

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**JULY 2021**

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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	2021/22			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	546,626,097	-	141,987,650	26%
		-		
OPERATING EXPENDITURE	532,674,879	-	30,780,482	6%
		-		
TRANSFER - CAPITAL	79,332,000	-	-	0%
SURPLUS/(DEFICIT)	93,283,218	-	111,207,168	119%
CAPITAL EXPENDITURE	88,032,000	-	2,527,600	3%

**Table C1 – Budget Statement Summary**

Description	2020/21	Budget Year 2021/22							
	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	39,442	38,865	-	3,554	3,554	3,293	261	8%	38,865
Service charges	97,738	113,490	-	9,594	9,594	8,282	1,312	16%	113,490
Investment revenue	585	1,900	-	197	197	121	76	63%	1,900
Transfers and subsidies	347,058	307,637	-	126,640	126,640	106,141	20,499	19%	307,637
Other own revenue	25,501	84,734	-	2,002	2,002	7,916	(5,914)	-75%	84,734
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>510,324</b>	<b>546,626</b>	<b>-</b>	<b>141,988</b>	<b>141,988</b>	<b>125,754</b>	<b>16,234</b>	<b>13%</b>	<b>546,626</b>
Employee costs	157,214	163,212	-	11,813	11,813	13,615	(1,802)	-13%	163,212
Remuneration of Councillors	24,279	27,334	-	2,020	2,020	2,278	(258)	-11%	27,334
Depreciation & asset impairment	58,174	58,392	-	-	-	4,866	(4,866)	-100%	58,392
Finance charges	2,123	3,729	-	-	-	319	(319)	-100%	3,729
Materials and bulk purchases	114,597	129,586	-	1,080	1,080	10,592	(9,511)	-90%	129,586
Transfers and subsidies	2,963	3,784	-	235	235	307	(72)	-24%	3,784
Other expenditure	138,271	146,638	-	15,632	15,632	19,556	(3,924)	-20%	146,638
<b>Total Expenditure</b>	<b>497,621</b>	<b>532,675</b>	<b>-</b>	<b>30,780</b>	<b>30,780</b>	<b>51,533</b>	<b>(20,752)</b>	<b>-40%</b>	<b>532,675</b>
<b>Surplus/(Deficit)</b>	<b>12,702</b>	<b>13,951</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>74,221</b>	<b>36,986</b>	<b>50%</b>	<b>13,951</b>
Transfers and subsidies - capital (monetary allocations)	68,708	79,332	-	-	-	6,732	(6,732)	-100%	79,332
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>	<b>30,254</b>	<b>37%</b>	<b>93,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>	<b>30,254</b>	<b>37%</b>	<b>93,283</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>93,474</b>	<b>88,032</b>	<b>-</b>	<b>2,528</b>	<b>2,528</b>	<b>11,838</b>	<b>(9,310)</b>	<b>-79%</b>	<b>88,032</b>
Capital transfers recognised	70,918	79,332	-	-	-	10,212	(10,212)	-100%	79,332
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,556	8,700	-	2,528	2,528	1,626	901	55%	8,700
<b>Total sources of capital funds</b>	<b>93,474</b>	<b>88,032</b>	<b>-</b>	<b>2,528</b>	<b>2,528</b>	<b>11,838</b>	<b>(9,310)</b>	<b>-79%</b>	<b>88,032</b>
<b>Financial position</b>									
Total current assets	157,083	165,299	-		301,330				165,299
Total non current assets	1,211,674	1,305,435	-		1,201,009				1,305,435
Total current liabilities	101,365	111,087	-		119,384				111,087
Total non current liabilities	74,504	114,907	-		80,227				114,907
Community wealth/Equity	1,192,888	1,244,739	-		1,302,728				1,244,739
<b>Cash flows</b>									
Net cash from (used) operating	102,726	97,304	-	107,664	107,664	132,359	24,694	19%	97,304
Net cash from (used) investing	(84,301)	(80,993)	-	(2,528)	(2,528)	(921)	1,607	-175%	(80,993)
Net cash from (used) financing	(13,938)	(11,947)	-	(965)	(965)	(8,854)	(7,889)	89%	(11,947)
<b>Cash/cash equivalents at the month/year end</b>	<b>6,415</b>	<b>31,852</b>	<b>-</b>	<b>-</b>	<b>110,587</b>	<b>150,071</b>	<b>39,484</b>	<b>26%</b>	<b>10,780</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	14,316	4,506	3,354	3,305	3,367	3,196	16,807	78,195	127,047
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 R141, 988 million and the year to date budget of R125, 754 million and this reflects a positive variance of R16, 234 million which is mostly attributable to equitable shares received amounting to R126, 162 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 63% favorable variance,
- Interest earned – outstanding debtors: 1% favorable variance,
- Rental on Facilities and Equipment: 33% unfavorable variance,
- Fines, penalties and forfeits: 99% unfavorable variance
- Services Charges – electricity revenue: 14% favorable variance
- Services Charges – refuse revenue: 38% favorable variance
- Licenses and permits: 7% unfavorable variance
- Property rates: 8% favorable variance
- Other revenue: 130% favorable
- Transfer and subsidies: 19% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of July amounts to R30, 780 million and the year to date budget is R51, 533 million. This reflects underspending variance of R20, 752 million that translates to 40% 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:

- Employee related costs: 13% under performance
- Remuneration of councilors: 11% under performance
- Debt impairment: 100% under performance
- Depreciation and asset impairment: 100: under performance
- Finance charges: 100% under performance
- Bulk purchase: 99% under performance
- Other material: 36% under performance
- Contracted services: 62% under performance
- Transfer and subsidies: 24% under performance
- Other expenditure: 124% 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 July 2021 amounts to R2, 528 million and the year to date budget amounts to R1, 626 million and this gives rise to R901 thousand over performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of July is R111, 207 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 R127, 047 million and this shows an increase of R2, 036 million as compared to R125, 011 million as at end of 2020/21 financial year.

Consumer debtors is made up of service charges and property rates that amount to R82, 665 million and other debtors amounting to R44, 382 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	2020/21	Budget Year 2021/22							
	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>273,715</b>	<b>245,185</b>	<b>-</b>	<b>85,720</b>	<b>85,720</b>	<b>74,362</b>	<b>11,358</b>	<b>15%</b>	<b>245,185</b>
Executive and council	56,129	48,669	-	20,279	20,279	10,087	10,192	101%	48,669
Finance and administration	204,155	184,328	-	60,363	60,363	59,722	640	1%	184,328
Internal audit	13,430	12,188	-	5,078	5,078	4,552	526	12%	12,188
<b>Community and public safety</b>	<b>29,655</b>	<b>88,396</b>	<b>-</b>	<b>9,736</b>	<b>9,736</b>	<b>17,110</b>	<b>(7,373)</b>	<b>-43%</b>	<b>88,396</b>
Community and social services	11,515	9,924	-	4,120	4,120	3,814	306	8%	9,924
Sport and recreation	17,675	13,472	-	5,599	5,599	7,310	(1,711)	-23%	13,472
Public safety	465	65,000	-	17	17	5,986	(5,968)	-100%	65,000
<b>Economic and environmental services</b>	<b>132,017</b>	<b>126,286</b>	<b>-</b>	<b>25,492</b>	<b>25,492</b>	<b>11,002</b>	<b>14,490</b>	<b>132%</b>	<b>126,286</b>
Planning and development	30,386	24,295	-	9,293	9,293	6,296	2,998	48%	24,295
Road transport	100,013	99,173	-	15,025	15,025	3,585	11,440	319%	99,173
Environmental protection	1,617	2,818	-	1,174	1,174	1,122	52	5%	2,818
<b>Trading services</b>	<b>143,645</b>	<b>166,092</b>	<b>-</b>	<b>21,039</b>	<b>21,039</b>	<b>30,012</b>	<b>(8,973)</b>	<b>-30%</b>	<b>166,092</b>
Energy sources	109,642	134,030	-	10,742	10,742	16,811	(6,070)	-36%	134,030
Waste management	34,003	32,062	-	10,297	10,297	13,201	(2,904)	-22%	32,062
<b>Total Revenue - Functional</b>	<b>579,032</b>	<b>625,958</b>	<b>-</b>	<b>141,988</b>	<b>141,988</b>	<b>132,486</b>	<b>9,502</b>	<b>7%</b>	<b>625,958</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>233,612</b>	<b>199,255</b>	<b>-</b>	<b>22,425</b>	<b>22,425</b>	<b>23,661</b>	<b>(1,236)</b>	<b>-5%</b>	<b>199,255</b>
Executive and council	41,788	42,577	-	2,807	2,807	3,747	(940)	-25%	42,577
Finance and administration	183,778	148,683	-	19,099	19,099	18,461	638	3%	148,683
Internal audit	8,045	7,995	-	519	519	1,453	(933)	-64%	7,995
<b>Community and public safety</b>	<b>31,882</b>	<b>76,374</b>	<b>-</b>	<b>2,215</b>	<b>2,215</b>	<b>6,311</b>	<b>(4,096)</b>	<b>-65%</b>	<b>76,374</b>
Community and social services	7,155	7,280	-	451	451	587	(136)	-23%	7,280
Sport and recreation	8,287	12,783	-	514	514	997	(483)	-48%	12,783
Public safety	16,439	56,311	-	1,250	1,250	4,727	(3,477)	-74%	56,311
<b>Economic and environmental services</b>	<b>101,322</b>	<b>103,751</b>	<b>-</b>	<b>3,159</b>	<b>3,159</b>	<b>8,491</b>	<b>(5,332)</b>	<b>-63%</b>	<b>103,751</b>
Planning and development	12,907	17,950	-	907	907	1,407	(499)	-35%	17,950
Road transport	87,797	85,136	-	2,204	2,204	7,031	(4,827)	-69%	85,136
Environmental protection	618	665	-	48	48	54	(6)	-11%	665
<b>Trading services</b>	<b>130,806</b>	<b>153,295</b>	<b>-</b>	<b>2,981</b>	<b>2,981</b>	<b>13,070</b>	<b>(10,089)</b>	<b>-77%</b>	<b>153,295</b>
Energy sources	99,670	128,242	-	996	996	10,742	(9,746)	-91%	128,242
Waste management	31,136	25,053	-	1,985	1,985	2,328	(343)	-15%	25,053
<b>Total Expenditure - Functional</b>	<b>497,621</b>	<b>532,675</b>	<b>-</b>	<b>30,780</b>	<b>30,780</b>	<b>51,533</b>	<b>(20,752)</b>	<b>-40%</b>	<b>532,675</b>
<b>Surplus/ (Deficit) for the year</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>	<b>30,254</b>	<b>37%</b>	<b>93,283</b>

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

Vote Description	2020/21	Budget Year 2021/22							
	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	49,347	42,820	-	11,180	11,180	8,429	2,751	33%	42,820
Vote 2 - Municipal Manager	47,408	42,149	-	17,562	17,562	20,540	(2,978)	-14%	42,149
Vote 3 - Budget & Treasury	84,867	74,785	-	14,720	14,720	16,881	(2,161)	-13%	74,785
Vote 4 - Corporate Services	51,329	46,749	-	19,478	19,478	15,249	4,230	28%	46,749
Vote 5 - Community Services	72,659	130,531	-	22,467	22,467	32,586	(10,119)	-31%	130,531
Vote 6 - Technical Services	228,759	250,001	-	34,531	34,531	26,968	7,563	28%	250,001
Vote 7 - Developmental Planning	21,988	17,052	-	6,275	6,275	3,681	2,594	70%	17,052
Vote 8 - Executive Support	22,675	21,871	-	9,113	9,113	8,153	960	12%	21,871
<b>Total Revenue by Vote</b>	<b>579,032</b>	<b>625,958</b>	<b>-</b>	<b>135,326</b>	<b>135,326</b>	<b>132,486</b>	<b>2,840</b>	<b>2%</b>	<b>625,958</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	37,251	37,114	-	2,575	2,575	3,296	(721)	-22%	37,114
Vote 2 - Municipal Manager	45,687	36,199	-	3,362	3,362	4,132	(770)	-19%	36,199
Vote 3 - Budget & Treasury	78,762	56,980	-	10,315	10,315	10,198	117	1%	56,980
Vote 4 - Corporate Services	27,189	35,707	-	4,512	4,512	3,701	811	22%	35,707
Vote 5 - Community Services	71,254	109,512	-	4,856	4,856	9,323	(4,466)	-48%	109,512
Vote 6 - Technical Services	207,669	228,211	-	3,039	3,039	18,764	(15,725)	-84%	228,211
Vote 7 - Developmental Planning	8,333	13,293	-	582	582	896	(314)	-35%	13,293
Vote 8 - Executive Support	21,476	15,657	-	1,539	1,539	1,223	316	26%	15,657
<b>Total Expenditure by Vote</b>	<b>497,621</b>	<b>532,675</b>	<b>-</b>	<b>30,780</b>	<b>30,780</b>	<b>51,533</b>	<b>(20,752)</b>	<b>-40%</b>	<b>532,675</b>
<b>Surplus/ (Deficit) for the year</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>104,546</b>	<b>104,546</b>	<b>80,953</b>	<b>23,593</b>	<b>29%</b>	<b>93,283</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	2020/21	Budget Year 2021/22							
	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	39,442	38,865		3,554	3,554	3,293	261	8%	38,865
Service charges - electricity revenue	88,812	104,214		8,791	8,791	7,699	1,092	14%	104,214
Service charges - refuse revenue	8,926	9,276		803	803	583	220	38%	9,276
Rental of facilities and equipment	1,081	898		50	50	75	(25)	-33%	898
Interest earned - external investments	585	1,900		197	197	121	76	63%	1,900
Interest earned - outstanding debtors	17,041	12,860		1,367	1,367	1,354	12	1%	12,860
Fines, penalties and forfeits	473	65,071		43	43	5,987	(5,944)	-99%	65,071
Licences and permits	4,635	5,240		415	415	445	(30)	-7%	5,240
Transfers and subsidies	347,058	307,637		126,640	126,640	106,141	20,499	19%	307,637
Other revenue	2,271	664		127	127	55	72	130%	664
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>510,324</b>	<b>546,626</b>	<b>-</b>	<b>141,988</b>	<b>141,988</b>	<b>125,754</b>	<b>16,234</b>	<b>13%</b>	<b>546,626</b>
<b>Expenditure By Type</b>									
Employee related costs	157,214	163,212		11,813	11,813	13,615	(1,802)	-13%	163,212
Remuneration of councillors	24,279	27,334		2,020	2,020	2,278	(258)	-11%	27,334
Debt impairment	19,637	48,632		-	-	4,053	(4,053)	-100%	48,632
Depreciation & asset impairment	58,174	58,392		-	-	4,866	(4,866)	-100%	58,392
Finance charges	2,123	3,729		-	-	319	(319)	-100%	3,729
Bulk purchases	88,182	110,035		111	111	9,085	(8,974)	-99%	110,035
Other materials	26,415	19,551		969	969	1,506	(537)	-36%	19,551
Contracted services	75,437	60,088		3,923	3,923	10,278	(6,355)	-62%	60,088
Transfers and subsidies	2,963	3,784		235	235	307	(72)	-24%	3,784
Other expenditure	43,197	37,918		11,709	11,709	5,225	6,484	124%	37,918
Losses							-		
<b>Total Expenditure</b>	<b>497,621</b>	<b>532,675</b>	<b>-</b>	<b>30,780</b>	<b>30,780</b>	<b>51,533</b>	<b>(20,752)</b>	<b>-40%</b>	<b>532,675</b>
<b>Surplus/(Deficit)</b>	<b>12,702</b>	<b>13,951</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>74,221</b>	<b>36,986</b>	<b>50%</b>	<b>13,951</b>
Transfers and subsidies - capital (monetary allocations)	68,708	79,332		-	-	6,732	(6,732)	-100%	79,332
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>			<b>93,283</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>			<b>93,283</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>			<b>93,283</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>81,410</b>	<b>93,283</b>	<b>-</b>	<b>111,207</b>	<b>111,207</b>	<b>80,953</b>		<b>-</b>	<b>93,283</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 councilors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

In the 2020/21 financial year an amount of R1, 483 million has been spent to date for COVID 19 danger allowance, which is included on the year to date expenditure of R150, 113 million spent on employees related costs. For the month July 2021, no COVID 19 danger allowances were paid.

Other expenditure relating to COVID 19 amounts to R887, 228 thousands relating to 2019/20 financial year and R106, 061 relating to 2020/21 financial year.

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**

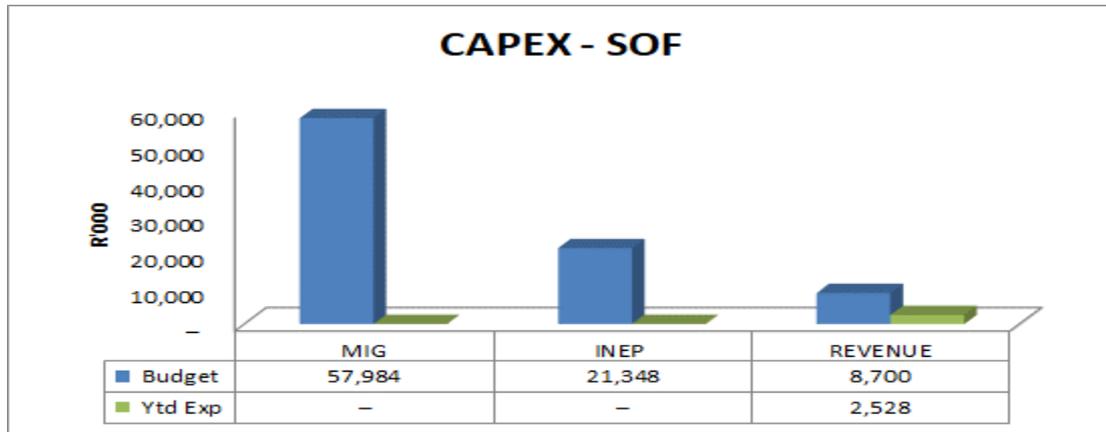
Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,105	1,360	-	28	28	477	(449)	-94%	1,360
Executive and council							-		
Finance and administration	1,105	1,360		28	28	477	(449)	-94%	1,360
Internal audit							-		
<b>Community and public safety</b>	1,972	800	-	-	-	-	-		800
Community and social services	687	600		-	-	-	-		600
Sport and recreation	602	200		-	-	-	-		200
Public safety	682						-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	69,845	63,584	-	2,500	2,500	10,094	(7,594)	-75%	63,584
Planning and development		1,100		-	-	-	-		1,100
Road transport	69,845	62,484		2,500	2,500	10,094	(7,594)	-75%	62,484
Environmental protection							-		
<b>Trading services</b>	20,552	22,288	-	-	-	1,268	(1,268)	-100%	21,988
Energy sources	20,552	21,988		-	-	1,268	(1,268)	-100%	21,988
Waste management	-	300		-	-	-	-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	93,474	88,032	-	2,528	2,528	11,838	(9,310)	-79%	87,732
<b>Funded by:</b>									
National Government	70,918	79,332		-	-	10,212	(10,212)	-100%	79,332
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	70,918	79,332	-	-	-	10,212	(10,212)	-100%	79,332
Borrowing							-		
Internally generated funds	22,556	8,700		2,528	2,528	1,626	901	55%	8,700
<b>Total Capital Funding</b>	93,474	88,032	-	2,528	2,528	11,838	(9,310)	-79%	88,032

**Table C5C: Monthly Capital Expenditure by Vote**

Vote Description	2020/21	Budget Year 2021/22							
	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	1,105	460	-	28	28	185	(158)	-85%	460
Vote 5 - Community Services	-	300	-	-	-	-	-	-	300
Vote 6 - Technical Services	9,057	40,840	-	2,500	2,500	4,837	(2,337)	-48%	40,840
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>10,163</b>	<b>41,600</b>	<b>-</b>	<b>2,528</b>	<b>2,528</b>	<b>5,023</b>	<b>(2,495)</b>	<b>-50%</b>	<b>41,600</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	100	-	-	-	-	-	-	100
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,972	800	-	-	-	-	-	-	800
Vote 6 - Technical Services	81,339	44,432	-	-	-	6,815	(6,815)	-100%	44,432
Vote 7 - Developmental Planning	-	1,100	-	-	-	-	-	-	1,100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>83,311</b>	<b>46,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,815</b>	<b>(6,815)</b>	<b>-100%</b>	<b>46,432</b>
<b>Total Capital Expenditure</b>	<b>93,474</b>	<b>88,032</b>	<b>-</b>	<b>2,528</b>	<b>2,528</b>	<b>11,838</b>	<b>(9,310)</b>	<b>-79%</b>	<b>88,032</b>

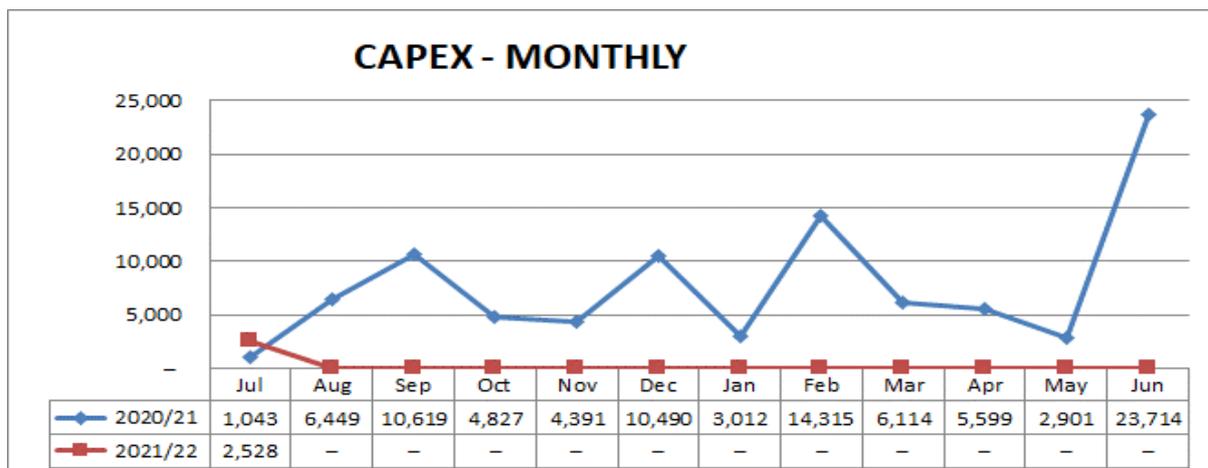
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of July 2021, R2, 528 million spending is incurred and that increased the year to date expenditure to R2, 528 million whilst the year to date budget is R11, 838 million and this gave rise to under spending variance of R9, 310 million that translates to 79%.

**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 R88, 032 million, R57, 984 million is funded from Municipal Infrastructure grant, R21, 348 million from Integrated National Electrification Programme and R8, 700 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 2020/21 and 2021/22 monthly capital expenditure performance.

**Table C6: Monthly Budget Statement Financial Position**

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	6,415	8,536		10,387	8,536
Call investment deposits		23,315		100,200	23,315
Consumer debtors	77,298	63,924		80,632	63,924
Other debtors	62,288	60,917		98,815	60,917
Current portion of long-term receivables					
Inventory	11,082	8,606		11,296	8,606
<b>Total current assets</b>	<b>157,083</b>	<b>165,299</b>	<b>-</b>	<b>301,330</b>	<b>165,299</b>
<b>Non current assets</b>					
Long-term receivables				-	
Investments	-	-		-	-
Investment property	67,612	60,343		69,357	60,343
Investments in Associate					
Property, plant and equipment	1,127,375	1,229,559		1,129,693	1,229,559
Biological	463			-	
Intangible	31	31		31	31
Other non-current assets	16,193	15,502		1,928	15,502
<b>Total non current assets</b>	<b>1,211,674</b>	<b>1,305,435</b>	<b>-</b>	<b>1,201,009</b>	<b>1,305,435</b>
<b>TOTAL ASSETS</b>	<b>1,368,758</b>	<b>1,470,733</b>	<b>-</b>	<b>1,502,339</b>	<b>1,470,733</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-		-	-
Borrowing	2,441	12,271			12,271
Consumer deposits	5,782	5,700		2,754	5,700
Trade and other payables	88,822	87,165		113,876	87,165
Provisions	4,319	5,950		2,754	5,950
<b>Total current liabilities</b>	<b>101,365</b>	<b>111,087</b>	<b>-</b>	<b>119,384</b>	<b>111,087</b>
<b>Non current liabilities</b>					
Borrowing	(2,110)	19,467		6,616	19,467
Provisions	76,614	95,439		73,611	95,439
<b>Total non current liabilities</b>	<b>74,504</b>	<b>114,907</b>	<b>-</b>	<b>80,227</b>	<b>114,907</b>
<b>TOTAL LIABILITIES</b>	<b>175,869</b>	<b>225,994</b>	<b>-</b>	<b>199,611</b>	<b>225,994</b>
<b>NET ASSETS</b>	<b>1,192,888</b>	<b>1,244,739</b>	<b>-</b>	<b>1,302,728</b>	<b>1,244,739</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,192,888</b>	<b>1,244,739</b>		<b>1,302,728</b>	<b>1,244,739</b>
<b>Reserves</b>					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,192,888</b>	<b>1,244,739</b>	<b>-</b>	<b>1,302,728</b>	<b>1,244,739</b>

The above table shows that community wealth amounts to R1, 302 billion, total liabilities R199, 611 million and the total assets R1, 502 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 2.5:1 that is within 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	2020/21	Budget Year 2021/22							
	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	47,281	29,997		2,693	2,693	3,300	(607)	-18%	29,997
Service charges	128,148	107,419		8,730	8,730	9,416	(686)	-7%	107,419
Other revenue	13,218	20,923		1,333	1,333	1,522	(189)	-12%	20,923
Transfers and Subsidies - Operational	249,240	307,637		126,712	126,712	136,581	(9,869)	-7%	307,637
Transfers and Subsidies - Capital	70,918	79,332		31,000	31,000	17,524	13,476	77%	79,332
Interest	941	3,018		311	311	67	244	363%	3,018
<b>Payments</b>									
Suppliers and employees	(404,748)	(443,509)		(62,859)	(62,859)	(35,761)	27,098	-76%	(443,509)
Finance charges	(786)	(3,729)		(20)	(20)	(24)	(3)	14%	(3,729)
Transfers and Grants	(1,487)	(3,784)		(235)	(235)	(266)	(32)	12%	(3,784)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>102,726</b>	<b>97,304</b>	<b>-</b>	<b>107,664</b>	<b>107,664</b>	<b>132,359</b>	<b>24,694</b>	<b>19%</b>	<b>97,304</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	(58)	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
<b>Payments</b>									
Capital assets	(84,243)	(80,993)		(2,528)	(2,528)	(921)	1,607	-175%	(80,993)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(84,301)</b>	<b>(80,993)</b>	<b>-</b>	<b>(2,528)</b>	<b>(2,528)</b>	<b>(921)</b>	<b>1,607</b>	<b>-175%</b>	<b>(80,993)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-						-		-
Increase (decrease) in consumer deposits		325					-		325
<b>Payments</b>									
Repayment of borrowing	(13,938)	(12,271)		(965)	(965)	(8,854)	(7,889)	89%	(12,271)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(13,938)</b>	<b>(11,947)</b>	<b>-</b>	<b>(965)</b>	<b>(965)</b>	<b>(8,854)</b>	<b>(7,889)</b>	<b>89%</b>	<b>(11,947)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4,486</b>	<b>4,364</b>	<b>-</b>	<b>104,172</b>	<b>104,172</b>	<b>122,584</b>			<b>4,364</b>
Cash/cash equivalents at beginning:	1,929	27,487			6,415	27,487			6,415
Cash/cash equivalents at month/year end:	6,415	31,852	-		110,587	150,071			10,780

Table C7 presents details pertaining to cash flow performance. As at end of July 2021, the net cash inflow from operating activities is R107, 664 million whilst net cash outflow from investing activities is R2, 528 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R965 thousand. The cash and cash equivalent held at end of July 2021 amounted to R110, 587 million and the net effect of the above cash flows is cash inflow movement of 104, 172 million. The cash and cash equivalent at end of the reporting period of R110, 587 million, is mainly made up of cash in the primary bank account amounting to R10, 387 million and a short term investment of R100, 200 million.

## 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	8%	The projected monthly revenue appear to be lower in light of the actual revenue performance	The variance is immaterial however it will be addressed in the main adjusted budget.
Service charges - electricity revenue	14%	The projected monthly revenue appear to be lower in light of the actual revenue performance	No remedial action is needed as it shows the municipality has improved on the electricity revenue collection
Service charges - refuse revenue	38%	The actual revenue generated is slightly more than the projected monthly revenue	No remedial action is needed as the collection is high.
Rental of facilities and equipment	-33%	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	63%	The municipality has short term investment with STANDARD BANK and NEDBANK and the actual revenue is more than the projected revenue.	The municipality should draft cash flow projections pain which will assist if there is a need to invest
Interest earned - outstanding debtors	1%	The projected revenue is lower than the actual revenue generated.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	-99%	The contract of the speed fine cameras has been appointed however there is still challenges on revenue collection.	The municipality should look into ways on improving the collections on fine, either perform roadblocks to enforce motorists to pay on their outstanding tickets and fines.
Licences and permits	-7%	The actual revenue generated is slightly lower than the projected monthly revenue	No remedial action is needed since there is limited number of customers assisted everyday due to COVID 19 precautions.
Transfers and subsidies	19%	The equitable share trenches received is higher than the projections thereof.	No remedial action is needed.
Other revenue	130%	The actual revenue generated is higher than the projected monthly revenue.	No remedial action is needed as the variance is positive.
<b>Expenditure By Type</b>			
Employee related costs	-13%	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	-11%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	This will be addressed in the main budget adjustment.
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 however some of the invoices are received late from the suppliers.
Bulk purchases	-99%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure the July invoice is not captured on the system before month end closure..	The end users which happens to be the infrastructure department should sent invoices on time the supply chain for orders.
Other materials	-36%	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	-62%	The actual expenditure incurred is less 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	-24%	The actual expenditure incurred is slightly less than the projected monthly expenditure	No remedial action is needed
Other expenditure	124%	The actual expenditure incurred is more than the projected monthly expenditure	The projections will be addressed during the main adjustment budget should this continue.

## Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-100%	The projections on capital grants is more than the spending thereof since capital projects have not yet spent.	No remedial action is needed
Provincial Government	0%		
Internally generated funds	55%	The actual spending of internally generated funds are more than the projections thereof.	No remedial action is needed for now.
<b>Cash Flow</b>			
Property rates	-18%	The actual collection rate on property rates is less than the projected rate	The municipality should improve on the actual collection on residential and business areas.
Service charges	-7%	The collection rate on service charges is slightly lower than the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	-12%	The collection rate on leased assets are over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-7%	The first trenches of operational grants are over projected.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Government - Capital	77%	The first trenches of capital grants are under projected.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	363%	Interest on other revenue is under projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-76%	The actual costs incurred is way higher than the projected costs	The variance is caused by outstanding payment on Contracted services, Other materials and general expenses therefore the municipality should avoid closing the year end with outstanding creditors
Finance charges	14%	The finance charges have been over projected.	No remedial action is needed
Transfers and Grants	12%	The payments relating to this account are slightly lower than the projections thereof	No remedial action is needed
Capital assets	-175%	The projected capital expenditure on capex is slightly lower than the actual spending thereof.	All the expected first trench of the grants have been received in line with their payment schedule
Repayment of borrowing	89%	The projections is not in line with the amortisation schedule	This will be addressed in the main adjustment budget

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

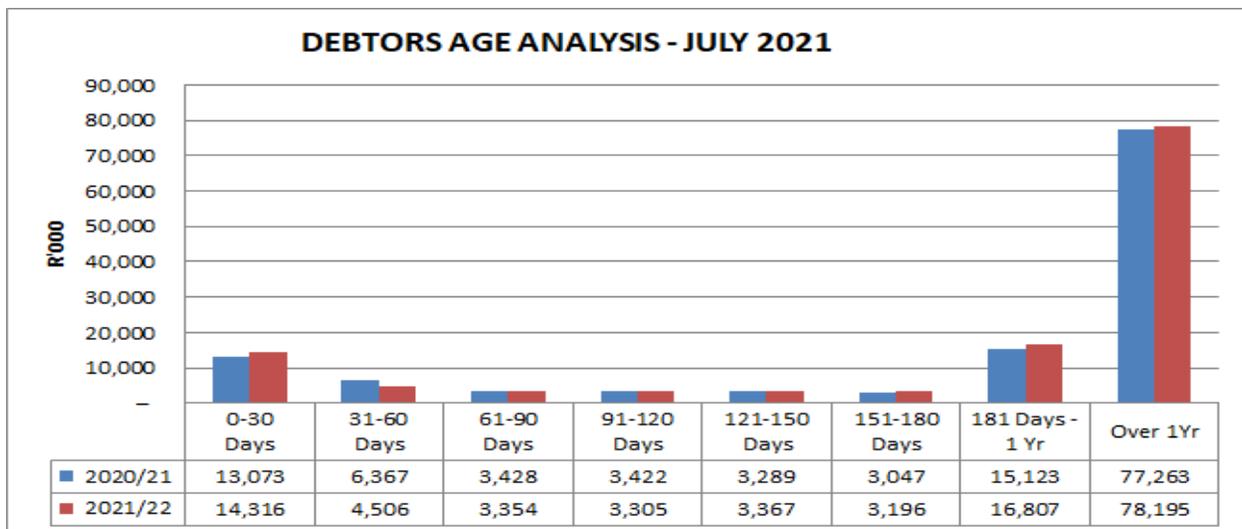
Description	Budget Year 2021/22											Bad Debts Written Off	Impairment Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Electricity	8,013	979	182	113	111	110	452	1,745	11,705	2,531				
Receivables from Non-exchange Transactions - Property Rates	3,296	1,593	1,357	1,295	1,284	1,187	6,512	35,947	52,470	46,224				
Receivables from Exchange Transactions - Waste Management	783	473	400	388	387	382	2,263	11,991	17,068	15,411				
Receivables from Exchange Transactions - Property Rental Debtors	50	39	25	25	140	116	31	997	1,422	1,309				
Interest on Arrear Debtor Accounts	1,379	1,343	1,478	1,437	1,393	1,337	7,359	26,367	42,093	37,892				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-				
Other	794	80	(88)	47	53	65	190	1,148	2,289	1,503				
<b>Total By Income Source</b>	<b>14,316</b>	<b>4,506</b>	<b>3,354</b>	<b>3,305</b>	<b>3,367</b>	<b>3,196</b>	<b>16,807</b>	<b>78,195</b>	<b>127,047</b>	<b>104,871</b>	-	-		
<b>2020/21 - totals only</b>	<b>13,073</b>	<b>6,367</b>	<b>3,428</b>	<b>3,422</b>	<b>3,289</b>	<b>3,047</b>	<b>15,123</b>	<b>77,263</b>	<b>125,011</b>	<b>102,144</b>				
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	1,920	1,176	1,106	1,038	1,137	1,047	5,203	24,821	37,447	33,246				
Commercial	7,092	1,008	446	512	517	452	2,117	10,866	23,010	14,464				
Households	5,247	2,310	1,793	1,746	1,705	1,689	9,441	42,302	66,233	56,882				
Other	57	12	9	9	9	9	46	206	357	279				
<b>Total By Customer Group</b>	<b>14,316</b>	<b>4,506</b>	<b>3,354</b>	<b>3,305</b>	<b>3,367</b>	<b>3,196</b>	<b>16,807</b>	<b>78,195</b>	<b>127,047</b>	<b>104,871</b>	-	-		

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of July amount to R127, 047 million. The debtors' book is made up as follows:

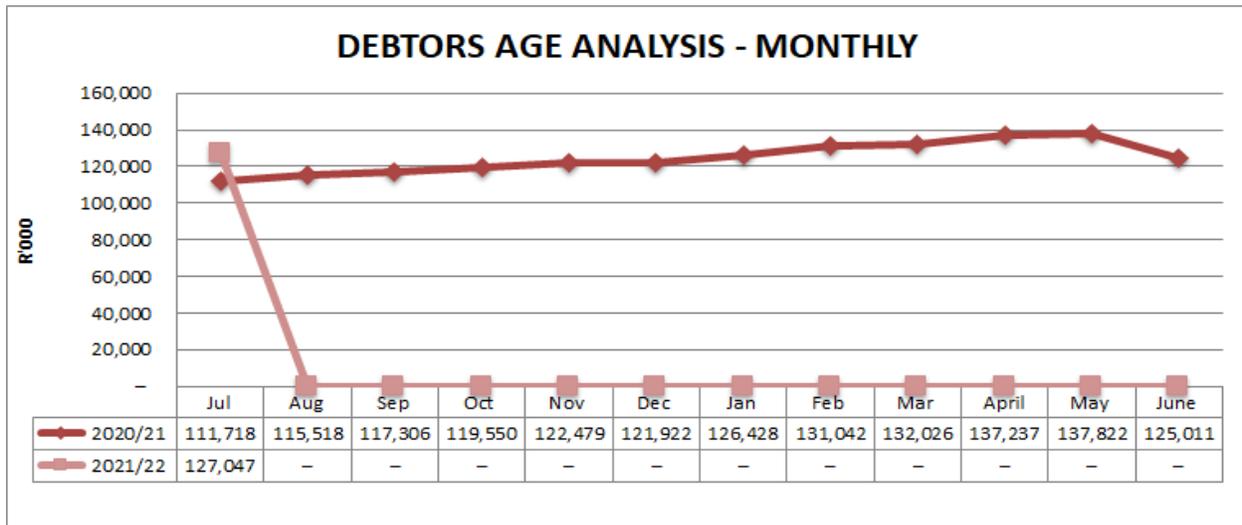
- Rates 41%
- Electricity 9%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 33%
- Other 2%

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 2020/21 financial year and 2021/22 (as at end of July 2021) whilst the latter shows monthly movement of debtors for both the current financial year and the 2020/21 financial year. The debtors book is materially less than the 2021/22 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	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,511,845.09
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	634,691.40
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	970,639.56
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	620,418.99
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	642,545.35
80000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	496,850.66
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	176,308.76
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	170,564.27
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	329,652.92
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	166,294.69
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	231,552.01
20494	BREAKAWAY TRUST	ACTIVE	OWNER	241,769.98
4300009	BONUREX (PTY) LTD (CHICKEN LICKEN)	ACTIVE	OCCUPIER	245,935.99
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	128,605.26
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	154,902.31
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	151,441.14
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	263,900.07
9001712	20	ACTIVE	OWNER	174,125.80
2200691	EHLERS JA	ACTIVE	OWNER	147,486.03
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	174,745.96
<b>TOTAL</b>				<b>7,634,276.24</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2021/22									Prior year totals
	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									-	
<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 had an amount of R4, 967 million as outstanding creditors by the end of the month of July 2021.

CODE	CREDITOR NAME	AMOUNT
80984	GUBIS 85 SOLUTION	1,983,958.82
37581	PHELADI NOKO B1 FUNERAL	805,000.00
81042	MATUPUNUKA ICT	402,644.64
81156	MMB CONSULTING	293,250.00
81000	KHUMALO MASONDO ATTORNEYS	287,630.48
81155	AMBITION PARTNERS CHARTERED	249,062.40
81041	LEKONAKONETSI CONSULTING SERVI	239,583.33
80889	FLEET HORIZON SOLUTIONS	182,028.33
80915	BAANASWANA TRANSPORT	135,000.00
1	ESKOM	123,167.79
81158	JANERICON	29,500.00
81087	KEFETSANG PROJECTS	29,250.00
81082	MTHULISI HOLDINGS	28,900.00
80918	MAFEDI	28,000.00
80978	PHUMLANI MMT ENTERPRISE	28,000.00
81157	HOLPOINT INVESTMENT	28,000.00
80617	LESNOEK PROJECTS (PTY) LTD	27,600.00
80995	VETIVER TRADING 5028	24,000.00
81017	NDZUNDZA GROUP	21,900.00
80935	PHUTHUMANATHI SYSTEMS	21,400.00
<b>TOTAL</b>		<b>4,967,875.79</b>

## Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Interest to be realised	Withdrawal	Investment Top Up	Closing Balance
Standard Bank 038823527006	1 Month	Current Investment	4.3%		14-Aug-21		42,164		20,000,000	20,042,164
Standard Bank 038823527007	1 Month	Current Investment	4.4%		14-Sep-21		64,948		30,000,000	30,064,948
Standard Bank 38823527008	1 Month	Current Investment	4.5%		14-Oct-21		62,639		30,000,000	30,062,639
Nedbank 037881068264/0061	1 Month	Current Investment	4.2%		20-Aug-21		29,882		20,000,000	20,029,882
<b>TOTAL INVESTMENTS AND INTEREST</b>						-	<b>199,634</b>	-	<b>100,000,000</b>	<b>100,199,634</b>

The Municipality's current investment portfolio during the month July started by investing an amount R100,000 million in different portfolio investments, earned an interest of R199 thousand, with no withdrawal and closed with R100, 199 million.

## Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2020/21	Budget Year 2021/22							
	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>351,806</b>	<b>307,637</b>	<b>-</b>	<b>126,712</b>	<b>126,712</b>	<b>106,141</b>	<b>20,571</b>	<b>19%</b>	<b>307,637</b>
Local Government Equitable Share	347,525	302,788		126,162	126,162	103,168	22,994	22%	302,788
Finance Management	2,600	2,650		-	-	2,650	(2,650)	-100%	2,650
EPWP Incentive	1,681	2,199		550	550	323	227	70%	2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
<b>Provincial Government:</b>	<b>-</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>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>102</b>	<b>130</b>		<b>130</b>	<b>130</b>	<b>-</b>	<b>130</b>	<b>0%</b>	<b>130</b>
LGSETA Learnership and Development	102	130		130	130	-	130	0%	130
<b>Total Operating Transfers and Grants</b>	<b>351,908</b>	<b>307,767</b>	<b>-</b>	<b>126,842</b>	<b>126,842</b>	<b>106,141</b>	<b>20,701</b>	<b>20%</b>	<b>307,767</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>68,891</b>	<b>79,332</b>	<b>-</b>	<b>31,000</b>	<b>31,000</b>	<b>6,732</b>	<b>21,000</b>	<b>312%</b>	<b>79,332</b>
Municipal Infrastructure Grant (MIG)	53,891	57,984		21,000	21,000		21,000	#DIV/0!	57,984
Integrated National Electrification Grant	15,000	21,348		10,000	10,000	6,732			21,348
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Coghsta - Development							-		-
<b>District Municipality:</b>	<b>-</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>	<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>68,891</b>	<b>79,332</b>	<b>-</b>	<b>31,000</b>	<b>31,000</b>	<b>6,732</b>	<b>21,000</b>	<b>312%</b>	<b>79,332</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>420,799</b>	<b>387,099</b>	<b>-</b>	<b>157,842</b>	<b>157,842</b>	<b>112,874</b>	<b>41,701</b>	<b>37%</b>	<b>387,099</b>

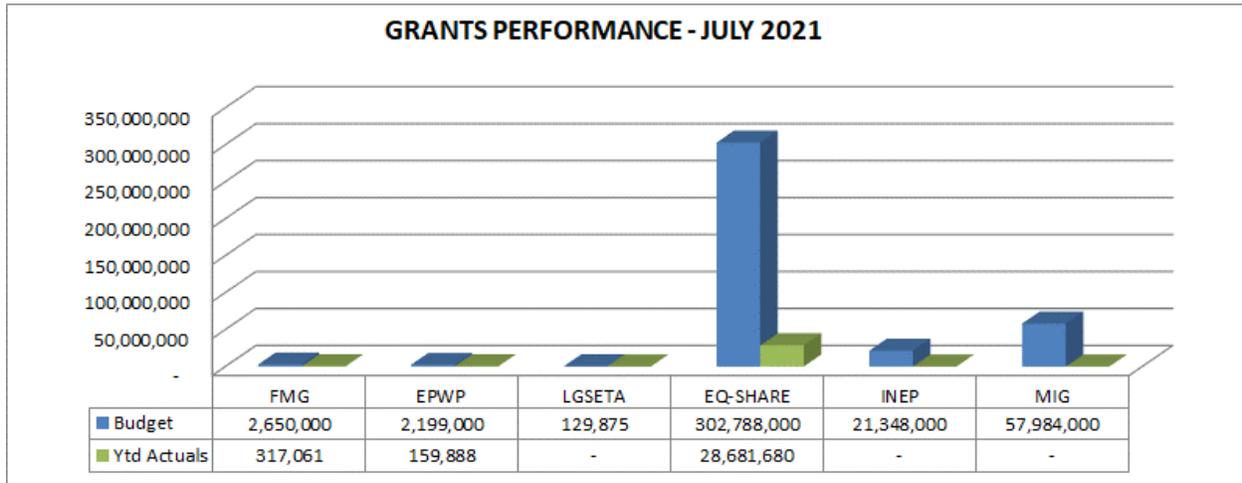
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R157, 842 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R126, 162 million; Municipal Infrastructure Grant amounting to R21, 000 million; Integrated National Energy Grant R10, 000 million and Expanded Public Works Programme R550 thousand 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	2020/21	Budget Year 2021/22							
	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>351,806</b>	<b>307,637</b>	<b>-</b>	<b>29,159</b>	<b>29,159</b>	<b>30,953</b>	<b>(1,794)</b>	<b>-6%</b>	<b>307,637</b>
Local Government Equitable Share	347,525	302,788		28,682	28,682	30,320	(1,638)	-5%	302,788
Finance Management	2,600	2,650		317	317	450	(133)	-29%	2,650
EPWP Incentive	1,681	2,199		160	160	183	(23)	-13%	2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
<b>Provincial Government:</b>	<b>-</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>	<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>102</b>	<b>130</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>0%</b>	<b>130</b>
LGSETA Learnership and Development	102	130		-	-	-	-	0%	130
<b>Total operating expenditure of Transfers and Grants:</b>	<b>351,908</b>	<b>307,767</b>	<b>-</b>	<b>29,289</b>	<b>29,289</b>	<b>30,953</b>	<b>(1,664)</b>	<b>-5%</b>	<b>307,767</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>68,891</b>	<b>79,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,212</b>	<b>(10,212)</b>	<b>-100%</b>	<b>79,332</b>
Municipal Infrastructure Grant (MIG)	53,891	57,984		-	-	9,179	(9,179)	-100%	57,984
Integrated National Electrification Grant	15,000	21,348		-	-	1,033	(1,033)	-100%	21,348
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cogshla - Development		-					-		
<b>District Municipality:</b>	<b>-</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>	<b>-</b>
N/A							-		
<b>Total capital expenditure of Transfers and Grants</b>	<b>68,891</b>	<b>79,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,212</b>	<b>(10,212)</b>	<b>-100%</b>	<b>79,332</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>420,799</b>	<b>387,099</b>	<b>-</b>	<b>29,289</b>	<b>29,289</b>	<b>41,165</b>	<b>(11,876)</b>	<b>-29%</b>	<b>387,099</b>

An amount of R29, 289 million has been spent on grants during the month of July 2021 and the year to date actuals is R29, 289 million whilst the year to date budget amounts to R41, 165 million and this results in under spending variance of R11, 876 million that translates to 29%. Of the total spending amounting to R29, 289 million, R29, 289 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 2021. The grants expenditure are shown below in percentages:

- Financial Management Grant 11.96%
- Expanded Public Work Programme 7.27%
- LGSETA 0%
- Equitable Share 9.47%
- Integrated National Electrification Grant 0%
- Municipal Infrastructure Grant 0%

## Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22							
	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	14,184	16,008		1,179	1,179	1,334	(155)	-12%	16,008
Pension and UIF Contributions	1,600	1,847		132	132	154	(21)	-14%	1,847
Medical Aid Contributions	396	399		34	34	33	1	2%	399
Motor Vehicle Allowance	5,167	5,847		431	431	487	(57)	-12%	5,847
Cellphone Allowance	2,708	2,992		226	226	249	(24)	-9%	2,992
Other benefits and allowances	223	243		19	19	20	(2)	-8%	243
<b>Sub Total - Councillors</b>	<b>24,279</b>	<b>27,334</b>	<b>-</b>	<b>2,020</b>	<b>2,020</b>	<b>2,278</b>	<b>(258)</b>	<b>-11%</b>	<b>27,334</b>
<b>% increase</b>		<b>13%</b>							<b>13%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,947	6,226		264	264	519	(255)	-49%	6,226
Pension and UIF Contributions	141	299		7	7	25	(18)	-70%	299
Medical Aid Contributions	81	92		4	4	8	(3)	-45%	92
Motor Vehicle Allowance	420	912		16	16	76	(60)	-80%	912
Cellphone Allowance	114	151		7	7	13	(5)	-43%	151
Other benefits and allowances	1,846	491		0	0	41	(41)	-100%	491
Payments in lieu of leave							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,549</b>	<b>8,171</b>	<b>-</b>	<b>298</b>	<b>298</b>	<b>681</b>	<b>(383)</b>	<b>-56%</b>	<b>8,171</b>
<b>% increase</b>		<b>25%</b>							<b>25%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	93,585	99,214		7,857	7,857	8,268	(410)	-5%	99,214
Pension and UIF Contributions	18,983	27,125		1,581	1,581	2,260	(679)	-30%	27,125
Medical Aid Contributions	5,228	4,550		431	431	378	53	14%	4,550
Overtime	1,353	1,005		114	114	81	33	41%	1,005
Motor Vehicle Allowance	12,066	12,315		1,034	1,034	1,026	8	1%	12,315
Cellphone Allowance	1,901	1,284		160	160	106	55	52%	1,284
Housing Allowances	206	202		17	17	16	1	8%	202
Other benefits and allowances	9,250	8,457		172	172	709	(537)	-76%	8,457
Payments in lieu of leave	6,688	173		148	148	-	148	#DIV/0!	173
Long service awards	1,405	714		-	-	90	(90)	-100%	714
Post-retirement benefit obligations							-		
<b>Sub Total - Other Municipal Staff</b>	<b>150,665</b>	<b>155,041</b>	<b>-</b>	<b>11,515</b>	<b>11,515</b>	<b>12,934</b>	<b>(1,419)</b>	<b>-11%</b>	<b>155,041</b>
<b>% increase</b>		<b>3%</b>							<b>3%</b>
<b>Total Parent Municipality</b>	<b>181,493</b>	<b>190,546</b>	<b>-</b>	<b>13,833</b>	<b>13,833</b>	<b>15,893</b>	<b>(2,060)</b>	<b>-13%</b>	<b>190,546</b>
		<b>5%</b>							<b>5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>181,493</b>	<b>190,546</b>	<b>-</b>	<b>13,833</b>	<b>13,833</b>	<b>15,893</b>	<b>(2,060)</b>	<b>-13%</b>	<b>190,546</b>
<b>% increase</b>		<b>5%</b>							<b>5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>157,214</b>	<b>163,212</b>	<b>-</b>	<b>11,813</b>	<b>11,813</b>	<b>13,615</b>	<b>(1,802)</b>	<b>-13%</b>	<b>163,212</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 2021 amounts to R13, 833 million and the year to date budget is R15, 893 million and the expenditure for remuneration of councilors amounts to R2, 020 million while the year to date budget is R2, 278 million. The year to date actual expenditure for senior managers is R298 thousand million and the year to date budget thereof is R681 thousand. There is four senior management vacant position (Budget and Treasury, Executive Support, Infrastructure and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R11, 515 million and the year to date budget is R12, 934 million. The remuneration of councilors and other municipal staff category has under spending variance, and there is four vacant positions in the senior management level and the positions should be filled in the new financial year 2021/22.

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

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2	
	Outcome	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	Budgeted	2021/22	2022/23	2023/24	
<b>Cash Receipts By Source</b>																
Property rates	2,693	2,448	2,481	2,495	2,460	2,435	2,488	2,480	2,473	2,474	2,480	2,589	29,997	30,907	31,931	
Service charges - electricity revenue	8,269	8,723	7,995	7,963	8,994	9,646	7,501	7,674	7,571	7,776	8,569	9,318	99,998	101,965	102,930	
Service charges - refuse	461	658	647	653	626	654	617	679	607	529	512	779	7,421	8,755	9,978	
Rental of facilities and equipment	54	99	75	76	75	19	20	97	60	60	60	202	898	936	977	
Interest earned - external investments	200	-	252	-	-	143	-	-	245	-	451	610	1,900	1,980	2,067	
Interest earned - outstanding debtors	111	76	133	119	63	74	62	100	69	50	176	83	1,118	796	641	
Fines, penalties and forfeits	43	1,324	1,127	1,122	1,112	1,125	1,167	1,160	1,172	1,049	1,091	2,628	14,120	15,331	16,006	
Licences and permits	415	287	387	442	358	180	268	360	71	65	938	1,469	5,240	5,460	5,701	
Transfers and Subsidies - Operational	126,712	2,721	-	791	-	86,279	-	528	80,737	-	-	9,869	307,637	322,626	316,577	
Other revenue	821											(157)	664	692	722	
<b>Cash Receipts by Source</b>	<b>139,778</b>	<b>16,337</b>	<b>13,097</b>	<b>13,661</b>	<b>13,689</b>	<b>100,555</b>	<b>12,124</b>	<b>13,078</b>	<b>93,005</b>	<b>12,003</b>	<b>14,277</b>	<b>27,389</b>	<b>468,994</b>	<b>489,449</b>	<b>487,530</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations)	31,000	5,320	-	15,779	8,512	16,651	-	2,128	13,418				(13,476)	79,332	72,606	76,364
Transfers and subsidies - capital (monetary allocations)													-	-	-	
Proceeds on Disposal of Fixed and Intangible Assets				-		-		-		-			-	-	-	
Short term loans													-	-	-	
Borrowing long term/refinancing				-	-		-		-		-		-	-	-	
Increase (decrease) in consumer deposits	-	(1,325)			(921)			(1,000)				3,571	325	(3,247)	(3,247)	
Decrease (increase) in non-current receivables													-	-	-	
Decrease (increase) in non-current investments													-	-	-	
<b>Total Cash Receipts by Source</b>	<b>170,778</b>	<b>20,331</b>	<b>13,097</b>	<b>29,440</b>	<b>21,280</b>	<b>117,207</b>	<b>12,124</b>	<b>14,206</b>	<b>106,423</b>	<b>12,003</b>	<b>14,277</b>	<b>17,484</b>	<b>548,651</b>	<b>558,808</b>	<b>560,648</b>	
<b>Cash Payments by Type</b>																
Employee related costs	11,813	11,348	11,208	11,212	11,285	18,838	12,591	11,774	12,700	12,700	12,700	25,041	163,212	170,102	177,553	
Remuneration of councillors	2,020	2,082	2,082	2,082	2,082	2,119	2,082	2,082	2,250	2,250	2,250	3,955	27,334	28,428	29,565	
Interest paid	20	625	-	293	260	1,167	781	217	87	-	-	280	3,729	2,653	1,880	
Bulk purchases - Electricity	11,178	10,653	10,424	9,158	7,313	7,512	7,259	8,492	8,840	9,249	10,296	9,660	110,035	114,656	119,701	
Other materials	13,325	1,216	187	1,913	516	787	227	1,127	1,019	1,650	1,106	9,614	32,689	28,778	30,507	
Contracted services	12,814	2,672	4,598	7,314	3,231	8,206	7,314	6,758	3,217	3,775	4,068	135	64,102	51,538	45,479	
Grants and subsidies paid - other	235	210	391	283	267	387	275	-	270	270	270	928	3,784	3,943	4,116	
General expenses	11,709	3,902	1,642	4,185	113	6,855	3,263	1,033	3,384	2,356	2,347	(8,924)	31,864	33,203	34,663	
<b>Cash Payments by Type</b>	<b>63,114</b>	<b>32,707</b>	<b>30,532</b>	<b>36,440</b>	<b>25,067</b>	<b>45,870</b>	<b>33,791</b>	<b>31,484</b>	<b>31,766</b>	<b>32,250</b>	<b>33,038</b>	<b>40,688</b>	<b>436,748</b>	<b>433,300</b>	<b>443,465</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	2,528	5,691	9,371	4,259	3,875	9,257	2,658	12,632	7,029	6,041	7,048	10,603	80,993	85,145	78,358	
Repayment of borrowing	965	851	867	870	902	931	959	1,212	1,512	1,612	1,712	(125)	12,271	11,347	8,120	
Other Cash Flows/Payments												14,274	14,274	19,580	29,705	
<b>Total Cash Payments by Type</b>	<b>66,607</b>	<b>39,249</b>	<b>40,771</b>	<b>41,570</b>	<b>29,844</b>	<b>56,059</b>	<b>37,409</b>	<b>45,328</b>	<b>40,308</b>	<b>39,903</b>	<b>41,798</b>	<b>65,441</b>	<b>544,286</b>	<b>549,373</b>	<b>559,648</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>104,172</b>	<b>(18,918)</b>	<b>(27,673)</b>	<b>(12,130)</b>	<b>(8,565)</b>	<b>61,148</b>	<b>(25,285)</b>	<b>(31,122)</b>	<b>66,116</b>	<b>(27,900)</b>	<b>(27,521)</b>	<b>(47,956)</b>	<b>4,364</b>	<b>9,435</b>	<b>1,000</b>	
Cash/cash equivalents at the month/year beginning:	6,415	110,587	91,669	63,995	51,866	43,301	104,449	79,164	48,042	114,157	86,257	58,736	6,415	10,780	20,214	
Cash/cash equivalents at the month/year end:	110,587	91,669	63,995	51,866	43,301	104,449	79,164	48,042	114,157	86,257	58,736	10,780	10,780	20,214	21,214	

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 R139, 778 million and the total cash payment for the month were R66, 607 million and this resulted in net decrease in cash held amounting to R104, 172 million. With cash and cash equivalent of R6, 415 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R110, 587 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2020/21	Budget Year 2021/22							
	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	1,043	12,915		2,528	2,528	12,915	10,388	80%	3%
August	6,449	13,723				26,638	–		
September	10,619	12,118				38,757	–		
October	4,827	12,156				50,912	–		
November	4,391	6,553				57,465	–		
December	10,490	8,285				65,749	–		
January	3,012	5,367				71,117	–		
February	14,315	3,856				74,973	–		
March	6,114	3,118				78,090	–		
April	5,599	3,357				81,447	–		
May	2,901	3,686				85,133	–		
June	23,714	2,899				88,032	–		
<b>Total Capital expenditure</b>	<b>93,474</b>	<b>88,032</b>	<b>–</b>	<b>2,528</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 R2, 528 million. The year to date actual expenditure incurred is R2, 528 million whilst the year to date budget is R12, 915 million that gives rise to under spending variance of R10, 388 million that translate to 80%.

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

Description	2020/21	Budget Year 2021/22							
	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>	18,640	22,048	-	-	-	1,107	1,107	100%	22,048
<b>Roads Infrastructure</b>	-	500	-	-	-	74	74	100%	500
Roads		500		-	-	74	74	100%	500
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	18,640	21,348	-	-	-	1,033	1,033	100%	21,348
HV Substations							-		
HV Switching Station							-		
MV Networks	18,640	21,348		-	-	1,033	1,033	100%	21,348
LV Networks							-		
<b>Solid Waste Infrastructure</b>	-	200	-	-	-	-	-		200
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		200		-	-	-	-		200
<b>Community Assets</b>	-	100	-	-	-	-	-		100
Community Facilities	-	100	-	-	-	-	-		100
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	2,221	-	-	-	-	-	-		-
Municipal Offices	682						-		
Workshops	1,539						-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	626	460	-	28	28	185	158	85%	460
Computer Equipment	626	460		28	28	185	158	85%	460
<b>Furniture and Office Equipment</b>	479	-	-	-	-	-	-		-
Furniture and Office Equipment	479						-		
<b>Machinery and Equipment</b>	842	400	-	-	-	235	235	100%	400
Machinery and Equipment	842	400		-	-	235	235	100%	400
Transport Assets	-	800	-	-	-	291	291	100%	800
Transport Assets		800		-	-	291	291	100%	800
<b>Land</b>	-	1,100	-	-	-	-	-		1,100
Land		1,100		-	-	-	-		1,100
<b>Total Capital Expenditure on new assets</b>	22,808	24,908	-	28	28	1,819	1,791	98%	24,908

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

Description	2020/21	Budget Year 2021/22							
	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>	54,137	39,750	-	2,500	2,500	6,555	4,055	62%	39,750
Roads Infrastructure	52,225	39,750	-	2,500	2,500	6,555	4,055	62%	39,750
Roads	52,225	39,750		2,500	2,500	6,555	4,055	62%	39,750
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
<b>Electrical Infrastructure</b>	1,912	-	-	-	-	-	-	-	-
HV Substations							-		
HV Switching Station							-		
LV Networks	1,912	-					-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-	-	-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	687	-	-	-	-	-	-	-	-
Libraries							-		
Cemeteries/Crematoria	687						-		
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>	54,825	39,750	-	2,500	2,500	6,555	4,055	61.9%	39,750

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

Description	2020/21	Budget Year 2021/22							
	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>	13,146	8,660	-	920	920	809	(111)	-14%	8,660
<b>Roads Infrastructure</b>	8,193	5,092	-	59	59	411	352	86%	5,092
Roads	8,193	5,092		59	59	411	352	86%	5,092
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,195	2,033	-	479	479	271	(208)	-77%	2,033
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,195	2,033		479	479	271	(208)	-77%	2,033
<b>Solid Waste Infrastructure</b>	2,757	1,536	-	383	383	128	(255)	-199%	1,536
Landfill Sites	2,757	1,536		383	383	128	(255)	-199%	1,536
Waste Transfer Stations							-		
<b>Community Assets</b>	164	703	-	-	-	-	-		703
Community Facilities	164	703	-	-	-	-	-		703
Police							-		
Parks	164	703		-	-	-	-		703
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,991	1,756	-	29	29	12	(17)	-134%	1,756
Operational Buildings	1,991	1,756	-	29	29	12	(17)	-134%	1,756
Stores		1,229		-	-	12	12	100%	1,229
<b>Intangible Assets</b>	-	187	-	5	5	13	8	59%	187
Servitudes							-		
Computer Software and Applications		187		5	5	13	8	59%	187
<b>Computer Equipment</b>	5	-	-	-	-	-	-		-
Computer Equipment	5						-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,561	1,905	-	158	158	144	(14)	-10%	1,905
Machinery and Equipment	1,561	1,905		158	158	144	(14)	-10%	1,905
<b>Transport Assets</b>	3,099	1,513	-	-	-	148	148	100%	1,513
Transport Assets	3,099	1,513		-	-	148	148	100%	1,513
<b>Total Repairs and Maintenance Expenditure</b>	19,966	14,724	-	1,113	1,113	1,126	14	1.2%	14,724

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

Description	2020/21	Budget Year 2021/22							
	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>	45,372	43,068	-	-	-	3,589	3,589	100%	43,068
<b>Roads Infrastructure</b>	40,540	38,002	-	-	-	3,167	3,167	100%	38,002
Roads	40,540	38,002				3,167	3,167	100%	38,002
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	399	-	-	-	33	33	100%	399
Attenuation							-		
<b>Electrical Infrastructure</b>	4,281	3,954	-	-	-	330	330	100%	3,954
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	4,281	3,954				330	330	100%	3,954
LV Networks							-		
<b>Solid Waste Infrastructure</b>	551	714	-	-	-	59	59	100%	714
Landfill Sites	551	714				59	59	100%	714
Waste Transfer Stations							-		
<b>Community Assets</b>	1,153	1,231	-	-	-	103	103	100%	1,231
Cemeteries/Crematoria							-		
Public Open Space	1,153	1,231				103	103	0	1,231
<b>Heritage assets</b>	-	5	-	-	-	0	0	100%	5
Other Heritage	-	5				0	0	0	5
<b>Other assets</b>	3,935	4,140	-	-	-	345	345	0	4,140
Operational Buildings	3,935	4,140	-	-	-	345	345	100%	4,140
Workshops							-		
<b>Intangible Assets</b>	8	51	-	-	-	4	4	100%	51
Licences and Rights	8	51	-	-	-	4	4	100%	51
Computer Software and Applications	8	51				4	4	100%	51
<b>Computer Equipment</b>	-	692	-	-	-	58	58	100%	692
Computer Equipment	-	692				58	58	100%	692
<b>Furniture and Office Equipment</b>	623	590	-	-	-	49	49	100%	590
Furniture and Office Equipment	623	590				49	49	100%	590
<b>Machinery and Equipment</b>	2,684	2,864	-	-	-	239	239	100%	2,864
Machinery and Equipment	2,684	2,864				239	239	100%	2,864
<b>Transport Assets</b>	4,399	5,751	-	-	-	479	479	100%	5,751
Transport Assets	4,399	5,751				479	479	100%	5,751
<b>Total Depreciation</b>	58,174	58,392	-	-	-	4,866	4,866	100%	58,392

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

Description	2020/21	Budget Year 2021/22							
	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>	15,239	22,674	-	-	-	3,464	3,464	100%	22,674
<b>Roads Infrastructure</b>	15,239	13,184	-	-	-	3,464	3,464	100%	13,184
Roads	15,239	13,184		-	-	3,464	3,464	100%	13,184
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	-	340	-	-	-	-	-		340
HV Substations							-		
HV Switching Station							-		
LV Networks							-		
Capital Spares		340		-	-	-	-		340
<b>Solid Waste Infrastructure</b>	-	9,150	-	-	-	-	-		9,150
Landfill Sites		9,150		-	-	-	-		9,150
Waste Transfer Stations							-		
<b>Community Assets</b>	602	700	-	-	-	-	-		700
Libraries							-		
Cemeteries/Crematoria		500		-	-	-	-		500
Police							-		
Parks	602	200		-	-	-	-		200
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
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>	15,841	23,374	-	-	-	3,464	3,464	100%	23,374

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 R28 thousand and the year to date budget is R1, 819 million that reflects under spending variance of R1, 791 million that translates to 98% variance.

The year to date actuals on renewal of existing assets amounts R2, 500 million and with the year to date budget of R6, 555 million and this reflects under spending variance of R4, 055 million that translates to 61.9% variance.

The year to date actual expenditure on repairs and maintenance is R1, 113 million, and the year to date budget is R1, 126 million, reflecting over spending variance of R14 thousand that translates to 1.2%.

The year to date actual expenditure on upgrading of existing assets is R0, and the year to date budget is R3, 464 million, reflecting under spending variance of R3, 464 million 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, 866 million, reflecting spending variance of R4, 866 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 2021/22			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
<b>Parent municipality:</b>								
Technical Services	Grblersdal Traffic Lights	Upgrading	Electrical Infrastructure	Capital Spares	340	–	–	0%
Technical Services	Aircons	New	Machinery and Equipment	Transport Assets	300	–	–	0%
Technical Services	Electrification of Ga Posa	New	Electrical Infrastructure	MV Networks	2,088	–	–	0%
Technical Services	Electrification of Maleoskop	New	Electrical Infrastructure	MV Networks	3,348	–	–	0%
Technical Services	Electrification of Masakaneng	New	Electrical Infrastructure	MV Networks	5,508	–	–	0%
Technical Services	Electrification of Matlala Lehwelere	New	Electrical Infrastructure	MV Networks	3,438	–	–	0%
Technical Services	Electrification of Rondebosch	New	Electrical Infrastructure	MV Networks	1,206	–	–	0%
Technical Services	Electrification of Vlaktefontein	New	Electrical Infrastructure	MV Networks	5,760	–	–	0%
Technical Services	Groblersdal Lanfillsite	Upgrading	Infrastructure	Landfill Sites	9,050	–	–	0%
Technical Services	Culverts and Road signs	New	Roads Infrastructure	Roads	500	–	–	0%
Technical Services	kgapamadi Bus Road	Renewal	Roads Infrastructure	Roads	1,000	–	–	0%
Technical Services	Motetema Streets Upgrade	New	Roads Infrastructure	Roads	1,500	–	–	0%
Technical Services	Rehabilitaion of roads/streets in various wards	Renewal	Roads Infrastructure	Roads	2,500	–	2,500	100%
Technical Services	Dipakapakeng Access Road	Upgrading	Roads Infrastructure	Roads	21,750	–	–	0%
Technical Services	Bloompoort Road	Renewal	Roads Infrastructure	Roads	13,000	–	–	0%
Technical Services	Tafelkop stadium	Upgrading	Roads Infrastructure	Roads	13,184	–	–	0%
Information Technology	Computer Equipment	New	Computer Equipment	Computer Equipment	460	–	28	6%
Fleet Management	Vehicles	New	Transport Assets	Transport Assets	800	–	–	0%
Finance	Forklift	New	Machinery and Equipment	Machinery and Equipment	100	–	–	0%
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community Facilities	Cemeteries/Crematoria	500	–	–	0%
Community Services	Development of Parks	Upgrading	Community Facilities	Parks	200	–	–	0%
Community Services	Disaster Management Centre & Emergency Relief Store room	New	Community Facilities	Centres	100	–	–	0%
Community Services	No Illegal Dumping	New	Solid Waste Infrastructure	Capital Spares	200	–	–	0%
Economic Development	Fencing of Game Farm	New	Land	Land	1,100	–	–	0%
Community Services	Rosennekal Concrete Palisade	Upgrading	Solid Waste Infrastructure	Landfill Sites	100	–	–	0%

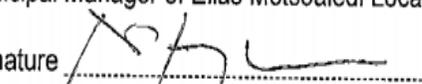
# Quality certificate

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 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

  
13/08/2021

**Elias Motsoaledi Local  
Municipality**  
13 AUG 2021  
**Municipal Manager**