,286,031	1,286,031	1,151,968	1,286,031
TOTAL ASSETS	1,254,487	1,420,447	1,433,930	1,410,057	1,433,930
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	10,975	10,980	10,980	9,320	10,980
Consumer deposits	5,516	5,701	5,701	5,714	5,701
Trade and other payables	106,573	71,167	71,167	114,892	71,167
Provisions	2,504	5,857	5,857	2,754	5,857
Total current liabilities	125,568	93,706	93,706	132,681	93,706
Non current liabilities					
Borrowing	2,444	–	–	–	–
Provisions	76,807	94,548	94,548	73,611	94,548
Total non current liabilities	79,251	94,548	94,548	73,611	94,548
TOTAL LIABILITIES	204,819	188,254	188,254	206,291	188,254
NET ASSETS	1,049,667	1,232,193	1,245,677	1,203,766	1,245,677
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,049,667	1,232,193	1,245,677	1,203,766	1,245,677
Reserves					
TOTAL COMMUNITY WEALTH/EQUITY	1,049,667	1,232,193	1,245,677	1,203,766	1,245,677

The above table shows that community wealth amounts to R1, 203 billion, total liabilities R206, 291 million and the total assets R1, 410 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1.9:1 that is below the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2019/20	Budget Year 2020/21							
	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	24,332	26,841	26,841	1,195	13,699	13,479	220	2%	26,841
Service charges	83,646	94,138	94,138	7,193	48,406	47,275	1,131	2%	94,138
Other revenue	21,376	20,268	20,268	1,830	14,145	11,381	2,764	24%	20,268
Transfers and Subsidies - Operational	273,214	293,916	351,806	–	274,294	270,517	3,777	1%	351,806
Transfers and Subsidies - Capital	73,921	74,561	69,561	–	59,950	54,920	5,030	9%	69,561
Interest	1,768	4,373	4,373	74	821	2,506	(1,685)	-67%	4,373
Payments									
Suppliers and employees	(447,788)	(401,012)	(440,419)	(41,721)	(301,281)	(299,325)	1,956	-1%	(440,419)
Finance charges	(2,592)	(1,184)	(1,184)	(270)	(2,367)	(2,106)	262	-12%	(1,184)
Transfers and Grants	(2,632)	(3,468)	(3,468)	(252)	(1,904)	(1,799)	106	-6%	(3,468)
NET CASH FROM/(USED) OPERATING ACTIVITIES	25,247	108,434	121,917	(31,951)	105,761	96,848	(8,913)	-9%	121,917
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(85,303)	(87,593)	(84,280)	(3,012)	(40,832)	(41,589)	(757)	2%	(84,280)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(85,303)	(87,593)	(84,280)	(3,012)	(40,832)	(41,589)	(757)	2%	(84,280)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	(500)	(500)	–	–	(281)	281	-100%	(500)
Increase (decrease) in consumer deposits	196	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	(9,670)	(10,980)	(10,980)	(918)	(6,270)	(5,311)	959	-18%	(10,980)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,474)	(11,480)	(11,480)	(918)	(6,270)	(5,592)	678	-12%	(11,480)
NET INCREASE/ (DECREASE) IN CASH HELD	(69,530)	9,361	26,158	(35,882)	58,659	49,667			26,158
Cash/cash equivalents at beginning:	24,982	10,995	10,995		1,929	10,995			1,929
Cash/cash equivalents at month/year end:	(44,548)	20,356	37,152		60,589	60,662			28,087

Table C7 presents details pertaining to cash flow performance. As at end of January 2021, the net cash inflow from operating activities is R105, 761 million whilst net cash outflow from investing activities is R40, 832 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R6, 270 million. The cash and cash equivalent held at end of January 2021 amounted to R60, 589 million and the net effect of the above cash flows is cash outflow movement of 58, 659 million. The cash and cash equivalent at end of the reporting period of R60, 589 million, is mainly made up of cash in the primary bank account amounting to R60, 589 million and short-term investment amounting to R0.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	5%	The projected monthly revenue appear to be low in light of the actual revenue performance	No remedial action is needed since the variance is immaterial.
Service charges - electricity revenue	2%	The projected monthly revenue appear to be lower in light of the actual revenue performance	No remedial action is needed since it the early months of the new year. And again it could be due to corona virus pandemic since the government has requested municipalities not switch off overdue accounts
Service charges - refuse revenue	4%	The actual revenue generated is slightly higher than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-28%	The actual revenue generated is lower than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	-85%	The municipality has not invested in a short term investment.	The municipality should draft cash flow projections in which will assist if there is a need to invest
Interest earned - outstanding debtors	6%	The projected interest seems to be underprojected considering the interest earned	This could be as the result of lockdown due to COVID 19 as most of the customers accounts were overdue and now customers are settling their accounts.
Fines, penalties and forfeits	-99%	The contract of the speed fine cameras has been appointed however there is still challenges on revenue collection. The reversal was made on the wrong capturing of the portion of equitable share captured under fines	The traffic police unit introduce and implement strategies that will assist with collections of issued tickets.
Licences and permits	-44%	The actual revenue generated is lower than the projected monthly revenue	No remedial action is needed
Transfers and subsidies	9%	The trenches of equitable share received are higher than the projection thereof	An upward projections could be needed during budget adjustments, however it is still early
Other revenue	77%	The actual revenue generated is more than the projected monthly revenue	No remedial action is needed as the variance is immaterial
Expenditure By Type			
Employee related costs	2%	The actual expenditure incurred on employee related costs are more than the projections thereof	The should be upwards projects during the main budget adjustment
Remuneration of councillors	0%	The actual expenditure incurred on remuneration of councillors is more than the projected monthly expenditure	No remedial action is needed as the variance is immaterial
Debt impairment	-100%	Debt impairment is still calculated at year end	The municipality should do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	The municipality should do away with this approach as it not viable
Finance charges	58%	Finance charges is mainly for finance lease and the leased invoices are not captured before System closure	The expenditure unit should priorities the capturing of invoice prior to month end closure
Bulk purchases	34%	The municipal licenced electrification areas have increased and the projections are lower that the actual expenditure thereof.	No remedial action is needed for now. This should be monitored so that an upward adjustment will be considered should this continues
Other materials	-21%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials as the results of lockdown since the fewer material is consumed.	No remedial action is needed
Contracted services	47%	The actual expenditure incurred is more than the projected monthly expenditure	Major contracted payments should be captured immediately when they are paid to minimize the difference between the actual and projected.
Transfers and subsidies	46%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed
Other expenditure	33%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed for now. This should be monitored so that an upward adjustment will be considered should this continues

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-4%	The projections on capital grants is more than the spending thereof	No remedial action is needed
Internally generated funds	6%	The actual spending of internally generated funds are under projected	The should be upwards projects during the main budget adjustment
Cash Flow			
Property rates	2%	The actual collection rate on property rates is slightly more than the projected rate	No remedial action is needed
Service charges	2%	The collection rate on service charges is above the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	24%	The collection rate on leased assets are more than the projections	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	1%	All grants have been received to this date and the projections are not in line with payment schedule.	The national treasury has uploaded payment schedule late and final budget was already submitted. No remedial action is needed
Interest	-67%	Interest on on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-1%	The actual costs incurred is slightly above the projected costs	This is the results of accruals paid during the current financial year
Finance charges	-12%	The finance charges have been under projected.	There should be a short tern investment so the capital could earn interest
Capital assets	2%	The projected capital expenditure on capex is slightly higher than the actual spending thereof.	All the expected trenches of the grants have been received in line with their payment schedule.
Transfers and Grants	-6%	The payments relating to this account are slightly higher than the projections thereof	No remedial action is needed
Increase (decrease) in consumer deposits	0%		
Repayment of borrowing	-18%	Projected repayments is lower than the actual Payment	There should be an upward adjustment in the main budget adjstment

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2020/21											
	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	Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	7,464	1,261	227	201	119	95	183	3,103	12,653	3,701		
Receivables from Non-exchange Transactions - Property Rates	3,283	1,486	1,337	1,301	1,245	1,124	5,808	36,003	51,586	45,480		
Receivables from Exchange Transactions - Waste Management	740	494	416	410	405	390	2,191	11,785	16,831	15,181		
Receivables from Exchange Transactions - Property Rental Debtors	58	23	23	10	6	5	46	1,002	1,174	1,069		
Interest on Arrear Debtor Accounts	1,367	1,322	1,297	1,262	1,230	1,191	6,478	27,901	42,050	38,063		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	624	63	(50)	(182)	(10)	43	(1,346)	2,992	2,135	1,497		
Total By Income Source	13,537	4,649	3,251	3,002	2,995	2,850	13,359	82,786	126,428	104,991	-	-
2019/20 - totals only	11,089	4,781	3,306	2,934	2,675	2,528	13,881	67,045	108,238	89,062		
Debtors Age Analysis By Customer Group												
Organs of State	1,857	738	749	558	735	711	2,067	19,476	26,892	23,548		
Commercial	6,626	1,333	581	542	461	354	1,745	10,914	22,556	14,016		
Households	4,188	1,844	1,305	1,314	1,244	1,227	6,519	32,973	50,612	43,276		
Other	866	734	616	589	555	558	3,028	19,422	26,368	24,152		
Total By Customer Group	13,537	4,649	3,251	3,002	2,995	2,850	13,359	82,786	126,428	104,991	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of January amount to R126, 428 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 10%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 33%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

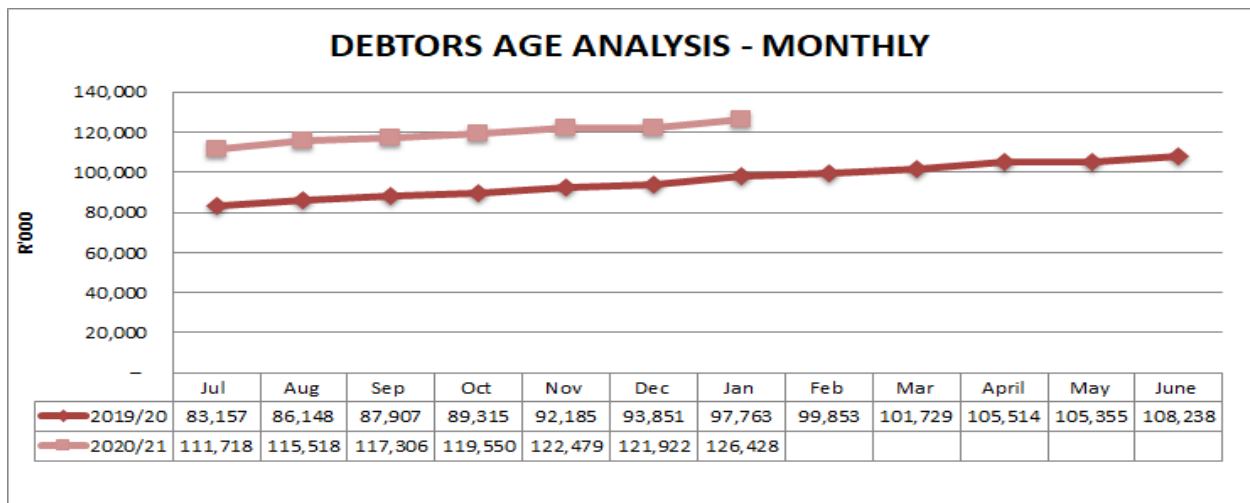
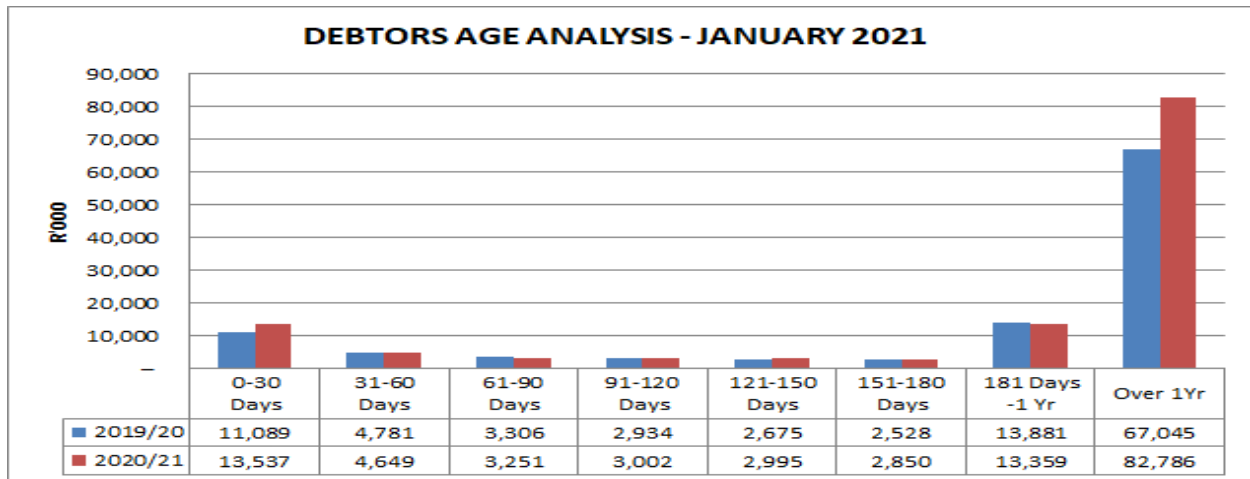


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2019/20 financial year and 2021/21 (as at end of January 2021) whilst the latter shows monthly movement of debtors for both the current financial year and the 2019/20 financial year. The debtors book is materially less than the 2021/21 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book.

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,921,564.65
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	634,691.40
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	752,749.96
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	503,570.09
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	424,942.49
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	343,464.76
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	143,519.81
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	169,286.43
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	157,735.75
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	150,849.64
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	121,637.16
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	200,572.37
20494	BREAKAWAY TRUST	ACTIVE	OWNER	212,079.99
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	142,181.21
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	110,606.66
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	139,155.89
4300009	BONUREX (PTY) LTD (CHICKEN LICKEN)	ACTIVE	OCCUPIER	203,376.37
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	88,384.71
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	230,795.76
9001712	20	ACTIVE	OWNER	161,840.55
TOTAL				6,813,005.65

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2020/21									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. 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 to be paid through order system payments and that should 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.

TOP CREDITORS PAID

The Municipality had an amount of R19, 798 million as outstanding creditors by the end of the month of January 2021.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	7,144,320.15
80593	TECHNICRETE ISG (PTY)LTD	2,432,171.80
80984	GUBIS 85 SOLUTION	1,983,958.82
80654	MPOFU ELECTRICAL SERVICES	1,611,730.00
81001	JUST-BREEZE JV TLOU YA HLAKA	1,128,700.00
80660	PERPETA INVESTMENT HOLDINGS	1,000,500.00
81042	MATUPUNUKA ICT	993,915.58
80674	OB MEDIA SOLUTIONS	603,750.00
80889	FLEET HORIZON SOLUTIONS	592,424.09
81012	GREYLING PROPERTY	536,375.00
81056	PHAMBANE MOKONE	454,599.00
37711	BAUPA TRADING ENTERPRISE	446,250.00
81041	LEKONAKONETSI CONSULTING SERVI	239,583.33
80622	SIHLE CIVILS AND PROJECTS	183,319.30
7989	MUNSOFT (PTY) LTD	149,512.66
81000	KHUMALO MASONDO ATTORNEYS	127,439.56
81025	STOP AND GO PROPERTIES	83,333.33
80927	NDLOVU SUNRISE TRADING	29,865.00
37555	HLABIRWA LE RAMOGHLO TRANSPOR	28,600.00
80573	IETS OF MACH	28,400.00
TOTAL		19,798,747.62

Supporting Table: SC 5 - Investment Portfolio

The Municipality has no short-term investment.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2019/20	Budget Year 2020/21							
	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:	273,218	293,320	351,806	-	274,294	276,866	(2,572)	-1%	351,806
Local Government Equitable Share	269,013	289,039	347,525	-	270,517	273,209	(2,692)	-1%	347,525
Finance Management	2,235	2,600	2,600	-	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681	1,681	-	1,177	1,057	120	11%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-		-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	273,218	293,320	351,806	-	274,294	276,866	(2,572)	-1%	351,806
Capital Transfers and Grants									
National Government:	73,921	74,561	69,561	-	59,950	61,116	(1,666)	-3%	69,561
Municipal Infrastructure Grant (MIG)	54,921	54,561	54,561	-	46,950	48,616	(1,666)	-3%	54,561
Integrated National Electrification Grant	19,000	20,000	15,000	-	13,000	12,500			15,000
Provincial Government:	21,771	-	-	-	-	-	-	-	-
Coghsta - Development	21,771	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Capital Transfers and Grants	95,692	74,561	69,561	-	59,950	61,116	(1,666)	-3%	69,561
TOTAL RECEIPTS OF TRANSFERS & GRANTS	368,910	367,881	421,367	-	334,244	337,982	(4,238)	-1%	421,367

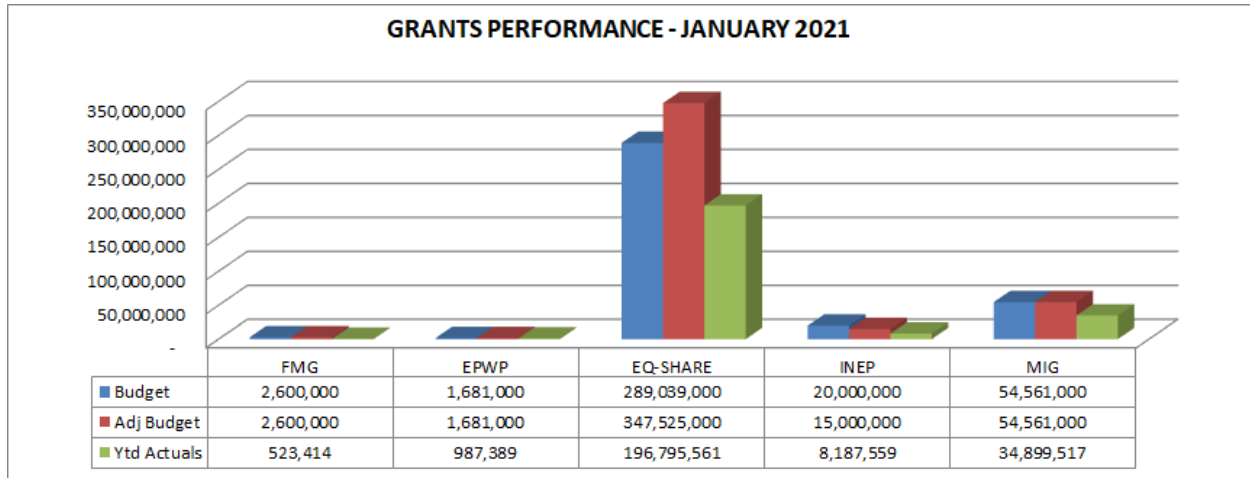
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R334, 244 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R270, 517 million; Municipal Infrastructure Grant amounting to R46, 950 million; Integrated National Energy Grant R13, 000 million, Financial Management Grant R2, 600 million and Expanded Public Works Programme R1,177 million were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2019/20	Budget Year 2020/21							
	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:	273,218	293,320	351,806	29,148	198,306	194,828	3,478	2%	351,806
Local Government Equitable Share	269,013	289,039	347,525	28,960	196,796	191,203	5,593	3%	347,525
Finance Management	2,235	2,600	2,600	61	523	2,600	(2,077)	-80%	2,600
EPWP Incentive	1,374	1,681	1,681	127	987	1,026	(39)	-4%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	273,218	293,320	351,806	29,148	198,306	194,828	3,478	2%	351,806
Capital expenditure of Transfers and Grants									
National Government:	70,685	74,561	69,561	8,800	43,087	47,526	(4,439)	-9%	69,561
Municipal Infrastructure Grant (MIG)	51,731	54,561	54,561	8,800	34,900	35,026	(126)	0%	54,561
Intergrated National Electrification Grant	18,954	20,000	15,000	-	8,188	12,500	(4,312)	-34%	15,000
Provincial Government:	21,471	-	-	-	-	-	-	-	-
Coghsta - Development	21,471	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	92,156	74,561	69,561	8,800	43,087	47,526	(4,439)	-9%	69,561
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	365,374	367,881	421,367	37,949	241,393	242,354	(961)	0%	421,367

An amount of R37, 949 million has been spent on grants during the month of January 2021 and the year to date actuals is R241, 393 million whilst the year to date budget amounts to R242, 354 million and this results in overspending variance of R961 thousand that translates to 0%. Of the total spending amounting to R37, 949 million, R29, 148 million is spent on operational grants whilst capital grants amounts to R8, 800 million.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of January 2021. The grants expenditure are shown below in percentages:

- Financial Management Grant 20.13%
- Expanded Public Work Programme 58.74%
- Equitable Share 56.63%
- Integrated National Electrification Grant 54.58%
- Municipal Infrastructure Grant 63.96%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2019/20	Budget Year 2020/21							
	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	14,458	15,692	15,692	1,179	8,289	9,875	(1,587)	-16%	15,692
Pension and UIF Contributions	1,713	1,761	1,761	132	938	870	68	8%	1,761
Medical Aid Contributions	319	340	340	34	227	199	28	14%	340
Motor Vehicle Allowance	5,149	5,622	5,622	431	3,014	2,989	25	1%	5,622
Cellphone Allowance	2,701	2,877	2,877	226	1,580	1,432	148	10%	2,877
Other benefits and allowances	235	234	234	19	130	97	33	34%	234
Sub Total - Councillors	24,575	26,525	26,525	2,020	14,178	15,462	(1,285)	-8%	26,525
% increase		8%	8%						8%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,938	6,540	6,540	341	2,445	2,725	(280)	-10%	6,540
Pension and UIF Contributions	178	202	202	12	90	90	1	1%	202
Medical Aid Contributions	82	85	85	7	50	35	14	41%	85
Motor Vehicle Allowance	661	791	791	36	281	330	(48)	-15%	791
Cellphone Allowance	168	-	103	9	72	54	18	32%	103
Other benefits and allowances	446	376	376	81	406	25	381	1527%	376
Payments in lieu of leave	18	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,491	7,993	8,096	487	3,344	3,259	86	3%	8,096
% increase		23%	25%						25%
Other Municipal Staff									
Basic Salaries and Wages	87,892	99,984	99,984	9,124	56,112	55,658	453	1%	99,984
Pension and UIF Contributions	17,806	26,133	26,133	1,578	11,086	10,889	198	2%	26,133
Medical Aid Contributions	5,555	8,477	8,598	445	3,035	3,532	(497)	-14%	8,598
Overtime	1,443	974	974	179	720	406	314	77%	974
Motor Vehicle Allowance	11,056	12,848	12,955	1,005	6,997	7,053	(55)	-1%	12,955
Cellphone Allowance	1,786	102	152	160	1,103	988	115	12%	152
Housing Allowances	179	17	25	17	120	99	21	21%	25
Other benefits and allowances	5,710	12,488	12,967	106	8,340	8,126	214	3%	12,967
Payments in lieu of leave	3,479	-	-	3	427	236	192	81%	-
Long service awards	439	733	733	24	533	436	97	22%	733
Post-retirement benefit obligations							-		
Sub Total - Other Municipal Staff	135,345	161,756	162,520	12,641	88,474	87,422	1,052	1%	162,520
% increase		20%	20%						20%
Total Parent Municipality	166,412	196,274	197,141	15,148	105,996	106,143	(147)	0%	197,141
		18%	18%						18%
TOTAL SALARY, ALLOWANCES & BENEFITS	166,412	196,274	197,141	15,148	105,996	106,143	(147)	0%	197,141
% increase		18%	18%						18%
TOTAL MANAGERS AND STAFF	141,837	169,749	170,616	13,128	91,818	90,680	1,138	1%	170,616

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of January 2021 amounts to R105, 996 million and the year to date budget is R106, 143 million and the expenditure for remuneration of councilors amounts to R14, 178 million while the year to date budget is R15, 462 million. The year to date actual expenditure for senior managers is R3, 344 million and the year to date budget thereof is R3, 259 million. There is one senior management vacant position (Budget and Treasury) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R88, 474 million and the year to date budget is R87, 422 million. The remuneration of councilors and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position in the new financial year 2021/21.

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

Description	Budget Year 2020/21												2020/21 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	2,023	1,960	2,294	2,510	2,072	1,645	1,195	2,260	2,216	2,237	2,224	4,206	26,841	28,076	29,367
Service charges - electricity revenue	5,482	6,173	7,122	6,798	7,023	6,488	6,835	7,021	7,391	7,591	7,389	13,379	88,692	92,772	97,039
Service charges - refuse	339	290	392	397	368	342	357	460	459	484	464	1,095	5,446	5,697	5,959
Rental of facilities and equipment	38	58	41	43	30	23	24	71	72	71	72	316	860	899	941
Interest earned - external investments	-	-	83	29	-	-	-	-	392	-	722	1,816	3,042	3,182	3,328
Interest earned - outstanding debtors	80	91	158	141	75	88	74	70	82	60	210	201	1,331	1,392	1,457
Fines, penalties and forfeits	39	35	39	31	1	36	96	981	821	931	991	8,132	12,134	12,554	12,994
Licences and permits	367	347	469	535	434	218	325	56	86	79	1,135	2,294	6,344	6,635	6,941
Transfers and Subsidies - Operational	130,489	2,600	-	756	-	140,449	-	1,549	77,136	-	-	(59,063)	293,916	314,089	333,501
Other revenue	1,735	1,183	1,374	1,618	1,296	2,323	1,386	76	90	62	100	(10,312)	931	974	1,018
Cash Receipts by Source	140,592	12,737	11,972	12,859	11,300	151,613	10,291	12,543	88,744	11,514	13,306	(37,934)	439,537	466,270	492,544
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	16,470	5,000	-	14,830	8,000	15,650	-	4,263	15,378	-	-	(5,030)	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)															
Proceeds on Disposal of Fixed and Intangible Assets								126		236		(361)	-	-	-
Short term loans															
Borrowing long term/refinancing									(62)		(39)	(399)	(500)	(480)	(520)
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	157,062	17,737	11,972	27,689	19,300	167,263	10,291	16,932	104,060	11,750	13,268	(43,725)	513,598	542,997	564,630
Cash Payments by Type															
Employee related costs	12,071	11,833	11,686	11,691	11,767	19,642	13,128	13,242	13,242	13,242	13,242	24,961	169,749	177,557	185,725
Remuneration of councillors	2,020	2,020	2,020	2,020	2,020	2,056	2,020	2,183	2,183	2,183	2,183	3,615	26,525	27,745	29,021
Interest paid	-	115	1,185	101	90	608	270	40	30			(1,254)	1,184	83	15
Bulk purchases - Electricity	22,318	9,105	8,055	8,682	268	6,421	6,204	8,559	8,410	8,760	8,800	(1,534)	94,047	98,937	107,743
Other materials	178	1,016	1,779	877	237	361	563	756	926	757	966	550	8,964	12,707	13,522
Contracted services	33,407	2,528	4,351	11,653	3,057	10,605	7,867	4,177	3,045	3,572	3,850	(27,452)	60,660	57,320	59,107
Grants and subsidies paid - other	244	192	358	260	244	354	252	347	247	247	247	474	3,468	3,605	3,747
General expenses	1,676	5,029	2,117	11,838	146	23,011	11,939	2,407	4,361	3,036	3,025	(27,517)	41,067	39,436	41,140
Cash Payments by Type	71,914	31,838	31,551	47,121	17,829	63,057	42,242	31,713	32,444	31,798	32,314	(28,157)	405,664	417,391	440,021
Other Cash Flows/Payments by Type															
Capital assets	1,043	6,449	10,619	4,827	4,391	10,490	3,012	6,265	7,965	6,846	7,987	17,698	87,593	93,994	94,483
Repayment of borrowing	872	881	888	896	903	911	918	928	938	948	958	938	10,980	2,489	-
Other Cash Flows/Payments															
Total Cash Payments by Type	73,830	39,168	43,059	52,844	23,123	74,459	46,173	38,906	41,347	39,591	41,258	(9,521)	504,236	513,874	534,504
NET INCREASE/(DECREASE) IN CASH HELD	83,232	(21,430)	(31,087)	(25,155)	(3,823)	92,804	(35,882)	(21,975)	62,712	(27,842)	(27,990)	(34,203)	9,361	29,123	30,126
Cash/cash equivalents at the month/year beginning:	1,929	85,161	63,731	32,644	7,489	3,666	96,470	60,589	38,614	101,326	73,485	45,494	1,929	11,291	40,414
Cash/cash equivalents at the month/year end:	85,161	63,731	32,644	7,489	3,666	96,470	60,589	38,614	101,326	73,485	45,494	11,291	11,291	40,414	70,540

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 R10, 291 million and the total cash payment for the month were R46, 173 million and this resulted in net decrease in cash held amounting to R35, 882 million. With cash and cash equivalent of R96, 470 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R60, 589 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	1,112	6,438	6,438	1,043	1,043	6,438	5,394	84%	1%
August	8,112	4,370	4,370	6,449	7,492	10,808	3,316	31%	8%
September	5,020	8,862	8,862	10,619	18,111	19,670	1,558	8%	20%
October	12,851	6,303	6,303	4,827	22,938	25,973	3,035	12%	26%
November	14,910	8,248	8,248	4,391	27,329	34,221	6,892	20%	31%
December	6,657	9,508	9,508	10,490	37,819	43,729	5,910	14%	42%
January	10,655	3,141	3,141	3,012	40,832	46,870	6,038	13%	46%
February	7,260	6,205	6,205			53,075	–		
March	5,799	5,653	5,653			58,728	–		
April	3,395	8,602	8,602			67,330	–		
May	8,517	11,684	11,684			79,014	–		
June	13,671	10,265	5,265			84,280	–		
Total Capital expenditure	97,961	89,280	84,280	40,832					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of January amounts to R3, 012 million. The year to date actual expenditure incurred is R40, 832 million whilst the year to date budget is R46, 870 million that gives rise to under spending variance of R6, 038 million that translate to 13%.

Supporting Table: SC 13(a) Capital Expenditure on New Assets

Description	2019/20	Budget Year 2020/21							
	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									
Infrastructure	67,457	20,000	15,000	-	7,065	9,549	2,484	26%	15,000
Roads Infrastructure	51,346	-	-	-	-	-	-		-
Roads	51,346	-					-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	16,111	20,000	15,000	-	7,065	9,549	2,484	26%	15,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000	15,000	-	7,065	9,549	2,484	26%	15,000
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	-	2,339	2,339	-	1,350	1,426	76	5%	2,339
Municipal Offices		600	600				-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739	1,739	-	1,350	1,426	76	5%	1,739
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	38	250	250	-	242	313	70	23%	250
Computer Equipment	38	250	250	-	242	313	70	23%	250
Furniture and Office Equipment	526	800	800	-	173	403	230	57%	800
Furniture and Office Equipment	526	800	800	-	173	403	230	57%	800
Machinery and Equipment	1,492	1,200	1,200	-	54	761	707	93%	1,200
Machinery and Equipment	1,492	1,200	1,200	-	54	761	707	93%	1,200
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on new assets	69,514	24,589	19,589	-	8,884	12,451	3,566	29%	19,589

Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	2019/20	Budget Year 2020/21							
	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									
Infrastructure	10,527	46,940	46,940	612	28,354	23,192	(5,162)	-22%	46,940
Roads Infrastructure	10,527	39,222	45,864	612	28,354	18,204	(10,150)	-56%	39,222
Roads	10,527	39,222	45,864	612	28,354	18,204	(10,150)	-56%	39,222
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	7,719	1,076	-	-	4,988	4,988	100%	7,719
Landfill Sites		7,719	1,076			4,988	4,988	100%	7,719
Waste Transfer Stations							-		
Community Assets	-	600	600	-	-	450	450	100%	600
Libraries							-		
Cemeteries/Crematoria		600	600			450	450	100%	600
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
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	10,527	47,540	47,540	612	28,354	23,642	(4,712)	-19.9%	47,540

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	5,119	9,729	15,672	594	4,433	5,225	792	15%	17,772
Roads Infrastructure	161	4,892	5,783	274	2,463	1,857	(607)	-33%	7,783
Roads	161	4,892	5,783	274	2,463	1,857	(607)	-33%	7,783
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	2,180	1,845	5,689	71	292	2,121	1,829	86%	4,689
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	1,845	5,689	71	292	2,121	1,829	86%	4,689
Solid Waste Infrastructure	2,778	2,993	4,200	249	1,677	1,247	(430)	-34%	5,300
Landfill Sites	2,778	2,993	4,200	249	1,677	1,247	(430)	-34%	5,300
Waste Transfer Stations							-		
Community Assets	-	306	1,806	-	50	119	69	58%	1,806
Community Facilities	-	306	1,806	-	50	119	69	58%	1,806
Libraries							-		
Parks		306	1,806	-	50	119	69	58%	1,806
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	1,497	1,845	3,690	82	293	1,062	770	72%	3,690
Operational Buildings	1,497	1,845	3,690	82	293	1,062	770	72%	3,690
Workshops							-		
Intangible Assets	-	425	425	-	-	174	174	100%	425
Servitudes							-		
Licences and Rights	-	425	425	-	-	174	174	100%	425
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,306	1,214	2,364	-	463	506	43	8%	2,364
Machinery and Equipment	1,306	1,214	2,364	-	463	506	43	8%	2,364
Transport Assets	2,727	1,854	2,368	86	1,742	590	(1,152)	-195%	3,038
Transport Assets	2,727	1,854	2,368	86	1,742	590	(1,152)	-195%	3,038
Total Repairs and Maintenance Expenditure	10,649	15,373	26,325	763	6,981	7,675	695	9.1%	29,095

Supporting Table: SC 13(d) Depreciation and asset impairment

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41,654	40,059	40,059	-	-	17,873	17,873	100%	40,059
Roads Infrastructure	36,797	29,935	29,935	-	-	14,807	14,807	100%	29,935
Roads	36,797	29,935	29,935			14,807	14,807	100%	29,935
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	4	3,953	3,953	-	-	1,308	1,308	100%	3,953
Attenuation							-		
Electrical Infrastructure	4,156	5,501	5,501	-	-	1,586	1,586	100%	5,501
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	4,156	5,501	5,501			1,586	1,586	100%	5,501
Solid Waste Infrastructure	697	670	670	-	-	172	172	100%	670
Landfill Sites	697	670	670			172	172	100%	670
Waste Transfer Stations							-		
Community Assets	1,209	3,108	3,108	-	-	2	2	100%	3,108
Cemeteries/Crematoria	1,209	3,108	3,108			2	2	100%	3,108
Police							-		
Other assets	4,079	500	500	-	-	499	499	0	500
Operational Buildings	4,079	500	500	-	-	499	499	100%	500
Workshops							-		
Intangible Assets	1,169	402	402	-	-	-	-		402
Servitudes							-		
Computer Software and Applications	1,169	402	402				-		402
Computer Equipment	644	1,616	1,616	-	-	278	278	100%	1,616
Computer Equipment	644	1,616	1,616			278	278	100%	1,616
Furniture and Office Equipment	672	3,390	3,390	-	-	236	236	100%	3,390
Furniture and Office Equipment	672	3,390	3,390			236	236	100%	3,390
Machinery and Equipment	-	2,316	2,316	-	-	689	689	100%	2,316
Machinery and Equipment	-	2,316	2,316			689	689	100%	2,316
Transport Assets	3,849	3,772	3,772	-	-	2,306	2,306	100%	3,772
Transport Assets	3,849	3,772	3,772			2,306	2,306	100%	3,772
Total Depreciation	53,277	55,163	55,163	-	-	21,883	21,883	100%	55,163

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	2019/20	Budget Year 2020/21							
	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									
Infrastructure	10,828	16,150	16,150	2,400	3,565	5,205	1,640	32%	16,150
Roads Infrastructure	10,828	16,150	16,150	2,400	3,565	5,205	1,640	32%	16,150
Roads	10,828	16,150	16,150	2,400	3,565	5,205	1,640	32%	16,150
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	1,000	1,000	-	29	340	311	92%	1,000
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Parks		1,000	1,000	-	29	340	311	0	1,000
Other assets	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
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	12,127	17,150	17,150	2,400	3,594	5,545	1,951	35%	17,150

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.

The total expenditure for new capital projects amounts to R8, 884 million and the year to date budget is R12, 451 million that reflects under spending variance of R3, 566 million that translates to 29% variance.

The year to date actuals on renewal of existing assets amounts R28, 354 million and with the year to date budget of R23, 642 million and this reflects over spending variance of R4, 712 million that translates to 19.9% variance.

The year to date actual expenditure on repairs and maintenance is R6, 981 million, and the year to date budget is R7, 675 million, reflecting under spending variance of R695 thousand that translates to 9.1%.

The year to date actual expenditure on upgrading of existing assets is R3, 594 million, and the year to date budget is R5, 545 million, reflecting under spending variance of R1, 951 million that translates to 35%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R21, 883 million, reflecting spending variance of R21, 883 million, that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework			
					Budget Year 2020/21			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	16,000	2,479	15%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	15,250	3,565	23%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	10,494	5,195	50%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	9,581	8,338	87%
Technical Services	Groblerdsdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	1,076	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	7,629	6,635	87%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	11,654	10,303	88%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	–	0%
Technical Services	Electrification of Ntswelemotse	New	Infrastructure	Electrical Infrastructure	2,430	2,430	1,735	71%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	2,076	136	7%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,739	1,350	78%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	1,000	29	3%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	900	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	800	173	22%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	600	–	0%
Community Services	Mobile Offices	New	Community assets	Operational building	600	600	–	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	999	599	60%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	500	54	11%
Finance	Machinery and Equipment: Forklift	New	Machinery and Equipment	Machinery and Equipment	350	350	–	0%
Technical Services	Aircons Conditioner	New	Infrastructure	Equipment	350	350	–	0%
Corporate Services	Computer Equipment	New	Equipment	Equipment	250	250	242	97%

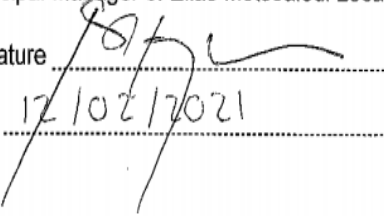
Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of January 2021 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date


12/02/2021

**Elias Motsoaledi Local
Municipality**

12 FEB 2021

Municipal Manager