

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JUNE 2019

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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 June or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results.

IN YEAR BUDGET STATEMENT TABLES

SUMMARY OF BUDGET AND ACTUALS 2018/19				
DESCRIPTION	2018/19			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	476,783,655	455,696,660	402,773,206	88%
OPERATING EXPENDITURE	471,307,984	449,168,594	409,840,442	91%
TRANSFER - CAPITAL	63,830,003	94,049,724	66,472,343	71%
SURPLUS/(DEFICIT)	69,305,674	100,577,790	59,405,107	59%
CAPITAL EXPENDITURE	75,869,282	97,257,642	66,491,011	68%

Table C1 – Budget Statement Summary

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	25,978	36,650	33,010	1,016	31,876	33,010	(1,135)	-3%	33,010
Service charges	74,874	101,546	89,925	5,902	86,502	89,925	(3,423)	-4%	89,925
Investment revenue	2,928	3,000	2,800	245	2,135	2,800	(665)	-24%	2,800
Transfers and subsidies	226,163	245,278	245,278	3,700	245,324	245,278	46	0%	245,278
Other own revenue	94,037	90,309	84,683	224	36,936	84,683	(47,747)	-56%	84,683
Total Revenue (excluding capital transfers and contributions)	423,980	476,783	455,697	11,087	402,773	455,697	(52,923)	-12%	455,697
Employee costs	127,202	134,149	130,473	582	138,708	130,473	8,235	6%	130,473
Remuneration of Councillors	22,874	25,070	24,291	1,936	23,235	24,291	(1,057)	-4%	24,291
Depreciation & asset impairment	53,654	51,181	51,181	-	25,989	51,181	(25,191)	-49%	51,181
Finance charges	281	2,500	2,900	76	1,754	2,900	(1,146)	-40%	2,900
Materials and bulk purchases	78,408	97,093	78,829	6,018	77,092	78,829	(1,736)	-2%	78,909
Transfers and subsidies	841	4,404	3,580	86	2,187	3,580	(1,393)	-39%	3,580
Other expenditure	238,169	156,909	157,915	4,276	140,876	157,915	(17,039)	-11%	157,835
Total Expenditure	521,428	471,306	449,169	12,973	409,840	449,169	(39,328)	-9%	449,169
Surplus/(Deficit)	(97,448)	5,477	6,528	(1,886)	(7,067)	6,528	(13,595)	-208%	6,528
Transfers and subsidies - capital (monetary allocations)	97,901	63,830	94,050	7,990	66,472	94,050	(27,577)	-29%	64,279
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	453	69,307	100,578	6,103	59,405	100,578	(41,173)	-41%	70,807
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	453	69,307	100,578	6,103	59,405	100,578	(41,173)	-41%	70,807
Capital expenditure & funds sources									
Capital expenditure	107,563	75,869	97,258	8,026	66,491	97,258	(30,767)	-32%	97,258
Capital transfers recognised	83,864	55,504	81,841	7,131	59,357	81,841	(22,484)	-27%	81,841
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	23,699	20,365	15,417	895	7,134	15,417	(8,283)	-54%	15,417
Total sources of capital funds	107,563	75,869	97,258	8,026	66,491	97,258	(30,767)	-32%	97,258
Financial position									
Total current assets	65,342	120,845	127,079		237,854				127,079
Total non current assets	1,018,848	1,083,492	1,083,492		1,061,547				1,083,492
Total current liabilities	91,339	73,138	66,949		213,592				66,949
Total non current liabilities	93,955	116,629	109,192		116,950				109,192
Community wealth/Equity	898,896	1,014,570	1,034,431		968,859				1,034,431
Cash flows									
Net cash from (used) operating	96,019	83,769	120,291	(7,219)	86,361	120,291	33,930	28%	90,520
Net cash from (used) investing	(103,972)	(71,869)	(95,572)	(7,990)	(59,581)	(95,339)	(35,758)	38%	(65,801)
Net cash from (used) financing	(6,900)	(9,829)	(6,640)	(1,354)	(10,552)	(9,593)	959	-10%	(6,640)
Cash/cash equivalents at the month/year end	6,194	18,039	24,273	-	22,423	21,553	(869)	-4%	24,273
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	14,655	2,529	2,370	2,001	2,229	2,051	11,203	43,070	80,108
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 June is R402, 773 million and the year to date budget of R455, 697 million and this reflects a negative variance of R52, 923 million that can be attributed to the understated traffic fines revenue that is not wholly accounted for in the financial system due to non-integration of traffic fine management system and core financial system. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 24% unfavorable variance,
- Interest earned – outstanding debtors: 12% favorable variance,
- Rental on Facilities and Equipment: 22% favorable variance,
- Fines, penalties and forfeits: 65% unfavorable variance
- Transfer and Subsidies: 0% favorable variance
- Services Charges – electricity revenue: 4% unfavorable variance
- Services Charges – refuse revenue: 3% unfavorable variance
- Licenses and permits: 7% unfavorable variance
- Property rates: 3% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of June amounts to R409, 840 million and the year to date budget is R449, 169 million. This reflects underspending variance of R39, 328 million that translates to 9% 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:

- Finance charges: 40% under performance variance,
- Other Materials: 14% over performance
- Depreciation and asset impairment: 49% under performance variance
- Debt impairment: 47% under performance variance
- Transfers and subsidies: 39% under performance variance

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 June 2019 amounts to R66, 491 million and the year to date budget amounts to R97, 258 million and this gives rise to R30, 76\7 million under performance variance that is attributed to delays in the appointment of service providers for internally funded capital projects. The budget for internally funded capital projects had to be adjusted downwards during the main adjustment budget due to unfavorable cash flow position that the municipality is faced with. The procurement plans have been developed however, they are not fully implemented. These procurement plans were intended to guide the spending pattern on capital projects and partial implementation thereof makes it difficult for the municipality to forecast the cash flow projections.

Surplus/Deficit

Taking the total revenue and expenditure performance into consideration, the net operating surplus for the month of June 2019 is R59, 405 million that is mainly used for funding internally funded capital projects.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of June amounts to R80, 108 million and this shows an increase of R17, 427 million as compared to R62, 681 million as at end of 2017/18 financial year. This increase portrays improved revenue collection of the municipality as the higher the collection rates the lesser the increase in consumer debtors.

Consumer debtors is made up of service charges and property rates that amount to R57, 640 million and other debtors amounting to R22, 468 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

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

Table C2 – Financial Performance (Standard Classification)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183,232	203,714	198,283	393	188,586	198,283	(9,697)	-5%	198,283
Executive and council	35,581	42,873	42,873	-	40,562	42,873	(2,311)	-5%	42,873
Finance and administration	141,249	152,939	147,508	393	140,092	147,508	(7,416)	-5%	147,508
Internal audit	6,402	7,902	7,902	-	7,932	7,902	30	0%	7,902
Community and public safety	9,881	18,637	18,650	2	21,023	18,650	2,373	13%	18,650
Community and social services	3,412	7,973	7,973	2	11,313	7,973	3,340	42%	7,973
Sport and recreation	6,469	10,664	10,677	-	9,710	10,677	(967)	-9%	10,677
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	206,569	185,532	212,010	8,996	135,612	212,010	(76,398)	-36%	182,239
Planning and development	6,605	17,319	17,107	(70)	13,036	17,107	(4,072)	-24%	17,107
Road transport	199,121	167,196	193,885	9,066	121,546	193,885	(72,339)	-37%	164,114
Environmental protection	842	1,018	1,018	-	1,030	1,018	12	1%	1,018
Trading services	122,199	132,730	120,804	9,685	124,025	120,804	3,221	3%	120,804
Energy sources	91,510	109,537	102,039	9,058	103,300	102,039	1,261	1%	102,039
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	30,689	23,193	18,765	628	20,725	18,765	1,960	10%	18,765
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	521,880	540,613	549,746	19,076	469,246	549,746	(80,501)	-15%	519,975
Expenditure - Functional									
Governance and administration	213,465	176,004	184,556	8,769	197,014	184,556	12,459	7%	184,555
Executive and council	39,711	42,558	39,998	2,882	42,480	39,998	2,481	6%	39,998
Finance and administration	167,531	125,652	135,446	5,595	147,101	135,446	11,655	9%	135,446
Internal audit	6,223	7,795	9,111	292	7,433	9,111	(1,678)	-18%	9,111
Community and public safety	14,010	18,191	15,276	172	10,700	15,276	(4,576)	-30%	15,276
Community and social services	6,687	7,709	5,563	32	4,715	5,563	(849)	-15%	5,563
Sport and recreation	7,323	10,481	9,713	140	5,985	9,713	(3,727)	-38%	9,713
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	125,722	149,194	133,138	(1,312)	101,403	133,138	(31,734)	-24%	133,138
Planning and development	14,195	23,848	15,813	(1,958)	11,135	15,813	(4,677)	-30%	15,813
Road transport	110,877	124,365	116,597	646	89,620	116,597	(26,976)	-23%	116,597
Environmental protection	650	981	728	1	648	728	(80)	-11%	728
Trading services	168,230	127,918	116,200	5,344	100,723	116,200	(15,477)	-13%	116,200
Energy sources	140,094	105,653	92,646	4,903	74,335	92,646	(18,311)	-20%	92,646
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	28,136	22,265	23,554	441	26,388	23,554	2,834	12%	23,554
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	521,428	471,306	449,169	12,973	409,840	449,169	(39,328)	-9%	449,169
Surplus/ (Deficit) for the year	453	69,307	100,578	6,103	59,405	100,578	(41,173)	-41%	70,807

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

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	31,540	38,168	38,168	–	35,733	38,168	(2,436)	-6%	38,168
Vote 2 - Municipal Manager	15,805	31,469	31,469	–	24,626	31,469	(6,843)	-22%	31,469
Vote 3 - Budget & Treasury	83,272	64,695	59,272	350	60,616	59,272	1,344	2%	59,272
Vote 4 - Corporate Services	34,041	39,939	39,931	43	43,377	39,931	3,446	9%	39,931
Vote 5 - Community Services	131,423	127,644	120,478	1,275	76,799	120,478	(43,679)	-36%	120,478
Vote 6 - Technical Services	211,539	211,110	233,051	17,479	205,060	233,051	(27,991)	-12%	203,280
Vote 7 - Developmental Planning	1,529	11,493	11,282	(70)	7,022	11,282	(4,260)	-38%	11,282
Vote 8 - Executive Support	12,731	16,094	16,094	–	16,013	16,094	(82)	-1%	16,094
Total Revenue by Vote	521,880	540,613	549,746	19,076	469,246	549,746	(80,501)	-15%	519,975
Expenditure by Vote									
Vote 1 - Executive & Council	36,404	37,886	35,307	2,713	37,257	35,307	1,951	6%	35,307
Vote 2 - Municipal Manager	20,075	31,112	37,306	1,905	43,837	37,306	6,531	18%	37,306
Vote 3 - Budget & Treasury	89,906	47,233	51,072	1,074	63,508	51,072	12,436	24%	51,072
Vote 4 - Corporate Services	39,301	37,865	30,600	1,468	25,013	30,600	(5,587)	-18%	30,600
Vote 5 - Community Services	123,541	105,457	100,333	628	77,227	100,333	(23,106)	-23%	100,333
Vote 6 - Technical Services	188,616	185,027	167,702	4,606	137,401	167,702	(30,301)	-18%	167,702
Vote 7 - Developmental Planning	7,999	11,188	9,977	293	7,624	9,977	(2,353)	-24%	9,977
Vote 8 - Executive Support	15,585	15,539	16,872	286	17,974	16,872	1,101	7%	16,872
Total Expenditure by Vote	521,428	471,306	449,169	12,973	409,840	449,169	(39,328)	-9%	449,168
Surplus/ (Deficit) for the year	453	69,307	100,578	6,103	59,405	100,578	(41,173)	-41%	70,807

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25,978	36,650	33,010	1,016	31,876	33,010	(1,135)	-3%	33,010
Service charges - electricity revenue	67,575	89,297	81,798	5,275	78,645	81,798	(3,153)	-4%	81,798
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	7,299	12,249	8,127	628	7,858	8,127	(270)	-3%	8,127
Service charges - other	-						-		
Rental of facilities and equipment	944	1,220	1,000	583	1,220	1,000	220	22%	1,000
Interest earned - external investments	2,928	3,000	2,800	245	2,135	2,800	(665)	-24%	2,800
Interest earned - outstanding debtors	9,693	8,161	6,692	2,133	7,499	6,692	806	12%	6,692
Dividends received	-						-		
Fines, penalties and forfeits	67,325	73,218	70,209	239	22,129	70,209	(48,080)	-68%	70,209
Licences and permits	4,956	4,950	5,200	414	4,826	5,200	(374)	-7%	5,200
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278	245,278	3,700	245,324	245,278	46	0%	245,278
Other revenue	11,118	2,761	1,582	(3,146)	1,262	1,582	(320)	-20%	1,582
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	423,980	476,783	455,697	11,087	402,773	455,697	(52,923)	-12%	455,697
Expenditure By Type									
Employee related costs	127,202	134,149	130,473	582	138,708	130,473	8,235	6%	130,473
Remuneration of councillors	22,874	25,070	24,291	1,936	23,235	24,291	(1,057)	-4%	24,291
Debt impairment	74,839	53,421	55,000	(2,247)	29,174	55,000	(25,826)	-47%	55,000
Depreciation & asset impairment	53,654	51,181	51,181	-	25,989	51,181	(25,191)	-49%	51,181
Finance charges	281	2,500	2,900	76	1,754	2,900	(1,146)	-40%	2,900
Bulk purchases	68,602	80,000	70,000	4,723	67,016	70,000	(2,984)	-4%	70,000
Other materials	9,806	17,093	8,829	1,295	10,076	8,829	1,247	14%	8,909
Contracted services	67,951	60,020	59,841	3,689	65,300	59,841	5,459	9%	59,841
Transfers and subsidies	841	4,404	3,580	86	2,187	3,580	(1,393)	-39%	3,580
Other expenditure	93,908	43,468	43,074	2,834	46,402	43,074	3,328	8%	42,994
Loss on disposal of PPE	1,470						-		
Total Expenditure	521,428	471,306	449,169	12,973	409,840	449,169	(39,328)	-9%	449,169
Surplus/(Deficit)	(97,448)	5,477	6,528	(1,886)	(7,067)	6,528	(13,595)	-208%	6,528
Transfers and subsidies - capital (monetary allocations)	97,901	63,830	94,050	7,990	66,472	94,050	(27,577)	-29%	64,279
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	453	69,307	100,578	6,103	59,405	100,578			70,807
Taxation									
Surplus/(Deficit) after taxation	453	69,307	100,578	6,103	59,405	100,578			70,807
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	453	69,307	100,578	6,103	59,405	100,578			70,807
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	453	69,307	100,578	6,103	59,405	100,578			70,807

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.

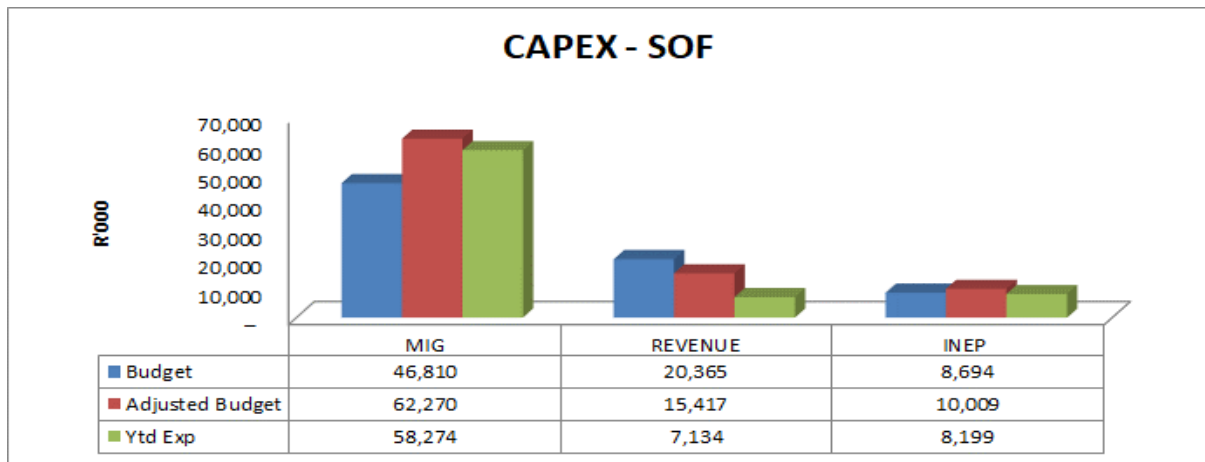
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,110	1,700	2,200	75	1,397	2,200	(803)	-37%	2,200
Executive and council							-		
Finance and administration	1,110	1,700	2,200	75	1,397	2,200	(803)	-37%	2,200
Internal audit							-		
Community and public safety	8,834	522	522	-	-	522	(522)	-100%	522
Community and social services		522	522	-	-	522	(522)	-100%	522
Sport and recreation	8,834	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	84,672	59,779	79,449	7,786	55,213	79,449	(24,236)	-31%	57,039
Planning and development		-					-		-
Road transport	84,672	59,779	79,449	7,786	55,213	79,449	(24,236)	-31%	57,039
Environmental protection		-					-		-
Trading services	12,946	13,868	15,087	165	9,882	15,087	(5,206)	-35%	11,609
Energy sources	12,946	10,868	13,487	165	8,647	13,487	(4,840)	-36%	10,009
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000	1,600	-	1,234	1,600	(366)	-23%	1,600
Other		-					-		-
Total Capital Expenditure - Functional Classification	107,563	75,869	97,258	8,026	66,491	97,258	(30,767)	-32%	71,370
Funded by:									
National Government	83,864	55,504	81,841	7,131	59,357	81,841	(22,484)	-27%	81,841
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	83,864	55,504	81,841	7,131	59,357	81,841	(22,484)	-27%	81,841
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	23,699	20,365	15,417	895	7,134	15,417	(8,283)	-54%	15,417
Total Capital Funding	107,563	75,869	97,258	8,026	66,491	97,258	(30,767)	-32%	97,258

Table C5C: Monthly Capital Expenditure by Vote

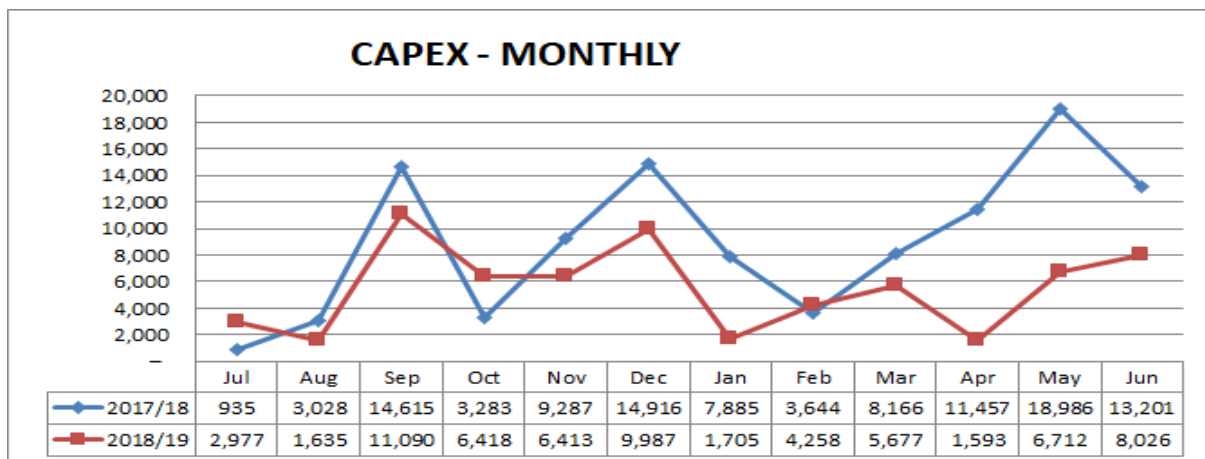
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,110	1,400	1,400	75	777	1,400	(623)	-44%	1,400
Vote 5 - Community Services	434	3,000	1,600	-	1,234	1,600	(366)	-23%	1,600
Vote 6 - Technical Services	77,883	27,513	25,714	4,896	23,137	25,714	(2,577)	-10%	25,714
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	79,427	31,913	28,714	4,971	25,148	28,714	(3,565)	-12%	28,714
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	300	800	-	620	800	(180)	-23%	800
Vote 5 - Community Services	1,005	522	522	-	-	522	(522)	-100%	522
Vote 6 - Technical Services	27,131	42,634	67,222	3,055	40,723	67,222	(26,499)	-39%	67,222
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,136	43,956	68,544	3,055	41,343	68,544	(27,201)	-40%	68,544
Total Capital Expenditure	107,563	75,869	97,258	8,026	66,491	97,258	(30,767)	-32%	97,258

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 June 2019, R8, 026 million spending was incurred and that increased the year to date expenditure to R66, 491 million whilst the year to date budget is R97, 258 million and this gave rise to under spending variance of R30, 767 million that translates to 32%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R87, 695 million, R62, 270 million is funded from Municipal Infrastructure grant, R10, 009 million from INEP and R15, 417 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 2017/18 and 2018/19 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6,194	2,457	8,691	10,585	8,691
Call investment deposits	–	15,582	15,582	11,838	15,582
Consumer debtors	24,953	40,483	40,483	31,769	40,483
Other debtors	30,866	58,923	58,924	177,075	58,924
Current portion of long-term receivables	–	–	–	–	–
Inventory	3,328	3,400	3,400	6,587	3,400
Total current assets	65,342	120,845	127,079	237,854	127,079
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	53,739	53,728	53,728	54,139	53,728
Investments in Associate		–	–	–	–
Property, plant and equipment	952,317	1,016,632	1,016,632	1,006,171	1,016,632
Agricultural		–	–	–	–
Biological		–	–	–	–
Intangible	85	291	291	–	291
Other non-current assets	12,706	12,841	12,841	1,237	12,841
Total non current assets	1,018,848	1,083,492	1,083,492	1,061,547	1,083,492
TOTAL ASSETS	1,084,189	1,204,337	1,210,572	1,299,400	1,210,572
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	–	10,000	6,811	4,261	6,811
Consumer deposits	5,249	5,260	5,260	5,386	5,260
Trade and other payables	81,839	52,466	52,466	196,811	52,466
Provisions	4,251	5,412	2,412	7,134	2,412
Total current liabilities	91,339	73,138	66,949	213,592	66,949
Non current liabilities					
Borrowing	–	30,677	23,240	22,369	23,240
Provisions	93,955	85,952	85,952	94,580	85,952
Total non current liabilities	93,955	116,629	109,192	116,950	109,192
TOTAL LIABILITIES	185,294	189,767	176,141	330,542	176,141
NET ASSETS	898,896	1,014,570	1,034,431	968,859	1,034,431
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	898,896	1,014,570	1,034,431	968,859	1,034,431
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	898,896	1,014,570	1,034,431	968,859	1,034,431

The above table shows that community wealth amounts to R968, 859 million, total liabilities R330, 542 million and the total assets R1, 299 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1,5:1 that is slightly above the norm of 1. The municipality still needs to reduce the current liabilities and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	20,409	28,587	20,797	1,827	21,601	20,797	804	4%	20,797
Service charges	68,403	89,922	80,709	4,224	79,329	80,709	(1,381)	-2%	80,709
Other revenue	14,831	18,225	18,724	1,741	33,646	18,724	14,921	80%	18,724
Government - operating	226,165	245,278	245,278		186,331	245,278	(58,947)	-24%	245,278
Government - capital	97,899	63,830	93,601		93,601	93,601	(0)	0%	63,830
Interest	12,621	4,632	4,170	209	4,026	4,170	(144)	-3%	4,170
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(343,186)	(359,801)	(336,508)	(15,058)	(328,232)	(336,508)	(8,277)	2%	(336,508)
Finance charges	(281)	(2,500)	(2,900)	(76)	(1,754)	(2,900)	(1,146)	40%	(2,900)
Transfers and Grants	(841)	(4,404)	(3,580)	(86)	(2,187)	(3,580)	(1,393)	39%	(3,580)
NET CASH FROM/(USED) OPERATING ACTIVITIES	96,019	83,769	120,291	(7,219)	86,361	120,291	33,930	28%	90,520
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2,400	2,000	2,000		3,022	2,000	1,022	51%	2,000
Decrease (Increase) in non-current debtors		2,000	-	-	-		-		-
Decrease (increase) other non-current receivables	-	-	-	-	150	233	(83)	-36%	
Decrease (increase) in non-current investments		-	-	-	-		-		
Payments									
Capital assets	(106,372)	(75,869)	(97,572)	(7,990)	(62,753)	(97,572)	(34,819)	36%	(67,801)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(103,972)	(71,869)	(95,572)	(7,990)	(59,581)	(95,339)	(35,758)	38%	(65,801)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	-	171	171	(603)	89	171	(82)	-48%	171
Payments									
Repayment of borrowing	(6,900)	(10,000)	(6,811)	(751)	(10,641)	(9,764)	877	-9%	(6,811)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(6,900)	(9,829)	(6,640)	(1,354)	(10,552)	(9,593)	959	-10%	(6,640)
NET INCREASE/ (DECREASE) IN CASH HELD	(14,854)	2,071	18,079	(16,562)	16,228	15,359			18,079
Cash/cash equivalents at beginning:	21,048	15,968	6,194		6,194	6,194			6,194
Cash/cash equivalents at month/year end:	6,194	18,039	24,273		22,423	21,553			24,273

Table C7 presents details pertaining to cash flow performance. As at end of June 2019, the net cash inflow from operating activities is R86, 361 million whilst net cash outflow from investing activities is R59, 581 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R10, 552 million. The cash and cash equivalent held at end of June 2019 amounted to R22, 423 million and the net effect of the above cash flows is cash inflow movement of R16, 228 million. The cash and cash equivalent at end of the reporting period of R22, 423 million is made up of cash in the primary bank account amounting to R10, 585 million and short-term investments amounting to R11, 838 million.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-3%	The projected monthly revenue appear to be too high in light of the actual revenue performance	There might be downwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	-4%	There is underperformance variance on this source of revenue especially on refuse removal skips	The tariff applied on rental of skips must be in line with the approved tariffs
Rental of facilities and equipment	22%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Fines, penalties and forfeits	-68%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Transfers and subsidies	0%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	225%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Transfers and subsidies - capital (monetary allocations)	-29%	There is overspending on both MIG and INEP relative to the projected spending	The Infrastructure department will have to accelerate the spending pattern on grants funded projects
Expenditure By Type			
Finance charges	-40%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of September	No remedial action is needed
Other materials	-4%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Transfers and subsidies	-39%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-27%	The spending on grants funded capital projects was delayed by the fact that contractors were started working in July	The spending will only start improving in August
Internally generated funds	-54%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
Cash Flow			
Property rates	4%	The collection rate of 4% on property rates is below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	-2%	The collection rate on electricity is less by 10% whilst that of refuse removal is less by 20%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Other revenue	80%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Interest	-3%	Investment was only made in short term and the interest will then be realised at end of the year.	No remedial action is needed
Finance charges	40%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of August	No remedial action is needed
Increase (decrease) in consumer deposits	-48%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	-9%	The payment for the month of May were captured on Munsoft	The expenditure unit needs to capture the payment immediately after payments are made

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19											
	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	Actual Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	6,009	1,743	295	92	98	62	350	2,760	11,410	3,362	-	-
Receivables from Non-exchange Transactions - Property Rates	6,049	1,363	1,005	865	742	895	4,966	20,031	35,917	27,499	-	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	680	391	359	358	353	349	2,060	5,763	10,314	8,884	-	-
Receivables from Exchange Transactions - Property Rental Debtors	217	12	4	4	(7)	62	72	733	1,096	863	-	-
Interest on Arrear Debtor Accounts	846	850	796	759	733	707	3,754	14,527	22,970	20,479	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	854	(1,830)	(89)	(77)	310	(24)	1	(744)	(1,598)	(534)	-	-
Total By Income Source	14,655	2,529	2,370	2,001	2,229	2,051	11,203	43,070	80,108	60,554	-	-
2017/18 - totals only	10,210	4,510	2,412	1,983	1,828	1,793	10,328	29,617	62,681	45,549	-	-
Debtors Age Analysis By Customer Group												
Organs of State	2,217	904	737	487	495	474	2,567	9,478	17,358	13,501	-	-
Commercial	5,691	(706)	258	147	66	193	1,369	6,655	13,672	8,429	-	-
Households	4,011	1,758	996	953	1,255	923	4,957	16,943	31,794	25,030	-	-
Other	2,737	573	380	415	414	461	2,311	9,994	17,285	13,595	-	-
Total By Customer Group	14,655	2,529	2,370	2,001	2,229	2,051	11,203	43,070	80,108	60,554	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R80, 108 million. The debtors' book is made up as follows:

- Rates 45%
- Electricity 14%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 29%
- Other -2%

The negative on other debtors is caused mainly by accounts that have credit balances and the system cannot split nor transfer the credits to "received in advance" accounts without manual intervention.

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

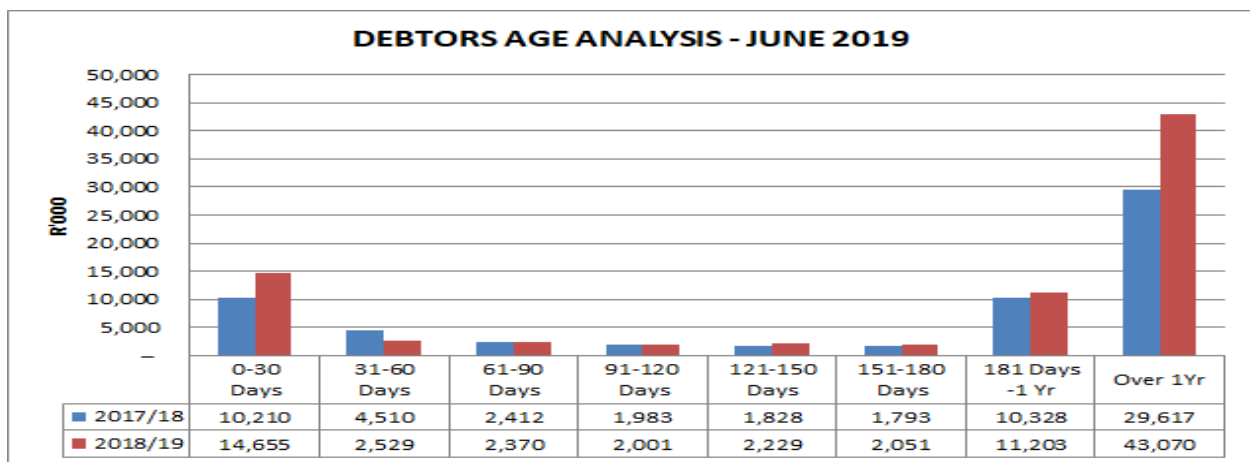
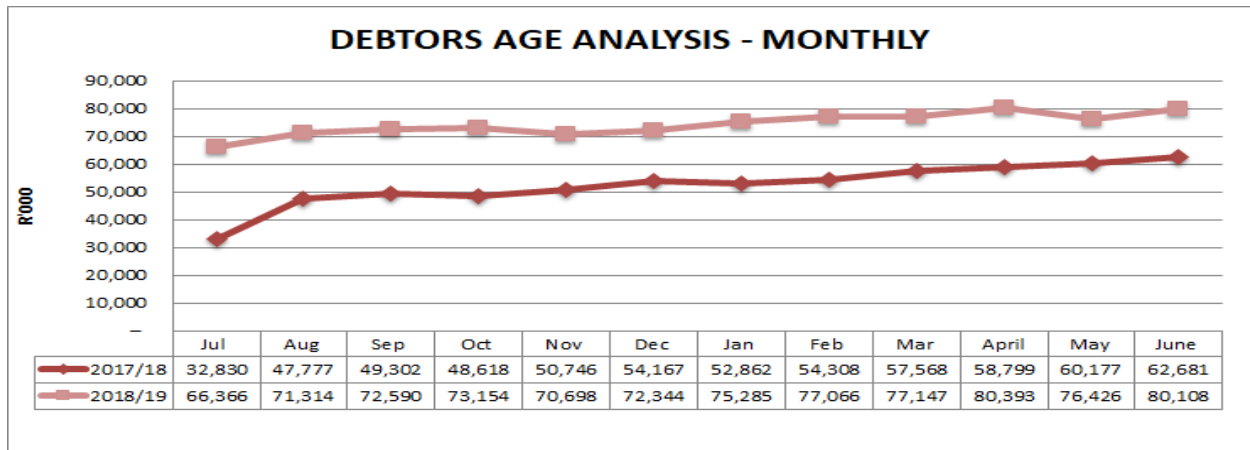


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of June 2019) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

The debtors book is materially less than the 2017/18 monthly figures and this is attributed to debtors write off done at end of 2017/18 financial year.

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	TOTAL BALANCE
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	816,610.93
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	511,607.37
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	428,292.91
9053280	LIMPOPO GOVERNMENT PROV(BEN VILJOEN)	ACTIVE	OWNER	390,009.90
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	352,399.57
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	243,258.11
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	241,679.59
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	238,429.91
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	234,474.59
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	225,643.84
8012644	VODACOM (PTY) LTD	ACTIVE	OCCUPIER	223,773.87
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	204,801.19
5617	DKM TRUST	ACTIVE	OWNER	201,553.89
207447	CHOPPIES GROBLERSDAL	ACTIVE	OCCUPIER	200,107.02
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	187,319.19
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	181,845.66
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	180,735.22
9002387	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	175,574.78
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	172,428.15
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	163,050.94
TOTAL				5,573,596.63

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2018/19									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

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

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80660	PERPETA INVESTMENT HOLDINGS	506,000.00
37770	BAHLOTSE TRADING (PTY) LTD	217,370.00
41027	KDM TRAVEL EXPRESS	182,337.21
41095	REAKGONA TRAVEL SERVICES	114,912.50
80366	ASHCOR TRAVELS (PTY) LTD	86,500.00
906	MONYAMAKU GENERAL TRADING CC	75,000.00
37581	PHELADI NOKO B1 FUNERAL	61,667.67
80933	SILVER INK ENVIRONMENT SOLUTIO	29,900.00
41085	T SELONA TRADING	28,700.00
80934	NQUBEKO RENDERING SERVICES	28,596.00
80935	PHUTHUMANATHI SYSTEMS	27,600.00
80583	LEOMAS ENTERPRISE	27,056.00
6568	RAND DATA FORMS	25,826.70
453	MOJEKANA MJ CONSTRUCTION	23,500.00
14	AMPER ALLES GENERAL DEALERS	23,459.54
80929	JOHNDIP SECURITY SOLUTIONS	21,600.00
80639	THELLAMOKOKOTLO	20,700.00
80930	OMPHILEBOKAMOSO	18,000.00
80931	MODIKENG ENGINEERING	17,500.00
80653	BABIRWA TRAVEL	16,516.71
TOTAL		1,552,742.33

The above table presents the top creditors paid during the month of June 2019 and an amount of R1, 552 million will paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest	Yield for the month (%)	Market value - Opening	Change in market value	Market value - Closing
Nedbank (03/7881068264/0051)	3 Month	Current Invest	19-Jun-19	84	7.85%	22,113	(22,197)	–
Nedbank (03/7881068264/0051)	0 Month	Current Invest	31-May-19	33	7.54%	22,230	(10,426)	11,838
TOTAL INVESTMENTS AND INTEREST				118		44,343	(32,623)	11,838

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R44, 343 million and this has yielded interests amounting to R118 thousand, withdrew R32, 623 and closing of R11, 838 million.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226,163	245,278	245,278	–	245,278	245,278	–		245,278
Local Government Equitable Share	223,019	237,506	237,506	–	237,506	237,506	–		237,506
Finance Management	1,700	1,770	1,770	–	1,770	1,770			1,770
EPWP Incentive	1,444	1,002	1,002	–	1,002	1,002			1,002
Energy Efficiency and Demand Management	–	5,000	5,000	–	5,000	5,000			5,000
Provincial Government:	–	–	–	–	–	–	–		–
N/A							–		
District Municipality:	–	–	–	–	–	–	–		–
N/A							–		
Other grant providers:	–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	226,163	245,278	245,278	–	245,278	245,278	–		245,278
Capital Transfers and Grants									
National Government:	81,860	63,830	71,830	–	71,830	71,830	–		71,830
Municipal Infrastructure Grant (MIG)	66,860	53,832	61,832	–	61,832	61,832	–		61,832
Intergrated National Electrification Grant	15,000	9,998	9,998	–	9,998	9,998	–		9,998
Other capital transfers [insert description]							–		
Provincial Government:	–	–	–	–	21,771	13,751	8,021	58%	21,771
CoGHSTA - Development of Masakaneng	–	–	–	–	21,771	13,751	8,021	58%	21,771
District Municipality:	–	–	–	–	–	–	–		–
N/A							–		
Other grant providers:	–	–	–	–	–	–	–		–
N/A							–		
Total Capital Transfers and Grants	81,860	63,830	71,830	–	93,601	85,581	8,021	9%	93,601
TOTAL RECEIPTS OF TRANSFERS & GRANTS	308,023	309,108	317,108	–	338,879	330,859	8,021	2%	338,879

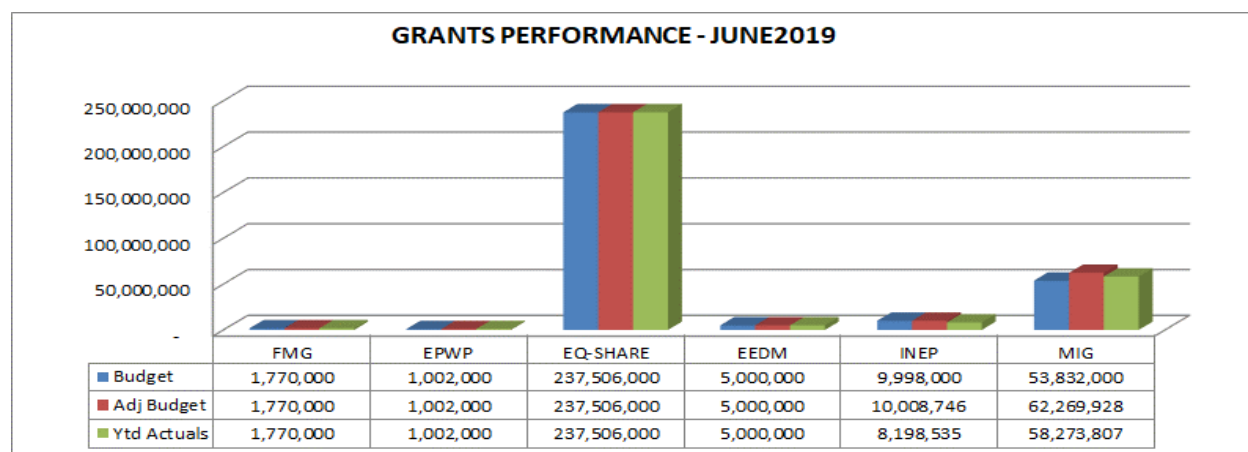
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R338, 878 million of which the major portion is attributed to equitable share. For the reporting period at least R61, 832 million was received for MIG, Equitable share and CoGHSTA grant. All the grants 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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	226,163	245,278	245,278	21,407	238,122	245,278	-	-	245,278
Local Government Equitable Share	223,019	237,506	237,506	21,043	237,506	237,506	-	-	237,506
Finance Management	1,700	1,770	1,770	115	1,770	1,770	-	-	1,770
EPWP Incentive	1,444	1,002	1,002	-	1,002	1,002	-	-	1,002
Energy Efficiency and Demand Management	-	5,000	5,000	3,585	5,000	5,000	-	-	5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	226,163	245,278	245,278	24,743	245,278	245,278	-	-	245,278
Capital expenditure of Transfers and Grants									
National Government:	97,901	63,830	71,830	6,977	58,483	71,830	(13,347)	-19%	71,830
Municipal Infrastructure Grant (MIG)	82,722	53,832	61,832	7,800	58,274	61,832	(11,358)	-6%	61,832
Integrated National Electrification Grant	15,179	9,998	9,998	190	8,199	9,998	(1,989)	-18%	9,998
Provincial Government:	-	-	21,771	-	-	13,751	(13,751)	-100%	21,771
CoGHSTA - Development of Masakaneng			21,771	-	-	13,751	(13,751)	-100%	21,771
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	97,901	63,830	93,601	7,990	66,472	85,581	(27,098)	-22%	93,601
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	324,064	309,108	338,879	32,732	311,750	330,859	(34,254)	-6%	338,879

An amount of R32, 732 million has been spent on grants during the month of June 2019 and the year to date actuals is 311, 750 million whilst the year to date budget amounts to R330, 859 million and this results in underspending variance of R34, 254 million that translates to negative 6%. Of the total spending amounting to R32, 254 million, R24, 743 million is spent on operational grants whilst R7, 99 million is spent of capital grants.

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 June 2019. The grants expenditure is shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Municipal Infrastructure Grant 94%
- Integrated National Electrification Grant 82%
- Energy Efficiency and Demand Side Management Grant 100%

Supporting Table: SC7 (2) – Expenditure against approved rollovers

Description	Budget Year 2018/19				
	Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Local Government Equitable Share	-	-	-	-	-
Finance Management	-	-	-	-	-
EPWP Incentive	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total operating expenditure of Approved Roll-overs	-	-	-	-	-
Capital expenditure of Approved Roll-overs					
National Government:	449	-	-	449	100%
Municipal Infrastructure Grant (MIG)	438			438	100%
Intergrated National Electrification Grant	11			11	100%
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total capital expenditure of Approved Roll-overs	449	-	-	449	100%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	449	-	-	449	100%

Table SC7 (2) provides details for expenditure on approved rollovers, for June 2019 there is no spending on approved rollovers.

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	12,690	15,073	14,450	1,115	13,395	14,450	(1,055)	-7%	14,450
Pension and UIF Contributions	1,778	1,857	1,657	133	1,605	1,657	(52)	-3%	1,657
Medical Aid Contributions	295	317	351	33	368	351	18	5%	351
Motor Vehicle Allowance	4,947	5,324	5,334	429	5,145	5,334	(189)	-4%	5,334
Cellphone Allowance	2,708	2,489	2,499	226	2,708	2,499	210	8%	2,499
Housing Allowances	-	-	-	-	-	-	-		
Other benefits and allowances	454	10	-	-	13	-	13		-
Sub Total - Councillors	22,874	25,070	24,291	1,936	23,235	24,291	(1,057)	-4%	24,291
% increase		10%	6%						6%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,073	4,718	4,532	359	4,647	4,532	115	3%	4,532
Pension and UIF Contributions	234	1,095	245	14	200	245	(45)	-18%	245
Medical Aid Contributions	92	252	102	7	87	102	(15)	-15%	102
Overtime	-	-	-	-	-	-	-		
Performance Bonus	-	-	-	-	-	-	-		
Motor Vehicle Allowance	672	907	760	55	729	760	(31)	-4%	760
Cellphone Allowance	41	84	141	14	158	141	17	12%	141
Housing Allowances	-	-	-	-	-	-	-		
Other benefits and allowances	221	81	528	18	540	528	12	2%	528
Payments in lieu of leave	103	-	-	-	40	-	40		
Long service awards	-	-	-	-	-	-	-		
Post-retirement benefit obligations	-	-	-	-	-	-	-		
Sub Total - Senior Managers of Municipality	6,436	7,137	6,308	465	6,401	6,308	93	1%	6,308
% increase		11%	-2%						-2%
Other Municipal Staff									
Basic Salaries and Wages	73,490	85,022	79,451	333	82,559	79,451	3,108	4%	79,451
Pension and UIF Contributions	14,304	16,149	16,141	3	16,789	16,141	648	4%	16,141
Medical Aid Contributions	7,931	4,826	4,726	(13)	5,303	4,726	578	12%	4,726
Overtime	2,357	1,774	2,108	(100)	2,166	2,108	58	3%	2,108
Performance Bonus	-	-	-	-	-	-	-		
Motor Vehicle Allowance	7,782	8,965	10,043	(7)	10,390	10,043	347	3%	10,043
Cellphone Allowance	507	986	1,147	(2)	1,524	1,147	377	33%	1,147
Housing Allowances	143	161	160	-	171	160	11	7%	160
Other benefits and allowances	11,264	8,057	8,638	(5)	7,859	8,638	(779)	-9%	8,638
Payments in lieu of leave	677	892	1,173	(103)	1,049	1,173	(125)	-11%	1,173
Long service awards	559	180	578	10	1,020	578	442	76%	578
Post-retirement benefit obligations	1,752	-	-	-	3,477	-	3,477	#DIV/0!	-
Sub Total - Other Municipal Staff	120,766	127,011	124,165	116	132,307	124,165	8,142	7%	124,165
% increase		5%	3%						3%
Total Parent Municipality	150,075	159,219	154,764	2,517	161,943	154,764	7,178	5%	154,764
		6%	3%						3%
TOTAL SALARY, ALLOWANCES & BENEFITS	150,075	159,219	154,764	2,517	161,943	154,764	7,178	5%	154,764
% increase		6%	3%						3%
TOTAL MANAGERS AND STAFF	127,202	134,149	130,473	582	138,708	130,473	8,235	6%	130,473

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2019 amounts to R161, 943 million and the year to date budget is R154, 764 million and the expenditure for remuneration of councilors amounts to R23, 235 million while the year to date budget is R24, 291 million. The year to date actual expenditure for senior managers is R6, 401 million and the year to date budget thereof is R6, 308 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 R132, 307 million and the year to date budget is R124, 165 million. The higher increase in employee related costs for other municipal staff is a result of interface journal mistakenly authorized during month end closure, hence a double figure. However the it was corrected under the month of June. The remuneration of councilors category has under spending variance, and senior managers' expenditure is in line with the projected budget and there is only one vacant position in the senior management level and the position will be filled by year end. The other municipal staff category has over spending variance that is attributed to post retirement benefit, pension and UIF, and other benefits and allowance.

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

Description	Budget Year 2018/19												2018/19 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	1,905	1,271	1,939	1,806	2,068	1,592	1,847	2,092	1,957	1,550	1,745	1,023	20,797	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,815	6,695	8,360	6,242	6,238	7,151	7,501	5,362	4,937	5,507	76,890	85,993	92,228
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse	362	245	496	335	378	323	328	335	325	289	307	97	3,820	10,070	10,624
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	25	15	27	161	16	53	17	29	44	26	24	563	1,000	643	678
Interest earned - external investments	123	254	204	68	23	135	208	82	56	408	260	981	2,800	3,162	3,336
Interest earned - outstanding debtors	81	31	55	74	683	131	103	651	81	45	64	(628)	1,370	1,720	1,815
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	0	548	0	28	2,325	–	459	847	–	–	6,732	10,942	10,801	11,395
Licences and permits	445	458	398	497	460	309	349	279	211	477	529	788	5,200	5,217	5,504
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	19,953	21,814	2,000	–	450	79,169	1,000	300	59,376	2,269	–	58,947	245,278	269,940	293,775
Other revenue	764	1,114	1,124	1,611	13,040	89	1,021	386	1,620	1,124	954	(21,264)	1,582	2,548	2,688
Cash Receipts by Source	30,040	30,904	13,605	11,248	25,504	90,367	11,110	11,764	72,018	11,551	8,820	52,747	369,678	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	–	–	4,000	–	24,808	–	–	37,683	–	–	449	94,050	67,721	70,734
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	3,022	–	–	(1,022)	2,000	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase in consumer deposits	97	501	(548)	29	–	(39)	41	(579)	601	21	568	(521)	171	203	227
Receipt of non-current debtors	–	–	150	–	–	–	–	–	–	–	–	(150)	–	2,500	2,700
Receipt of non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Change in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	57,247	31,404	13,207	15,277	25,504	115,136	11,152	11,186	113,324	11,572	9,388	51,502	465,899	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	11,367	10,048	10,552	10,401	20,768	11,087	10,164	10,894	10,680	13,209	1,151	130,473	142,723	152,000
Remuneration of councillors	2,635	1,875	1,875	1,875	1,875	1,876	1,875	2,366	1,938	1,936	1,936	2,232	24,291	26,675	28,409
Interest paid	–	–	–	239	260	(499)	313	305	297	482	281	1,222	2,900	2,300	2,000
Bulk purchases - Electricity	729	7,331	7,286	103	1,069	16,313	7,383	5,146	4,970	5,182	5,283	9,206	70,000	84,320	88,958
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	254	778	940	635	637	1,238	835	452	897	729	1,139	375	8,909	18,017	19,007
Contracted services	5,676	4,532	3,492	4,767	6,157	9,573	3,856	2,652	6,180	6,760	5,362	835	59,841	62,629	66,073
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	–	107	109	–	–	1,063	–	–	557	82	182	1,479	3,580	4,642	4,897
General expenses	849	1,062	469	2,628	3,288	3,987	2,799	742	1,231	3,555	5,984	16,399	42,994	45,289	47,780
Cash Payments by Type	20,294	27,052	24,218	20,799	23,687	54,319	28,147	21,827	26,963	29,406	33,377	32,899	342,988	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	1,635	9,235	8,567	6,413	9,987	1,705	2,258	4,277	1,593	6,712	43,258	98,021	85,123	84,647
Repayment of borrowing	–	–	–	2,710	549	3,026	711	719	712	720	743	(3,079)	6,811	14,000	16,677
Other Cash Flows/Payments	–	–	–	–	–	6,863	–	–	–	–	–	(5,013)	1,850	–	–
Total Cash Payments by Type	22,675	28,686	33,453	32,076	30,649	74,196	30,563	24,804	31,953	31,719	40,831	68,065	449,671	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(16,799)	(5,145)	40,939	(19,411)	(13,618)	81,371	(20,147)	(31,443)	(16,562)	16,228	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	40,765	43,483	23,238	6,438	1,294	42,233	22,822	9,204	90,575	70,428	38,985	6,194	22,423	27,355
Cash/cash equivalents at the month/year end:	40,765	43,483	23,238	6,438	1,294	42,233	22,822	9,204	90,575	70,428	38,985	22,423	22,423	27,355	44,399

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 R51, 502 million and the total cash payment for the month were R68, 065 million and this resulted in net decrease in cash held amounting to R16, 562 million. With cash and cash equivalent of R38, 985 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R22, 423 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	6,624	6,722	4,292	2,977	2,977	4,292	1,315	31%	4%
August	8,720	9,189	1,635	1,635	4,612	5,927	1,315	22%	6%
September	7,500	11,637	9,816	11,090	15,702	15,743	41	0%	21%
October	9,227	9,283	5,461	6,418	22,119	21,204	(916)	-4%	29%
November	11,572	8,482	6,413	6,413	28,532	27,617	(916)	-3%	38%
December	10,917	8,697	7,217	9,987	38,519	34,834	(3,686)	-11%	51%
January	7,350	3,979	2,762	1,705	40,225	37,595	(2,630)	-7%	53%
February	10,580	6,249	5,583	4,258	44,483	43,178	(1,305)	-3%	59%
March	6,580	5,136	2,500	5,677	50,160	45,678	(4,482)	-10%	66%
April	7,221	2,938	5,844	1,593	51,754	51,522	(231)	0%	68%
May	14,033	2,052	8,105	6,712	58,465	59,627	1,162	2%	77%
June	7,239	1,505	11,742	8,026	66,491	71,370	4,879	7%	88%
Total Capital expenditure	107,563	75,869	71,370	66,491					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of June amounts to R8, 026 million. The year to date actual expenditure incurred is R66, 491 million whilst the year to date budget is R71, 370 million that gives rise to under spending variance of R4, 879 million that translate to 7%.

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets									
Infrastructure	52,811	32,150	47,545	196	24,339	47,545	23,206	49%	47,545
Roads Infrastructure	39,865	21,283	34,057	31	15,692	34,057	18,366	54%	34,057
Roads	39,865	21,283	34,057	31	15,692	34,057	18,366	54%	34,057
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	12,946	10,868	13,487	165	8,647	13,487	4,840	36%	13,487
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,946	10,868	13,487	165	8,647	13,487	4,840	36%	13,487
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	-	-	-	-	-	-	-		-
Police							-		
Other assets	-	4,447	4,947	820	4,503	4,947	444	9%	4,947
Operational Buildings	-	4,447	4,947	820	4,503	4,947	444	9%	4,947
Municipal Offices	-	4,447	4,947	820	4,503	4,947	444	9%	4,947
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Computer Equipment	749	500	1,000	-	594	1,000	406	41%	1,000
Computer Equipment	749	500	1,000	-	594	1,000	406	41%	1,000
Furniture and Office Equipment	362	400	400	75	183	400	217	54%	400
Furniture and Office Equipment	362	400	400	75	183	400	217	54%	400
Machinery and Equipment	3,138	1,300	300	-	620	300	(320)	-107%	300
Machinery and Equipment	3,138	1,300	300	-	620	300	(320)	-107%	300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	57,060	38,798	54,192	1,091	30,239	54,192	23,953	44%	54,192

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	42,135	33,550	40,944	6,935	35,018	40,944	5,926	14%	40,944
Roads Infrastructure	42,135	33,550	40,944	6,935	35,018	40,944	5,926	14%	40,944
Roads	42,135	33,550	40,944	6,935	35,018	40,944	5,926	14%	40,944
Road Structures							-		
Road Furniture	-	-		-	-	-	-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	522	522	-	-	522	522	100%	522
Community Facilities	-	522	522	-	-	522	522	100%	522
Libraries							-		
Cemeteries/Crematoria	-	522	522	-	-	522	522	100%	522
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	434	-	-	-	-	-	-		-
Operational Buildings	434	-	-	-	-	-	-		-
Municipal Offices	434	-	-	-	-	-	-		-
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	42,569	34,071	41,466	6,935	35,018	41,466	6,448	15.5%	41,466

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	5,694	10,400	6,704	825	7,398	6,704	(693)	-10%	6,704
Roads Infrastructure	1,266	4,000	2,000	455	3,159	2,000	(1,159)	-58%	2,000
Roads	1,266	4,000	2,000	455	3,159	2,000	(1,159)	-58%	2,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,891	3,000	1,000	61	952	1,000	48	5%	1,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,891	3,000	1,000	61	952	1,000	48	5%	1,000
Solid Waste Infrastructure	2,538	3,400	3,704	309	3,287	3,704	417	11%	3,704
Landfill Sites	2,538	3,400	3,704	309	3,287	3,704	417	11%	3,704
Waste Transfer Stations							-		
Other assets	929	2,000	1,000	99	846	1,000	154	15%	1,000
Operational Buildings	929	2,000	1,000	99	846	1,000	154	15%	1,000
Municipal Offices	929	2,000	1,000	99	846	1,000	154	15%	1,000
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	4,905	3,550	1,670	0	296	1,670	1,374	82%	1,670
Machinery and Equipment	4,905	3,550	1,670	0	296	1,670	1,374	82%	1,670
Transport Assets	777	2,000	920	634	2,184	920	(1,264)	-137%	1,000
Transport Assets	777	2,000	920	634	2,184	920	(1,264)	-137%	1,000
Total Repairs and Maintenance Expenditure	12,305	17,950	10,294	1,558	10,724	10,294	(429)	-4%	10,374

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	43,138	34,653	34,653	–	16,139	34,653	18,514	53%	34,653
Roads Infrastructure	3,039	25,147	25,147	–	13,116	25,147	12,030	48%	25,147
Roads	3,039	25,147	25,147	–	13,116	25,147	12,030	48%	25,147
Road Structures			–			–	–		
Road Furniture			–			–	–		
Storm water Infrastructure	(767)	3,712	3,712	–	–	3,712	3,712	100%	3,712
Storm water Conveyance	(767)	3,712	3,712	–	–	3,712	3,712	100%	3,712
Attenuation			–			–	–		
Electrical Infrastructure	40,326	5,166	5,166	–	2,694	5,166	2,471	48%	5,166
HV Substations			–			–	–		
HV Switching Station			–			–	–		
HV Transmission Conductors	40,326	5,166	5,166	–	2,694	5,166	2,471	48%	5,166
MV Networks			–			–	–		
Solid Waste Infrastructure	540	629	629	–	328	629	301	48%	629
Landfill Sites	540	629	629	–	328	629	301	48%	629
Waste Transfer Stations			–			–	–		
Community Assets	1,161	2,918	2,918	–	1,522	2,918	1,396	48%	2,918
Community Facilities	1,161	2,918	2,918	–	1,522	2,918	1,396	48%	2,918
Libraries			–			–	–		
Cemeteries/Crematoria	1,161	2,918	2,918	–	1,522	2,918	1,396	48%	2,918
Police			–			–	–		
Other assets	5,033	2,180	2,180	–	1,137	2,180	1,043	0	2,180
Operational Buildings	5,033	2,180	2,180	–	1,137	2,180	1,043	48%	2,180
Municipal Offices	5,033	2,180	2,180	–	1,137	2,180	1,043	48%	2,180
Workshops			–			–	–		
Intangible Assets	–	378	378	–	197	378	181	48%	378
Servitudes			–			–	–		
Licences and Rights	–	378	378	–	197	378	181	48%	378
Computer Software and Applications		378	378	–	197	378	181	48%	378
Computer Equipment	526	1,518	1,518	–	–	1,518	1,518	100%	1,518
Computer Equipment	526	1,518	1,518	–	–	1,518	1,518	100%	1,518
Furniture and Office Equipment	685	3,817	3,817	–	1,991	3,817	1,826	48%	3,817
Furniture and Office Equipment	685	3,817	3,817	–	1,991	3,817	1,826	48%	3,817
Machinery and Equipment	1,188	2,175	2,175	–	3,070	2,175	(895)	-41%	2,175
Machinery and Equipment	1,188	2,175	2,175	–	3,070	2,175	(895)	-41%	2,175
Transport Assets	1,716	3,542	3,542	–	1,848	3,542	1,695	48%	3,542
Transport Assets	1,716	3,542	3,542	–	1,848	3,542	1,695	48%	3,542
Total Depreciation	53,449	51,181	51,181	–	25,904	51,181	25,277	49%	51,181

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets									
Infrastructure	-	3,000	1,600	-	1,234	1,600	366	23%	1,600
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads									
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Networks									
Solid Waste Infrastructure	-	3,000	1,600	-	1,234	1,600	366	23%	1,600
Landfill Sites									
Waste Processing Facilities		3,000	1,600	-	1,234	1,600	366	23%	1,600
Community Assets	7,829	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Libraries									
Cemeteries/Crematoria									
Police									
Other assets	105	-	-	-	-	-	-	-	-
Operational Buildings	105	-	-	-	-	-	-	-	-
Municipal Offices									
Workshops	105								
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on upgrading of existing assets	7,934	3,000	1,600	-	1,234	1,600	366	23%	1,600

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 R30, 239 million and the year to date budget is R54, 192 million that reflects under spending variance of R23, 953 million that translates to 44% variance. The year to date actuals on renewal of existing assets amounts R35, 018 million and with the year to date budget of R41, 466 million and this reflects under spending variance of R6, 448 million that translates to 15.5% variance.

The year to date actual expenditure on repairs and maintenance is R10, 724 million and the year to date budget is R10, 294 million, reflecting over spending variance of R429 thousands that translates to 4%.

The year to date actual expenditure on upgrading of existing assets is R1, 234 million and the year to date budget is R1, 600 million, reflecting under-spending variance of R366 thousand that translates to 23%.

The year to date actual expenditure on depreciation and asset impairment is R25, 904 million and the year to date budget is R51, 181 million, reflecting under spending variance of R25, 277 million that translates to 49% 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 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 2018/19			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Budget and Treasury	Mobile Office	New	Other assets	Municipal Offices	500	–	–	–
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community	Cemeteries/Crematoria	522	522	–	0%
Community Services	Grobblersdal Landfill site	Upgrading	Infrastructure	Waste Management	3,000	1,600	1,234	77%
Corporate Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	300	500	297	59%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	400	183	46%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	300	323	108%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	1,000	594	59%
Technical Services	Electrification of Mabose	New	Infrastructure	Electrical Infrastructure	0	0	–	0%
Technical Services	Electrification of Makaepea	New	Infrastructure	Electrical Infrastructure	2,870	2,871	2,837	99%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	2,912	5,965	2,908	49%
Technical Services	Electrification of Tambo Village - New Town	New	Infrastructure	Electrical Infrastructure	2,912	2,912	2,902	100%
Technical Services	Electrification of Uitspanning A	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Electrification of Zuma Park	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Installation of high mast light in various villages	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Installation of electrical meters in Grobblersdal	New	Infrastructure	Electrical Infrastructure	1,304	–	–	0%
Technical Services	Upgrading of Grobblersdal subsation	Upgrading	Infrastructure	Electrical Infrastructure	870	(0)	–	0%
Technical Services	Monsterius to Makgopheng Road, Kgoshi Mathebe and	New	Infrastructure	Roads Infrastructure	7,826	7,826	7,216	92%
Technical Services	Kgoshi Matsepe Construction	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Mogaung Road	New	Infrastructure	Roads Infrastructure	8,478	8,478	8,476	100%
Technical Services	Mpheleng Road Construction	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Hlogotlou street and stormwater	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	–	–	0%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Kgoshi Rammupudu Road	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	6,087	15,059	11,906	79%
Technical Services	Naganeng Bus Route	Renewal	Infrastructure	Roads Infrastructure	8,817	5,500	5,785	105%
Technical Services	Grobblersdal Roads and Streets	Renewal	Infrastructure	Roads Infrastructure	1,739	3,843	–	0%
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	15,602	17,341	17,327	100%
Technical Services	Electrification Designs	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Masakaneng internal Roads	New	Infrastructure	Roads Infrastructure	–	15,453	–	0%
Technical Services	Nyakoroane Road	Renewal	Infrastructure	Roads Infrastructure	1,304	1,304	–	0%
Technical Services	Development of workshop Ramogwerane to Nkadimeng	New	Other assets	Operational Buildings	4,447	4,447	4,503	101%
Technical Services	Road and Stormwater	New	Infrastructure	Roads Infrastructure	1,500	1,500	–	0%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Upgrading of streets of Elansdoreen	Upgrading	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Upgrading of Tafelkop stadium	Upgrading	Community Assets	Sport and Recreation Facilities	–	–	–	–

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 June 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Acting Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature

Date

[Handwritten Signature]
15 July 2019

**Elias Motsoaledi Local
Municipality**

15 JUL 2019

Municipal Manager