

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**JULY 2020**

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## 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 July 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 2020-21 financial year amounts are not yet audited.

### IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2020/21			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	531,567,983	-	142,720,654	27%
OPERATING EXPENDITURE	512,448,796	-	30,186,601	6%
TRANSFER - CAPITAL	74,561,000	-	-	0%
SURPLUS/(DEFICIT)	93,680,187	-	112,534,054	120%
CAPITAL EXPENDITURE	89,279,520	-	1,043,378	1%

**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
<b>Financial Performance</b>									
Property rates	35,773	38,345	–	3,283	3,283	3,195	88	3%	38,345
Service charges	91,506	110,873	–	7,411	7,415	9,239	(1,824)	-20%	110,873
Investment revenue	1,368	3,042	–	–	–	264	(264)	-100%	3,042
Transfers and subsidies	272,622	293,916	–	117,591	117,591	44,507	73,085	164%	293,916
Other own revenue	21,560	85,393	–	14,422	14,431	4,294	10,137	236%	85,393
<b>Total Revenue (excluding capital transfers and contribu</b>	<b>422,829</b>	<b>531,568</b>	<b>–</b>	<b>142,708</b>	<b>142,721</b>	<b>61,500</b>	<b>81,221</b>	<b>132%</b>	<b>531,568</b>
Employee costs	142,262	169,749	–	12,071	12,071	13,438	(1,367)	-10%	169,749
Remuneration of Councillors	24,574	26,525	–	2,020	2,020	2,210	(190)	-9%	26,525
Depreciation & asset impairment	273	55,163	–	–	–	4,597	(4,597)	-100%	55,163
Finance charges	2,345	1,184	–	–	–	231	(231)	-100%	1,184
Materials and bulk purchases	78,477	111,976	–	9,464	9,464	8,535	929	11%	111,976
Transfers and subsidies	2,632	3,468	–	244	244	297	(53)	-18%	3,468
Other expenditure	118,175	144,385	–	6,387	6,387	15,667	(9,280)	-59%	144,385
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>–</b>	<b>30,187</b>	<b>30,187</b>	<b>44,975</b>	<b>(14,789)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>–</b>	<b>112,522</b>	<b>112,534</b>	<b>16,524</b>	<b>96,010</b>	<b>581%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561	–	–	–	30,968	(30,968)	-100%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>–</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>	<b>65,042</b>	<b>137%</b>	<b>93,680</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>–</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>	<b>65,042</b>	<b>137%</b>	<b>93,680</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>–</b>	<b>1,043</b>	<b>1,043</b>	<b>6,421</b>	<b>(5,378)</b>	<b>-84%</b>	<b>89,280</b>
Capital transfers recognised	70,327	74,561	–	–	–	5,331	(5,331)	-100%	74,561
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13,975	14,719	–	1,043	1,043	1,090	(47)	-4%	14,719
<b>Total sources of capital funds</b>	<b>84,302</b>	<b>89,280</b>	<b>–</b>	<b>1,043</b>	<b>1,043</b>	<b>6,421</b>	<b>(5,378)</b>	<b>-84%</b>	<b>89,280</b>
<b>Financial position</b>									
Total current assets	132,048	134,416	–	–	221,789	–	–	–	134,416
Total non current assets	1,149,795	1,286,031	–	–	1,163,319	–	–	–	1,286,031
Total current liabilities	109,500	93,706	–	–	109,354	–	–	–	93,706
Total non current liabilities	102,417	94,548	–	–	93,626	–	–	–	94,548
Community wealth/Equity	1,069,926	1,232,193	–	–	1,182,128	–	–	–	1,232,193
<b>Cash flows</b>									
Net cash from (used) operating	25,884	108,434	–	84,619	84,619	128,040	43,421	34%	108,434
Net cash from (used) investing	(85,303)	(87,593)	–	(1,043)	(1,043)	(6,265)	(5,222)	83%	(87,593)
Net cash from (used) financing	(9,474)	(11,480)	–	(872)	(872)	(862)	11	-1%	(11,480)
<b>Cash/cash equivalents at the month/year end</b>	<b>(43,911)</b>	<b>20,356</b>	<b>–</b>	<b>–</b>	<b>85,161</b>	<b>131,908</b>	<b>46,746</b>	<b>35%</b>	<b>11,819</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	10,926	4,127	3,131	2,943	2,781	2,586	14,025	71,198	111,718
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 July is R142, 721 million and the year to date budget of R61, 500 million and this reflects a positive variance of R81, 221 million which is mostly attributable to equitable shares received amounting to R130, 068 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 100% unfavorable variance,
- Interest earned – outstanding debtors: 297% favorable variance,
- Rental on Facilities and Equipment: 60% unfavorable variance,
- Fines, penalties and forfeits: 252% favorable variance
- Services Charges – electricity revenue: 21% unfavorable variance
- Services Charges – refuse revenue: 1% unfavorable variance
- Licenses and permits: 123% favorable variance
- Property rates: 3% favorable variance
- Other revenue: 7% unfavorable
- Transfer and subsidies: 164% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of July amounts to R30, 187 million and the year to date budget is R44, 975 million. This reflects underspending variance of R14, 789 million that translates to 33% 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 Purchase: 72% over performance
- Other Materials: 94% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 100% under performance
- Other expenditure: 77% under performance
- Finance charges: 100% under performance
- Transfer and Subsidies: 18% under 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 July 2020 amounts to R1, 043 million and the year to date budget amounts to R6, 421 million and this gives rise to R5, 378 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of July is R112, 534 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 July amounts to R111, 718 million and this shows an increase of R3, 480 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 R75, 292 million and other debtors amounting to R36, 427 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 July 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
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>223,172</b>	<b>228,630</b>	<b>-</b>	<b>93,598</b>	<b>93,598</b>	<b>29,911</b>	<b>63,687</b>	<b>213%</b>	<b>228,630</b>
Executive and council	46,559	49,315	-	27,078	27,078	2,690	24,388	907%	49,315
Finance and administration	167,663	169,450	-	64,876	64,876	25,577	39,299	154%	169,450
Internal audit	8,950	9,864	-	1,644	1,644	1,644	(0)	0%	9,864
<b>Community and public safety</b>	<b>24,327</b>	<b>94,154</b>	<b>-</b>	<b>16,584</b>	<b>16,593</b>	<b>8,086</b>	<b>8,507</b>	<b>105%</b>	<b>94,154</b>
Community and social services	9,037	10,636	-	1,669	1,669	2,248	(579)	-26%	10,636
Sport and recreation	12,104	13,344	-	2,219	2,219	2,230	(11)	-1%	13,344
Public safety	3,186	70,174	-	12,697	12,705	3,607	9,098	252%	70,174
<b>Economic and environmental services</b>	<b>123,212</b>	<b>121,857</b>	<b>-</b>	<b>24,323</b>	<b>24,323</b>	<b>32,666</b>	<b>(8,343)</b>	<b>-26%</b>	<b>121,857</b>
Planning and development	21,248	23,604	-	3,798	3,798	3,651	147	4%	23,604
Road transport	100,811	96,853	-	19,475	19,475	29,014	(9,540)	-33%	96,853
Environmental protection	1,153	1,400	-	1,050	1,050	-	1,050		1,400
<b>Trading services</b>	<b>132,355</b>	<b>161,488</b>	<b>-</b>	<b>8,203</b>	<b>8,207</b>	<b>21,806</b>	<b>(13,599)</b>	<b>-62%</b>	<b>161,488</b>
Energy sources	104,223	130,709	-	7,464	7,468	17,430	(9,962)	-57%	130,709
Waste management	28,132	30,779	-	739	739	4,375	(3,637)	-83%	30,779
<b>Total Revenue - Functional</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>142,708</b>	<b>142,721</b>	<b>92,468</b>	<b>50,253</b>	<b>54%</b>	<b>606,129</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>195,732</b>	<b>216,242</b>	<b>-</b>	<b>12,920</b>	<b>12,920</b>	<b>21,867</b>	<b>(8,947)</b>	<b>-41%</b>	<b>216,242</b>
Executive and council	49,343	49,314	-	2,876	2,876	4,275	(1,399)	-33%	49,314
Finance and administration	140,290	158,383	-	9,965	9,965	17,300	(7,335)	-42%	158,383
Internal audit	6,099	8,545	-	79	79	292	(213)	-73%	8,545
<b>Community and public safety</b>	<b>25,616</b>	<b>61,707</b>	<b>-</b>	<b>2,262</b>	<b>2,262</b>	<b>5,067</b>	<b>(2,805)</b>	<b>-55%</b>	<b>61,707</b>
Community and social services	5,068	8,269	-	518	518	677	(159)	-24%	8,269
Sport and recreation	5,514	10,698	-	534	534	859	(325)	-38%	10,698
Public safety	15,034	42,740	-	1,211	1,211	3,531	(2,320)	-66%	42,740
<b>Economic and environmental services</b>	<b>45,576</b>	<b>97,667</b>	<b>-</b>	<b>3,138</b>	<b>3,138</b>	<b>8,613</b>	<b>(5,475)</b>	<b>-64%</b>	<b>97,667</b>
Planning and development	14,737	16,561	-	904	904	1,235	(332)	-27%	16,561
Road transport	30,241	80,487	-	2,186	2,186	7,328	(5,142)	-70%	80,487
Environmental protection	598	619	-	48	48	49	(1)	-3%	619
<b>Trading services</b>	<b>101,814</b>	<b>136,832</b>	<b>-</b>	<b>11,867</b>	<b>11,867</b>	<b>9,429</b>	<b>2,438</b>	<b>26%</b>	<b>136,832</b>
Energy sources	75,508	111,667	-	9,671	9,671	7,459	2,213	30%	111,667
Waste management	26,306	25,165	-	2,195	2,195	1,970	225	11%	25,165
<b>Total Expenditure - Functional</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>30,187</b>	<b>30,187</b>	<b>44,975</b>	<b>(14,789)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>	<b>65,042</b>	<b>137%</b>	<b>93,680</b>

**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
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	41,231	43,443	–	26,099	26,099	1,711	24,388	1425%	43,443
Vote 2 - Municipal Manager	35,643	39,284	–	12,978	12,978	6,547	6,430	98%	39,284
Vote 3 - Budget & Treasury	72,458	66,279	–	9,250	9,250	9,062	188	2%	66,279
Vote 4 - Corporate Services	40,493	44,328	–	22,693	22,693	7,388	15,305	207%	44,328
Vote 5 - Community Services	57,897	135,511	–	18,740	18,748	13,090	5,658	43%	135,511
Vote 6 - Technical Services	222,464	241,319	–	38,229	38,233	49,638	(11,405)	-23%	241,319
Vote 7 - Developmental Planning	14,650	16,332	–	2,586	2,586	2,439	147	6%	16,332
Vote 8 - Executive Support	18,229	19,633	–	12,133	12,133	2,592	9,541	368%	19,633
<b>Total Revenue by Vote</b>	<b>503,065</b>	<b>606,129</b>	<b>–</b>	<b>142,708</b>	<b>142,721</b>	<b>92,468</b>	<b>50,253</b>	<b>54%</b>	<b>606,129</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	41,936	41,788	–	2,564	2,564	3,731	(1,167)	-31%	41,788
Vote 2 - Municipal Manager	46,489	39,198	–	3,324	3,324	2,635	689	26%	39,198
Vote 3 - Budget & Treasury	54,686	62,769	–	3,307	3,307	7,924	(4,617)	-58%	62,769
Vote 4 - Corporate Services	21,101	36,795	–	1,477	1,477	4,444	(2,967)	-67%	36,795
Vote 5 - Community Services	59,595	96,097	–	5,201	5,201	7,768	(2,567)	-33%	96,097
Vote 6 - Technical Services	115,674	207,387	–	11,695	11,695	16,474	(4,779)	-29%	207,387
Vote 7 - Developmental Planning	8,756	11,455	–	545	545	751	(206)	-27%	11,455
Vote 8 - Executive Support	20,146	16,960	–	2,074	2,074	1,249	825	66%	16,960
<b>Total Expenditure by Vote</b>	<b>368,383</b>	<b>512,449</b>	<b>–</b>	<b>30,187</b>	<b>30,187</b>	<b>44,975</b>	<b>(14,789)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,682</b>	<b>93,680</b>	<b>–</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>	<b>65,042</b>	<b>137%</b>	<b>93,680</b>

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
<b>Revenue By Source</b>									
Property rates	35,773	38,345		3,283	3,283	3,195	88	3%	38,345
Service charges - electricity revenue	83,075	101,945		6,672	6,677	8,495	(1,819)	-21%	101,945
Service charges - refuse revenue	8,431	8,928		739	739	744	(5)	-1%	8,928
Rental of facilities and equipment	702	1,220		41	41	102	(61)	-60%	1,220
Interest earned - external investments	1,368	3,042		-	-	264	(264)	-100%	3,042
Interest earned - outstanding debtors	12,170	6,656		1,207	1,207	304	903	297%	6,656
Fines, penalties and forfeits	3,236	70,242		12,705	12,713	3,613	9,100	252%	70,242
Licences and permits	4,240	6,344		367	367	165	202	123%	6,344
Transfers and subsidies	272,622	293,916		117,591	117,591	44,507	73,085	164%	293,916
Other revenue	1,211	931		102	102	110	(8)	-7%	931
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>142,708</b>	<b>142,721</b>	<b>61,500</b>	<b>81,221</b>	<b>132%</b>	<b>531,568</b>
<b>Expenditure By Type</b>									
Employee related costs	142,262	169,749		12,071	12,071	13,438	(1,367)	-10%	169,749
Remuneration of councillors	24,574	26,525		2,020	2,020	2,210	(190)	-9%	26,525
Debt impairment	-	42,658		-	-	3,555	(3,555)	-100%	42,658
Depreciation & asset impairment	273	55,163		-	-	4,597	(4,597)	-100%	55,163
Finance charges	2,345	1,184		-	-	231	(231)	-100%	1,184
Bulk purchases	68,417	94,047		9,286	9,286	5,406	3,880	72%	94,047
Other materials	10,059	17,929		178	178	3,129	(2,952)	-94%	17,929
Contracted services	74,997	60,660		4,711	4,711	4,868	(158)	-3%	60,660
Transfers and subsidies	2,632	3,468		244	244	297	(53)	-18%	3,468
Other expenditure	43,178	41,067		1,676	1,676	7,243	(5,567)	-77%	41,067
Losses	-	-					-		-
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>30,187</b>	<b>30,187</b>	<b>44,975</b>	<b>(14,789)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>16,524</b>	<b>96,010</b>	<b>581%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561		-	-	30,968	(30,968)	-100%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-					-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>			<b>93,680</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>			<b>93,680</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>			<b>93,680</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>112,522</b>	<b>112,534</b>	<b>47,492</b>		<b>-</b>	<b>93,680</b>

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 councillors, 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**

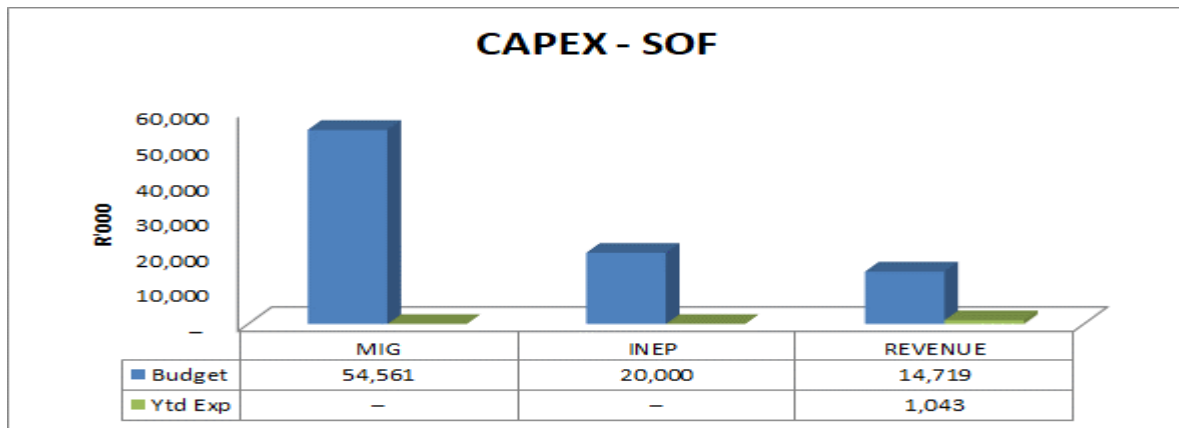
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	633	1,900	-	-	-	651	(651)	-100%	1,900
Executive and council							-		
Finance and administration	633	1,900		-	-	651	(651)	-100%	1,900
Internal audit							-		
<b>Community and public safety</b>	-	2,200	-	-	-	-	-		2,200
Community and social services		600		-	-	-	-		600
Sport and recreation		1,000		-	-	-	-		1,000
Public safety		600		-	-	-	-		600
Housing							-		
Health							-		
<b>Economic and environmental services</b>	66,134	64,830	-	1,043	1,043	4,280	(3,237)	-76%	64,830
Planning and development							-		
Road transport	66,134	64,830		1,043	1,043	4,280	(3,237)	-76%	64,830
Environmental protection							-		
<b>Trading services</b>	17,535	20,350	-	-	-	1,490	(1,490)	-100%	20,350
Energy sources	16,111	20,350		-	-	1,490	(1,490)	-100%	20,350
Waste management	1,424	-					-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>1,043</b>	<b>1,043</b>	<b>6,421</b>	<b>(5,378)</b>	<b>-84%</b>	<b>89,280</b>
<b>Funded by:</b>									
National Government	54,628	74,561				5,331	(5,331)	-100%	74,561
Provincial Government	15,699	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>70,327</b>	<b>74,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,331</b>	<b>(5,331)</b>	<b>-100%</b>	<b>74,561</b>
Borrowing							-		
Internally generated funds	13,975	14,719		1,043	1,043	1,090	(47)	-4%	14,719
<b>Total Capital Funding</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>1,043</b>	<b>1,043</b>	<b>6,421</b>	<b>(5,378)</b>	<b>-84%</b>	<b>89,280</b>

**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
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,050	-	-	-	300	(300)	-100%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	43,961	13,240	-	-	-	459	(459)	-100%	13,240
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>43,961</b>	<b>14,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>759</b>	<b>(759)</b>	<b>-100%</b>	<b>14,290</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	-	-	-	150	(150)	-100%	350
Vote 4 - Corporate Services	633	500	-	-	-	201	(201)	-100%	500
Vote 5 - Community Services	1,424	2,200	-	-	-	-	-	-	2,200
Vote 6 - Technical Services	38,284	71,939	-	1,043	1,043	5,311	(4,268)	-80%	71,939
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>40,341</b>	<b>74,989</b>	<b>-</b>	<b>1,043</b>	<b>1,043</b>	<b>5,662</b>	<b>(4,619)</b>	<b>-82%</b>	<b>74,989</b>
<b>Total Capital Expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>1,043</b>	<b>1,043</b>	<b>6,421</b>	<b>(5,378)</b>	<b>-84%</b>	<b>89,280</b>

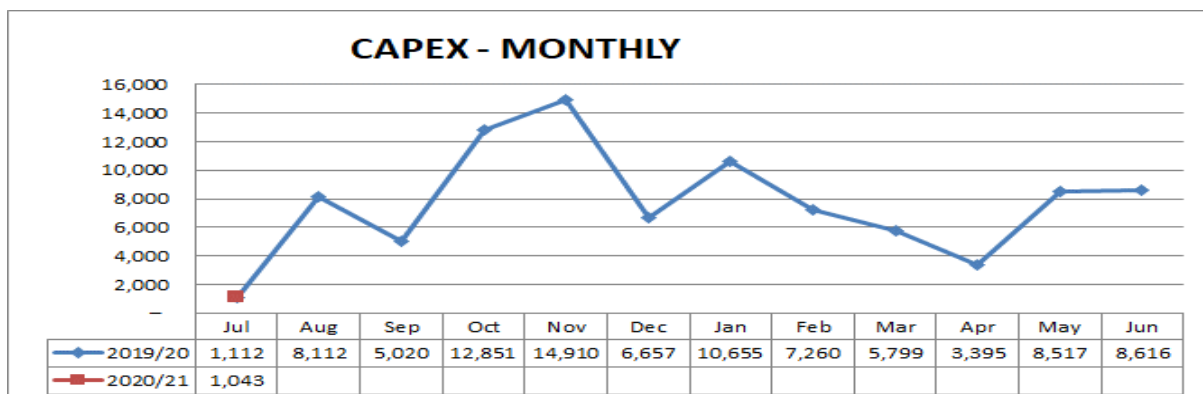
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of July 2020, R1, 043 million spending is incurred and that increased the year to date expenditure to R1, 043 million whilst the year to date budget is R6, 421 million and this gave rise to under spending variance of R5, 378 million that translates to 84%.

**Figure 1: Capital expenditure by source**



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R89, 280 million, R54, 561 million is funded from Municipal Infrastructure grant, R20, 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 2018/19 and 2019/20 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
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2,458	12,300		85,161	12,300
Call investment deposits	–	8,056		–	8,056
Consumer debtors	64,133	54,594		69,695	54,594
Other debtors	57,019	53,957		58,854	53,957
Current portion of long-term receivables	–			–	
Inventory	8,438	5,510		8,079	5,510
<b>Total current assets</b>	<b>132,048</b>	<b>134,416</b>	<b>–</b>	<b>221,789</b>	<b>134,416</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	774	–		–	–
Investment property	60,900	48,000		57,826	48,000
Investments in Associate					
Property, plant and equipment	1,085,676	1,223,249		1,103,099	1,223,249
Biological				–	
Intangible	1,207	30		39	30
Other non-current assets	1,237	14,752		2,355	14,752
<b>Total non current assets</b>	<b>1,149,795</b>	<b>1,286,031</b>	<b>–</b>	<b>1,163,319</b>	<b>1,286,031</b>
<b>TOTAL ASSETS</b>	<b>1,281,843</b>	<b>1,420,447</b>	<b>–</b>	<b>1,385,108</b>	<b>1,420,447</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	2,248	10,980		17,851	10,980
Consumer deposits	5,581	5,701		5,607	5,701
Trade and other payables	90,313	71,167		83,076	71,167
Provisions	11,358	5,857		2,820	5,857
<b>Total current liabilities</b>	<b>109,500</b>	<b>93,706</b>	<b>–</b>	<b>109,354</b>	<b>93,706</b>
<b>Non current liabilities</b>					
Borrowing	17,328	–			–
Provisions	85,088	94,548		93,626	94,548
<b>Total non current liabilities</b>	<b>102,417</b>	<b>94,548</b>	<b>–</b>	<b>93,626</b>	<b>94,548</b>
<b>TOTAL LIABILITIES</b>	<b>211,917</b>	<b>188,254</b>	<b>–</b>	<b>202,981</b>	<b>188,254</b>
<b>NET ASSETS</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,182,128</b>	<b>1,232,193</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,069,926	1,232,193		1,182,128	1,232,193
Reserves					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,182,128</b>	<b>1,232,193</b>

The above table shows that community wealth amounts to R1, 182 billion, total liabilities R202, 981 million and the total assets R1, 385 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 2:1 that is the exact 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	24,332	26,841		2,023	2,023	2,237	(213)	-10%	26,841
Service charges	83,646	94,138		5,821	5,821	7,811	(1,990)	-25%	94,138
Other revenue	21,376	20,268		1,177	1,177	1,165	12	1%	20,268
Transfers and Subsidies - Operational	273,214	293,916		130,937	130,937	120,433	10,504	9%	293,916
Transfers and Subsidies - Capital	73,921	74,561		16,470	16,470	31,301	(14,831)	-47%	74,561
Interest	2,405	4,373		80	80	374	(294)	-79%	4,373
<b>Payments</b>									
Suppliers and employees	(447,788)	(401,012)		(71,645)	(71,645)	(34,753)	36,892	-106%	(401,012)
Finance charges	(2,592)	(1,184)		-	-	(231)	(231)	100%	(1,184)
Transfers and Grants	(2,632)	(3,468)		(244)	(244)	(297)	(53)	18%	(3,468)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25,884</b>	<b>108,434</b>	<b>-</b>	<b>84,619</b>	<b>84,619</b>	<b>128,040</b>	<b>43,421</b>	<b>34%</b>	<b>108,434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
<b>Payments</b>									
Capital assets	(85,303)	(87,593)		(1,043)	(1,043)	(6,265)	(5,222)	83%	(87,593)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(85,303)</b>	<b>(87,593)</b>	<b>-</b>	<b>(1,043)</b>	<b>(1,043)</b>	<b>(6,265)</b>	<b>(5,222)</b>	<b>83%</b>	<b>(87,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	(500)				-	-		(500)
Increase (decrease) in consumer deposits	196	-					-		-
<b>Payments</b>									
Repayment of borrowing	(9,670)	(10,980)		(872)	(872)	(862)	11	-1%	(10,980)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,474)</b>	<b>(11,480)</b>	<b>-</b>	<b>(872)</b>	<b>(872)</b>	<b>(862)</b>	<b>11</b>	<b>-1%</b>	<b>(11,480)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(68,893)</b>	<b>9,361</b>	<b>-</b>	<b>82,703</b>	<b>82,703</b>	<b>120,913</b>			<b>9,361</b>
Cash/cash equivalents at beginning:	24,982	10,995			2,458	10,995			2,458
Cash/cash equivalents at month/year end:	(43,911)	20,356	-		85,161	131,908			11,819

Table C7 presents details pertaining to cash flow performance. As at end of July 2020, the net cash inflow from operating activities is R84, 619 million whilst net cash outflow from investing activities is R1, 043 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R872 thousands. The cash and cash equivalent held at end of July 2020 amounted to R85, 161 million and the net effect of the above cash flows is cash outflow movement of R82, 703 million. The cash and cash equivalent at end of the reporting period of R85, 161 million, is mainly made up of cash in the primary bank account amounting to R85, 161 million and no short-term investment .

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	3%	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	-21%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed since it the first month 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	-1%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-60%	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 variance is immaterial, therefore no remedial action is needed
Interest earned - external investments	-100%	The municipality has no external short term investment	The revenue unit should consider on investing so that interest can be earned
Interest earned - outstanding debtors	297%	The projected interest seems to be overprojected 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	252%	The contract of the speed fine cameras has been appointed hence the actuals are higher than the projects thereof.	No remedial action is needed
Licences and permits	123%	The actual revenue generated is higher than the projected monthly revenue	No remedial action is needed
Transfers and subsidies	164%	The first trench of equitable share was higher than the projection thereof	An upward projections could be needed during budget adjustments, however it is still early
Other revenue	-7%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed as the variance is immaterial
<b>Expenditure By Type</b>			
Employee related costs	-10%	The actual expenditure incurred on employee related costs are less than the projections thereof	The expenditure should improve as soon as the appoint of vacant positions are filled
Remuneration of councillors	-9%	The actual expenditure incurred on remuneration of councillors is less 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	-100%	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	72%	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 monitoted so that an upward adjustment will be considered should this continues
Other materials	-94%	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	-3%	The actual expenditure incurred is less than the projected monthly expenditure	The variance is immaterial. No remedial action is needed
Transfers and subsidies	-18%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	-77%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed for now. This should be monitoted so that an upward adjustment will be considered should this continues

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-100%	No spending on capital grants as the majority of projects have not started due to lockdown	No remedial action is needed
Provincial Government	0%		
Internally generated funds	-4%	The actual spending of internally generated funds are slightly under projected	No remedial action is needed
<b>Cash Flow</b>			
Property rates	-10%	The actual collection rate on property rates is less than the projected rate	No remedial action is needed
Service charges	-25%	The collection rate on service charges is below the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	1%	The collection rate on leased assets are not rented out as projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	9%	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	-79%	Interest on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-106%	The actual costs incurred is way above the projected costs	This is the results of accruals paid during the current financial year
Finance charges	100%	The municipality hasn't invested the cash in the bank account.	There should be a short term investment so the capital could earn interest
Capital assets	83%	The projected capital expenditure on capex is higher than the actual spending thereof.	The expected first trench of INEP has not yet received from National treasury
Transfers and Grants	18%	The payments relating to this account are slightly lower the projections thereof	No remedial action is needed
Repayment of borrowing	-1%	Projected repayments is higher than the actual Payment	No remedial action is needed



### Supporting Table: SC 3 - Debtors Age Analysis

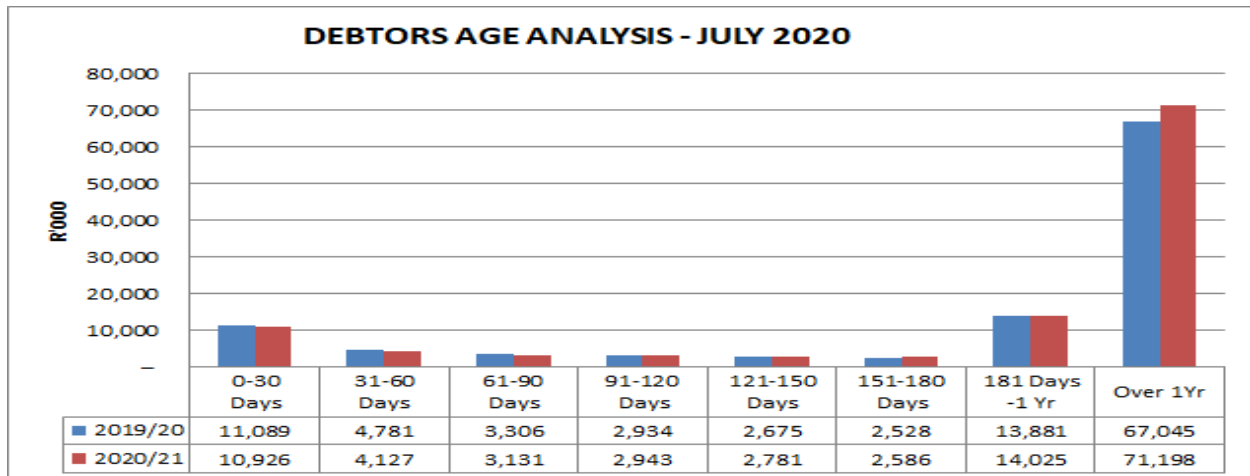
Description	Budget Year 2020/21											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water										-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	7,183	1,075	335	263	181	121	333	3,083	12,575	3,981		
Receivables from Non-exchange Transactions - Property Rates	3,108	1,465	1,252	1,180	1,127	1,030	5,859	31,693	46,714	40,889		
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	738	476	412	391	381	374	2,168	9,932	14,872	13,246		
Receivables from Exchange Transactions - Property Rental Debtors	41	10	6	9	9	9	49	998	1,132	1,074		
Interest on Arrear Debtor Accounts	1,204	1,171	1,133	1,097	1,060	1,028	5,545	22,821	35,059	31,551		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	(1,349)	(71)	(7)	4	24	25	71	2,671	1,368	2,794		
<b>Total By Income Source</b>	<b>10,926</b>	<b>4,127</b>	<b>3,131</b>	<b>2,943</b>	<b>2,781</b>	<b>2,586</b>	<b>14,025</b>	<b>71,198</b>	<b>111,718</b>	<b>93,535</b>	-	-
<b>2019/20 - totals only</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	(6)	604	613	612	534	567	3,103	16,902	22,929	21,718		
Commercial	5,551	889	548	480	454	328	1,806	9,553	19,609	12,621		
Households	4,636	1,971	1,408	1,293	1,208	1,158	6,106	27,802	45,581	37,566		
Other	744	663	563	558	586	533	3,011	16,941	23,599	21,630		
<b>Total By Customer Group</b>	<b>10,926</b>	<b>4,127</b>	<b>3,131</b>	<b>2,943</b>	<b>2,781</b>	<b>2,586</b>	<b>14,025</b>	<b>71,198</b>	<b>111,718</b>	<b>93,535</b>	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of July amount to R111, 718 million. The debtors' book is made up as follows:

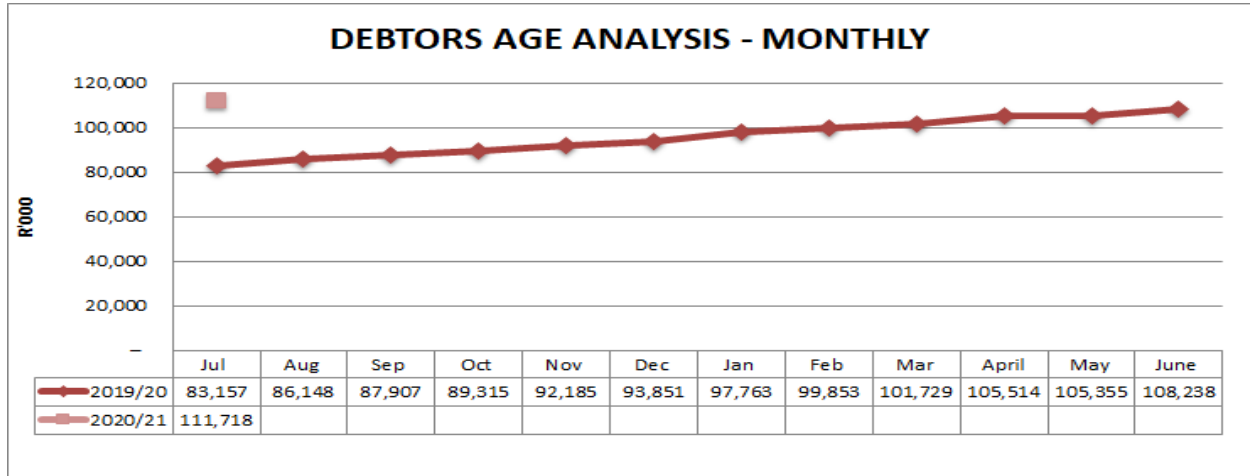
- Rates 42%
- Electricity 11%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 31%
- Other 1%

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 2020/21 (as at end of July 2020) 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 2020/21 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 NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,250,333.69
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,030,493.28
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	596,169.88
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	501,999.16
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	441,554.33
80000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	415,344.08
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	295,654.09
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	292,341.93
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	269,249.58
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	254,564.64
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	252,921.17
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	230,795.76
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	219,971.16
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	219,965.38
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	217,810.30
20494	BREAKAWAY TRUST	ACTIVE	OWNER	217,519.38
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	217,458.87
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	212,881.67
9001712	20	ACTIVE	OWNER	196,323.10
9001101	BLUE MAGNOLIA TRADING 507 CC	ACTIVE	OWNER	195,897.91
<b>TOTAL</b>				<b>7,529,249.36</b>

## 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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

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 has no outstanding creditors by the end of the month of July 2020.

## **Supporting Table: SC 5 - Investment Portfolio**

The Municipality has no current investment portfolio during the month of July 2020

## 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
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>273,214</b>	<b>293,916</b>	<b>-</b>	<b>130,937</b>	<b>130,937</b>	<b>130,583</b>	<b>354</b>	<b>0%</b>	<b>293,916</b>
Local Government Equitable Share	269,009	289,039		130,068	130,068	130,068	-		289,039
Finance Management	2,235	2,600		-	-	217	(217)	-100%	2,600
EPWP Incentive	1,374	1,681		273	273	149	125	84%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	596		596	596	150	446	297%	596
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total Operating Transfers and Grants</b>	<b>273,214</b>	<b>293,916</b>	<b>-</b>	<b>130,937</b>	<b>130,937</b>	<b>130,583</b>	<b>354</b>	<b>0%</b>	<b>293,916</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>16,470</b>	<b>16,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		16,470	16,470	22,968	(6,498)	-28%	54,561
Intergrated National Electrification Grant	19,000	20,000		-	-	8,000			20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>16,470</b>	<b>16,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>368,906</b>	<b>368,477</b>	<b>-</b>	<b>147,407</b>	<b>147,407</b>	<b>161,551</b>	<b>(6,144)</b>	<b>-4%</b>	<b>368,477</b>

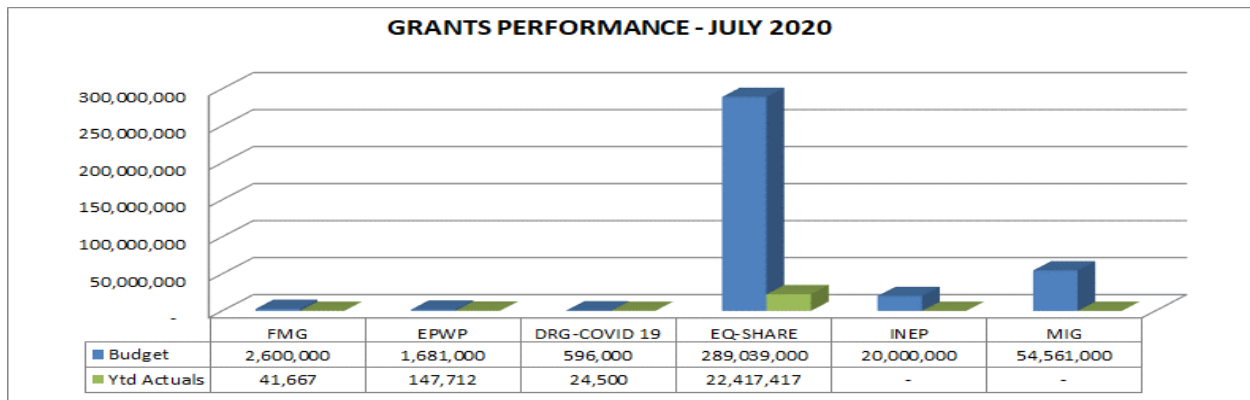
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R147, 407 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R130, 068 million; Municipal Infrastructure Grant amounting to R16, 470 million; Expanded Public Works Programme R273 thousands and Disaster Relief Grant (COVID 19) R596 thousands 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 except INEP which was scheduled for 24 July 2020.

## 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
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>272,618</b>	<b>293,916</b>	<b>-</b>	<b>24,300</b>	<b>24,300</b>	<b>41,826</b>	<b>(17,525)</b>	<b>-42%</b>	<b>293,916</b>
Local Government Equitable Share	269,009	289,039		24,087	24,087	41,311	(17,224)	-42%	289,039
Finance Management	2,235	2,600		42	42	217	(175)	-81%	2,600
EPWP Incentive	1,374	1,681		148	148	149	(1)	-1%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	-	596		25	25	150	(126)	-84%	596
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>272,618</b>	<b>293,916</b>	<b>-</b>	<b>24,300</b>	<b>24,300</b>	<b>41,826</b>	<b>(17,525)</b>	<b>-42%</b>	<b>293,916</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,968</b>	<b>(30,968)</b>	<b>-100%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		-	-	22,968	(22,968)	-100%	54,561
Intergrated National Electrification Grant	19,000	20,000		-	-	8,000	(8,000)	-100%	20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,968</b>	<b>(30,968)</b>	<b>-100%</b>	<b>74,561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>368,310</b>	<b>368,477</b>	<b>-</b>	<b>24,300</b>	<b>24,300</b>	<b>72,794</b>	<b>(48,493)</b>	<b>-67%</b>	<b>368,477</b>

An amount of R24, 300 million has been spent on grants during the month of July 2020 and the year to date actuals is R24, 300 million whilst the year to date budget amounts to R72, 794 million and this results in underspending variance of R48, 493 million that translates to negative 67%. Of the total spending amounting to R24, 300 million, R24, 300 million is spent on operational grants whilst capital grants has no spending.

**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 July 2020. The grants expenditure are shown below in percentages:

- Financial Management Grant 1.60%
- Expanded Public Work Programme 8.79%
- Equitable Share 7.76%
- Integrated National Electrification Grant 0%
- Disaster Relief Grant (COVID 19) 4.11%
- Municipal Infrastructure Grant 0%



## 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
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,458	15,692		1,178	1,178	545	633	116%	15,692
Pension and UIF Contributions	1,712	1,761		135	135	18	117	655%	1,761
Medical Aid Contributions	319	340		32	32	7	25	348%	340
Motor Vehicle Allowance	5,149	5,622		431	431	66	365	553%	5,622
Cellphone Allowance	2,701	2,877		226	226	-	226		2,877
Housing Allowances	-	-							-
Other benefits and allowances	235	234		19	19	5	14	273%	234
<b>Sub Total - Councillors</b>	<b>24,574</b>	<b>26,525</b>	<b>-</b>	<b>2,020</b>	<b>2,020</b>	<b>641</b>	<b>1,379</b>	<b>215%</b>	<b>26,525</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,938	6,540		480	480	1,308	(827)	-63%	6,540
Pension and UIF Contributions	178	202		18	18	154	(136)	-89%	202
Medical Aid Contributions	82	85		7	7	21	(14)	-66%	85
Overtime									
Performance Bonus									
Motor Vehicle Allowance	661	791		56	56	468	(413)	-88%	791
Cellphone Allowance	168	-		14	14	240	(226)	-94%	-
Housing Allowances									
Other benefits and allowances	446	376		10	10	19	(9)	-47%	376
Payments in lieu of leave	18	-							-
Long service awards									
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,491</b>	<b>7,993</b>	<b>-</b>	<b>585</b>	<b>585</b>	<b>2,210</b>	<b>(1,625)</b>	<b>-74%</b>	<b>7,993</b>
<b>% increase</b>		<b>23%</b>							<b>23%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	88,856	99,984		7,764	7,764	8,332	(568)	-7%	99,984
Pension and UIF Contributions	17,801	26,133		1,571	1,571	2,178	(607)	-28%	26,133
Medical Aid Contributions	5,555	8,477		435	435	706	(271)	-38%	8,477
Overtime	1,443	974		92	92	81	10	13%	974
Motor Vehicle Allowance	11,056	12,848		973	973	1,071	(98)	-9%	12,848
Cellphone Allowance	1,786	102		151	151	8	143	1679%	102
Housing Allowances	179	17		16	16	1	15	1056%	17
Other benefits and allowances	8,248	12,488		127	127	358	(231)	-65%	12,488
Payments in lieu of leave	407	-		9	9		9		-
Long service awards	439	733		349	349	61	288	471%	733
Post-retirement benefit obligations									
<b>Sub Total - Other Municipal Staff</b>	<b>135,771</b>	<b>161,756</b>	<b>-</b>	<b>11,486</b>	<b>11,486</b>	<b>12,797</b>	<b>(1,311)</b>	<b>-10%</b>	<b>161,756</b>
<b>% increase</b>		<b>19%</b>							<b>19%</b>
<b>Total Parent Municipality</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>14,092</b>	<b>14,092</b>	<b>15,648</b>	<b>(1,557)</b>	<b>-10%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>14,092</b>	<b>14,092</b>	<b>15,648</b>	<b>(1,557)</b>	<b>-10%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>142,262</b>	<b>169,749</b>	<b>-</b>	<b>12,071</b>	<b>12,071</b>	<b>15,008</b>	<b>(2,936)</b>	<b>-20%</b>	<b>169,749</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of July 2020 amounts to R14, 092 million and the year to date budget is R15, 648 million and the expenditure for remuneration of councilors amounts to R2, 020 million while the year to date budget is R641 thousands. The year to date actual expenditure for senior managers is R585 thousands and the year to date budget thereof is R2, 210 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 R11, 486 million and the year to date budget is R12, 797 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 2020/21.

## 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 Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
<b>Cash Receipts By Source</b>															
Property rates	2,023											24,818	26,841	28,076	29,367
Service charges - electricity revenue	5,482											83,210	88,692	92,772	97,039
Service charges - refuse	339											5,108	5,446	5,697	5,959
Rental of facilities and equipment	38											822	860	899	941
Interest earned - external investments	-											3,042	3,042	3,182	3,328
Interest earned - outstanding debtors	80											1,251	1,331	1,392	1,457
Fines, penalties and forfeits												12,134	12,134	12,554	12,994
Licences and permits												6,344	6,344	6,635	6,941
Transfers and Subsidies - Operational	130,937											162,979	293,916	314,089	333,501
Other revenue	1,139											(208)	931	974	1,018
<b>Cash Receipts by Source</b>	<b>140,038</b>	-	-	-	-	-	-	-	-	-	-	<b>299,498</b>	<b>439,537</b>	<b>466,270</b>	<b>492,544</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations)	16,470											58,091	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)												-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets												-	-	-	-
Short term loans												-	-	-	-
Borrowing long term/refinancing												(500)	(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	156,508	-	-	-	-	-	-	-	-	-	-	357,089	513,598	542,997	564,630
<b>Cash Payments by Type</b>															
<b>Employee related costs</b>	<b>12,071</b>											<b>157,677</b>	<b>169,749</b>	<b>177,557</b>	<b>185,725</b>
Remuneration of councillors	2,020											24,505	26,525	27,745	29,021
Interest paid	-											1,184	1,184	83	15
Bulk purchases - Electricity	22,318											71,729	94,047	98,937	107,743
Bulk purchases - Water & Sewer												-	-	-	-
Other materials	178											8,786	8,964	12,707	13,522
Contracted services	33,382											27,279	60,660	57,320	59,107
Grants and subsidies paid - other	244											3,224	3,468	3,605	3,747
General expenses	1,676											39,390	41,067	39,436	41,140
<b>Cash Payments by Type</b>	<b>71,889</b>	-	-	-	-	-	-	-	-	-	-	<b>333,775</b>	<b>405,664</b>	<b>417,391</b>	<b>440,021</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1,043											86,549	87,593	93,994	94,483
Repayment of borrowing	872											10,108	10,980	2,489	-
Other Cash Flows/Payments												-	-	-	-
<b>Total Cash Payments by Type</b>	<b>73,805</b>	-	-	-	-	-	-	-	-	-	-	<b>430,431</b>	<b>504,236</b>	<b>513,874</b>	<b>534,504</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>82,703</b>	-	-	-	-	-	-	-	-	-	-	<b>(73,342)</b>	<b>9,361</b>	<b>29,123</b>	<b>30,126</b>
Cash/cash equivalents at the month/year beginning:	2,458	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	2,458	11,819	40,943
Cash/cash equivalents at the month/year end:	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	85,161	11,819	11,819	40,943	71,069

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 R156, 508 million and the total cash payment for the month were R73, 805 million and this resulted in net decrease in cash held amounting to 82, 703 million. With cash and cash equivalent of R2, 458 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R85, 161 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
<b>Monthly expenditure performance trend</b>									
July	9,424	6,438	–	1,043	1,043	6,438	5,394	84%	1%
August	3,576	4,370	–			10,808	–		
September	13,926	8,862	–			19,670	–		
October	8,822	6,303	–			25,973	–		
November	8,687	8,248	–			34,221	–		
December	9,913	9,508	–			43,729	–		
January	8,221	3,141	–			46,870	–		
February	8,162	6,205	–			53,075	–		
March	13,753	5,653	–			58,728	–		
April	8,363	8,602	–			67,330	–		
May	8,683	11,684	–			79,014	–		
June	11,573	10,265	–			89,280	–		
<b>Total Capital expenditure</b>	<b>113,103</b>	<b>89,280</b>	<b>–</b>	<b>1,043</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of July amounts to R1, 043 million as most of the capital project are not started in the new financial year. The year to date actual expenditure incurred is R1, 043 million whilst the year to date budget is R6, 438 million that gives rise to under spending variance of R5, 394 million that translate to 83.8%.

## 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
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	58,011	20,000	-	-	-	1,280	1,280	100%	20,000
<b>Roads Infrastructure</b>	41,899	-	-	-	-	-	-		-
Roads	41,899	-					-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	16,111	20,000	-	-	-	1,280	1,280	100%	20,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000				1,280	1,280	100%	20,000
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,339	-	1,043	1,043	-	(1,043)		2,339
Municipal Offices		600				-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739		1,043	1,043	-	(1,043)		1,739
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	38	250	-	-	-	-	-		250
Computer Equipment	38	250					-		250
<b>Furniture and Office Equipment</b>	526	800	-	-	-	300	300	100%	800
Furniture and Office Equipment	526	800				300	300	100%	800
<b>Machinery and Equipment</b>	1,492	1,200	-	-	-	561	561	100%	1,200
Machinery and Equipment	1,492	1,200				561	561	100%	1,200
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	60,068	24,589	-	1,043	1,043	2,141	1,098	51%	24,589

## 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
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	13,885	46,940	-	-	-	3,530	3,530	100%	46,940
<b>Roads Infrastructure</b>	13,885	39,222	-	-	-	2,030	2,030	100%	39,222
Roads	13,885	39,222				2,030	2,030	100%	39,222
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	7,719	-	-	-	1,500	1,500	100%	7,719
Landfill Sites		7,719				1,500	1,500	100%	7,719
Waste Transfer Stations							-		
<b>Community Assets</b>	-	600	-	-	-	-	-		600
Community Facilities	-	600	-	-	-	-	-		600
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	13,885	47,540	-	-	-	3,530	3,530	100.0%	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
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	<b>5,119</b>	<b>8,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,628</b>	<b>1,628</b>	<b>100%</b>	<b>8,729</b>
<b>Roads Infrastructure</b>	<b>161</b>	<b>2,892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535</b>	<b>535</b>	<b>100%</b>	<b>2,892</b>
Roads	161	2,892				535	535	100%	2,892
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	<b>2,180</b>	<b>2,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>845</b>	<b>845</b>	<b>100%</b>	<b>2,845</b>
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	2,845				845	845	100%	2,845
<b>Solid Waste Infrastructure</b>	<b>2,778</b>	<b>2,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>249</b>	<b>100%</b>	<b>2,993</b>
Landfill Sites	2,778	2,993				249	249	100%	2,993
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>-</b>	<b>306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>100%</b>	<b>306</b>
Community Facilities	-	306	-	-	-	36	36	100%	306
Libraries							-		
Parks		306				36	36	100%	306
<b>Sport and Recreation Facilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	<b>1,497</b>	<b>1,845</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>401</b>	<b>100%</b>	<b>1,845</b>
Operational Buildings	1,497	1,845	-	-	-	401	401	100%	1,845
Workshops							-		
<b>Intangible Assets</b>	<b>-</b>	<b>425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>174</b>	<b>100%</b>	<b>425</b>
Servitudes							-		
Licences and Rights	-	425	-	-	-	174	174	100%	425
Computer Software and Applications		425				174	174	100%	425
<b>Computer Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	<b>1,306</b>	<b>1,214</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315</b>	<b>315</b>	<b>100%</b>	<b>1,214</b>
Machinery and Equipment	1,306	1,214				315	315	100%	1,214
<b>Transport Assets</b>	<b>2,727</b>	<b>1,854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144</b>	<b>144</b>	<b>100%</b>	<b>1,854</b>
Transport Assets	2,727	1,854				144	144	100%	1,854
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,649</b>	<b>14,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,699</b>	<b>2,699</b>	<b>100.0%</b>	<b>14,373</b>

## 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
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	40,414	-	-	-	3,368	3,368	100%	40,414
<b>Roads Infrastructure</b>	-	35,538	-	-	-	2,961	2,961	100%	35,538
Roads		35,538				2,961	2,961	100%	35,538
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	384	-	-	-	32	32	100%	384
Attenuation							-		
<b>Electrical Infrastructure</b>	-	3,806	-	-	-	317	317	100%	3,806
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks		3,806				317	317	100%	3,806
<b>Solid Waste Infrastructure</b>	-	687	-	-	-	57	57	100%	687
Landfill Sites		687				57	57	100%	687
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,190	-	-	-	99	99	100%	1,190
Cemeteries/Crematoria		5				0	0	100%	5
Public Open Space		1,185				99	99	0	1,185
<b>Other assets</b>	-	3,985	-	-	-	332	332	0	3,985
Operational Buildings	-	3,985	-	-	-	332	332	100%	3,985
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Computer Software and Applications		-					-		-
<b>Computer Equipment</b>	-	666	-	-	-	56	56	100%	666
Computer Equipment		666				56	56	100%	666
<b>Furniture and Office Equipment</b>	-	567	-	-	-	47	47	100%	567
Furniture and Office Equipment		567				47	47	100%	567
<b>Machinery and Equipment</b>	-	649	-	-	-	52	52	100%	649
Machinery and Equipment		649				52	52	100%	649
<b>Transport Assets</b>	273	5,535	-	-	-	461	461	100%	5,535
Transport Assets	273	5,535				461	461	100%	5,535
<b>Total Depreciation</b>	273	53,007	-	-	-	4,415	4,415	100%	53,007

## 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
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	9,050	16,150	-	-	-	750	750	100%	16,150
<b>Roads Infrastructure</b>	9,050	16,150	-	-	-	750	750	100%	16,150
Roads	9,050	16,150				750	750	100%	16,150
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,000	-	-	-	-	-		1,000
Community Facilities	-	1,000	-	-	-	-	-		1,000
Libraries							-		
Cemeteries/Crematoria							-		
Parks		1,000					-		1,000
<b>Other assets</b>	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	10,349	17,150	-	-	-	750	750	100%	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 R1, 043 million and the year to date budget is R3, 141 million that reflects under spending variance of R1, 098 million that translates to 51% variance.

The year to date actuals on renewal of existing assets amounts R0, and with the year to date budget of R2, 530 million and this reflects under spending variance of R3, 530 million that translates to 100% variance.

The year to date actual expenditure on repairs and maintenance is R0, and the year to date budget is R2, 699 million, reflecting under spending variance of R2, 699 million that translates to 100%.

The year to date actual expenditure on upgrading of existing assets is R0, and the year to date budget is R750 thousand, reflecting under spending variance of R750 thousand that translates to 100%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R4, 415 million, reflecting spending variance of R4, 415 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. However the municipality did not prepare either six nor nine financials hence there is still under spending on depreciation and asset impairment. 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	YTD Actuals	Percentage
<b>Parent municipality:</b>							
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	–	0%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	–	0%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	–	0%
Technical Services	Groblerdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	–	0%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	–	0%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	0%
Technical Services	Electrification of Ntswelemotse	New	Infrastructure	Electrical Infrastructure	2,430	–	0%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	–	0%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,043	60%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	–	0%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	–	0%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	–	0%
Community Services	Mobile Offices	New	Community assets	Operational building	600	–	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	–	0%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	–	0%
Finance	Machinery and Equipment: Forklift	New	Machinery and Equipment	Machinery and Equipment	350	–	0%
Technical Services	Aircons Conditioner	New	Infrastructure	Machinery and Equipment	350	–	0%
Corporate Services	Computer Equipment	New	Equipment	Machinery and Equipment	250	–	0%

# 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 July 2020 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

*[Handwritten Signature]*  
*18 August 2020*

