

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**JUNE 2020**

# Table of Contents

<b>PART 1: IN - YEAR REPORT</b> .....	<b>3</b>
<b>PURPOSE</b> .....	3
<b>EXECUTIVE SUMMARY</b> .....	3
<b>IN YEAR BUDGET STATEMENT TABLES</b> .....	3
Table C1 – Budget Statement Summary .....	4
Table C2 – Financial Performance (Standard Classification) .....	7
Table C3 – Fin’ Performance (Revenue and Expenditure by vote) .....	8
Table C4: Financial Performance by Revenue Source and Expenditure Type .....	9
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding .....	10
Table C5C: Monthly Capital Expenditure by Vote .....	11
Figure 1: Capital expenditure by source of finance .....	12
Figure 2: Monthly capital expenditure .....	12
Table C6: Monthly Budget Statement Financial Position .....	13
Table C7: Monthly Budget Statement Cash Flow .....	14
<b>PART 2: SUPPORTING TABLES</b> .....	<b>15</b>
Supporting Table: SC 1 Material Variance Explanation .....	15
Supporting Table: SC 3 - Debtors Age Analysis .....	15
Figure 3: Debtors age analysis .....	16
Figure 4: Monthly debtors book .....	17
<b>TOP TWENTY DEBTORS</b> .....	18
Supporting Table: SC 4 - Creditors Age Analysis .....	18
<b>TOP CREDITORS PAID</b> .....	19
Supporting Table: SC 5 - Investment Portfolio .....	19
Supporting Table: SC 6 - Transfers and Grant Receipts .....	20
Supporting Table: SC 7 Transfers and grants – Expenditure .....	21
Figure 5: Grants performance .....	22
Supporting Table: SC7 (2) – Expenditure against approved rollovers .....	23
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs .....	24
Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts .....	26
Supporting Table: SC 12 Capital Expenditure Trend .....	27
Supporting Table: SC 13(a) Capital Expenditure on New Assets .....	28
Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets .....	29
Supporting Table: SC 13(c) Repairs and Maintenance Expenditure .....	30
Supporting Table: SC 13(d) Depreciation and asset impairment .....	31
Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets .....	32
List of Capital Programmes and Projects .....	34
<b>QUALITY CERTIFICATE</b> .....	<b>35</b>

## **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. It must be noted that 2019-20 financial year amounts are not yet audited.

### **IN YEAR BUDGET STATEMENT TABLES**

DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	500,884,685	491,691,657	422,828,567	86%
		-		
OPERATING EXPENDITURE	482,591,369	485,305,414	368,738,011	76%
		-		
TRANSFER - CAPITAL	73,921,000	75,421,443	62,182,962	82%
SURPLUS/(DEFICIT)	92,214,316	103,578,736	134,327,439	130%
CAPITAL EXPENDITURE	95,653,510	113,102,553	92,905,516	82%

**Table C1 – Budget Statement Summary**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	32,756	34,727	36,658	2,997	35,773	36,658	(885)	-2%	36,658
Service charges	82,962	101,507	102,856	6,348	91,506	102,856	(11,350)	-11%	102,856
Investment revenue	2,133	2,946	3,246	141	1,368	3,246	(1,877)	-58%	3,246
Transfers and subsidies	245,324	272,618	272,735	119	272,622	272,735	(114)	0%	272,735
Other own revenue	73,848	89,087	76,196	1,756	21,560	75,334	(53,775)	-71%	76,196
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>437,024</b>	<b>500,885</b>	<b>491,692</b>	<b>11,362</b>	<b>422,829</b>	<b>490,829</b>	<b>(68,001)</b>	<b>-14%</b>	<b>491,692</b>
Employee costs	146,968	147,530	142,665	11,144	142,262	142,665	(403)	0%	142,665
Remuneration of Councillors	23,662	25,554	25,068	2,026	24,574	25,068	(494)	-2%	25,068
Depreciation & asset impairment	54,178	56,520	54,830	-	273	52,729	(52,456)	-99%	54,830
Finance charges	2,797	2,505	2,505	-	2,345	2,505	(160)	-6%	2,505
Materials and bulk purchases	89,566	94,531	104,798	973	78,477	104,798	(26,322)	-25%	104,798
Transfers and subsidies	2,483	3,740	3,340	148	2,632	3,524	(892)	-25%	3,340
Other expenditure	157,463	152,210	152,099	1,306	118,175	154,925	(36,750)	-24%	152,099
<b>Total Expenditure</b>	<b>477,117</b>	<b>482,591</b>	<b>485,305</b>	<b>15,597</b>	<b>368,738</b>	<b>486,215</b>	<b>(117,477)</b>	<b>-24%</b>	<b>485,305</b>
<b>Surplus/(Deficit)</b>	<b>(40,092)</b>	<b>18,293</b>	<b>6,386</b>	<b>(4,236)</b>	<b>54,091</b>	<b>4,615</b>	<b>49,476</b>	<b>1072%</b>	<b>6,386</b>
Transfers and subsidies - capital (monetary allocations)	70,766	73,921	75,421	-	62,183	75,421	(13,238)	-18%	75,421
Contributions & Contributed assets	-	-	21,771	-	18,054	21,771	(3,717)	-17%	21,771
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>	<b>32,520</b>	<b>32%</b>	<b>103,579</b>
<b>Surplus/ (Deficit) for the year</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>	<b>32,520</b>	<b>32%</b>	<b>103,579</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>76,437</b>	<b>95,654</b>	<b>113,103</b>	<b>13</b>	<b>84,302</b>	<b>113,090</b>	<b>(28,788)</b>	<b>-25%</b>	<b>113,103</b>
Capital transfers recognised	61,021	73,921	97,205	-	70,327	97,192	(26,866)	-28%	97,205
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,417	21,733	15,898	13	13,975	15,898	(1,923)	-12%	15,898
<b>Total sources of capital funds</b>	<b>76,437</b>	<b>95,654</b>	<b>113,103</b>	<b>13</b>	<b>84,302</b>	<b>113,090</b>	<b>(28,788)</b>	<b>-25%</b>	<b>113,103</b>
<b>Financial position</b>									
Total current assets	106,679	115,014	120,388		132,048				120,388
Total non current assets	1,070,962	1,123,066	1,208,090		1,149,795				1,208,090
Total current liabilities	132,534	81,128	87,970		109,500				87,970
Total non current liabilities	107,621	103,696	103,515		102,417				103,515
Community wealth/Equity	937,486	1,053,256	1,136,993		1,069,926				1,136,993
<b>Cash flows</b>									
Net cash from (used) operating	99,560	102,851	121,326	(8,167)	25,884	121,326	95,442	79%	121,326
Net cash from (used) investing	(72,765)	(88,001)	(126,243)	4,915	(38,934)	(126,243)	(87,309)	69%	(126,231)
Net cash from (used) financing	(8,843)	(10,086)	(15,497)	(800)	(9,474)	(17,039)	(7,564)	44%	(15,497)
<b>Cash/cash equivalents at the month/year end</b>	<b>24,177</b>	<b>29,037</b>	<b>10,982</b>	<b>-</b>	<b>2,458</b>	<b>9,441</b>	<b>6,982</b>	<b>74%</b>	<b>4,580</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	9,618	5,399	3,510	3,051	2,649	2,384	17,060	61,685	105,355
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 R422, 829 million and the year to date budget of R490, 829 million and this reflects a negative variance of R68, 001 million which is mostly attributable to equitable shares received amounting to R269 009 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 58% unfavorable variance,
- Interest earned – outstanding debtors: 1% unfavorable variance,
- Rental on Facilities and Equipment: 65% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Services Charges – electricity revenue: 12% unfavorable variance
- Services Charges – refuse revenue: 1% unfavorable variance
- Licenses and permits: 30% unfavorable variance
- Property rates: 2% unfavorable variance
- Other revenue: 6% unfavorable

**Operating Expenditure**

The year to date operational expenditure as at end of June amounts to R368, 738 million and the year to date budget is R486, 215 million. This reflects underspending variance of R117, 477 million that translates to 24% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

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

- Bulk Purchase: 21% under performance
- Other Materials: 43% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 99% under performance
- Contracted Services: 14% over performance
- Transfer and Subsidies: 15% under performance

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

**Capital Expenditure**

The year to date actual capital expenditure as at end of June 2020 amounts to R84, 302 million and the year to date budget amounts to R113, 090 million and this gives rise to R28, 788 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of June is R134, 327 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 June amounts to R108, 238 million and this shows an increase of R28, 130 million as compared to R80, 108 million as at end of 2018/19 financial year.

Consumer debtors is made up of service charges and property rates that amount to R72, 308 million and other debtors amounting to R35, 929 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 June as required by MFMA and as a result.

**Table C2 – Financial Performance (Standard Classification)**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>192,483</b>	<b>214,636</b>	<b>217,729</b>	<b>4,464</b>	<b>223,172</b>	<b>216,867</b>	<b>6,305</b>	<b>3%</b>	<b>217,729</b>
Executive and council	40,562	46,559	46,559	–	46,559	46,559	(0)	0%	46,559
Finance and administration	143,989	159,127	162,220	4,464	167,663	161,358	6,305	4%	162,220
Internal audit	7,932	8,950	8,950	–	8,950	8,950	(0)	0%	8,950
<b>Community and public safety</b>	<b>71,651</b>	<b>94,968</b>	<b>74,760</b>	<b>71</b>	<b>24,327</b>	<b>74,760</b>	<b>(50,433)</b>	<b>-67%</b>	<b>74,760</b>
Community and social services	11,375	9,026	9,076	4	9,037	9,076	(39)	0%	9,076
Sport and recreation	9,710	12,092	12,092	–	12,104	12,092	12	0%	12,092
Public safety	50,566	73,850	53,592	67	3,186	53,592	(50,406)	-94%	53,592
<b>Economic and environmental services</b>	<b>116,607</b>	<b>117,004</b>	<b>141,587</b>	<b>478</b>	<b>123,212</b>	<b>141,587</b>	<b>(18,375)</b>	<b>-13%</b>	<b>141,587</b>
Planning and development	13,036	21,564	21,339	31	21,248	21,339	(91)	0%	21,339
Road transport	102,541	94,287	118,977	446	100,811	118,977	(18,166)	-15%	118,977
Environmental protection	1,030	1,153	1,270	–	1,153	1,270	(117)	-9%	1,270
<b>Trading services</b>	<b>127,049</b>	<b>148,197</b>	<b>154,808</b>	<b>6,348</b>	<b>132,355</b>	<b>154,808</b>	<b>(22,453)</b>	<b>-15%</b>	<b>154,808</b>
Energy sources	106,327	119,623	126,235	5,649	104,223	126,235	(22,012)	-17%	126,235
Waste management	20,722	28,574	28,574	699	28,132	28,574	(442)	-2%	28,574
<b>Total Revenue - Functional</b>	<b>507,790</b>	<b>574,806</b>	<b>588,884</b>	<b>11,362</b>	<b>503,065</b>	<b>588,022</b>	<b>(84,957)</b>	<b>-14%</b>	<b>588,884</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>210,937</b>	<b>191,835</b>	<b>209,573</b>	<b>8,523</b>	<b>195,732</b>	<b>211,199</b>	<b>(15,467)</b>	<b>-7%</b>	<b>209,573</b>
Executive and council	44,433	41,658	50,599	2,595	49,343	50,599	(1,257)	-2%	50,599
Finance and administration	158,816	141,488	152,110	5,873	140,290	153,735	(13,445)	-9%	152,110
Internal audit	7,688	8,689	6,864	55	6,099	6,864	(765)	-11%	6,864
<b>Community and public safety</b>	<b>69,179</b>	<b>76,535</b>	<b>59,454</b>	<b>1,914</b>	<b>25,616</b>	<b>58,904</b>	<b>(33,288)</b>	<b>-57%</b>	<b>59,454</b>
Community and social services	4,988	7,457	5,582	385	5,068	5,482	(414)	-8%	5,582
Sport and recreation	6,003	11,037	8,951	414	5,514	8,951	(3,437)	-38%	8,951
Public safety	58,188	58,041	44,921	1,115	15,034	44,472	(29,438)	-66%	44,921
<b>Economic and environmental services</b>	<b>88,411</b>	<b>87,675</b>	<b>84,795</b>	<b>3,019</b>	<b>45,576</b>	<b>84,629</b>	<b>(39,053)</b>	<b>-46%</b>	<b>84,795</b>
Planning and development	13,453	17,147	19,388	954	14,737	19,358	(4,621)	-24%	19,388
Road transport	74,310	69,685	64,766	2,020	30,241	64,629	(34,388)	-53%	64,766
Environmental protection	648	843	641	45	598	641	(43)	-7%	641
<b>Trading services</b>	<b>108,589</b>	<b>126,546</b>	<b>131,483</b>	<b>2,141</b>	<b>101,814</b>	<b>131,483</b>	<b>(29,670)</b>	<b>-23%</b>	<b>131,483</b>
Energy sources	81,381	99,370	104,456	972	75,508	104,456	(28,948)	-28%	104,456
Waste management	27,208	27,177	27,027	1,169	26,306	27,027	(722)	-3%	27,027
<b>Total Expenditure - Functional</b>	<b>477,117</b>	<b>482,591</b>	<b>485,305</b>	<b>15,597</b>	<b>368,738</b>	<b>486,215</b>	<b>(117,477)</b>	<b>-24%</b>	<b>485,305</b>
<b>Surplus/ (Deficit) for the year</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>	<b>32,520</b>	<b>32%</b>	<b>103,579</b>

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	35,733	46,559	41,231	-	41,231	41,231	(0)	0%	41,231
Vote 2 - Municipal Manager	24,626	35,643	35,643	-	35,643	35,643	(0)	0%	35,643
Vote 3 - Budget & Treasury	64,175	64,188	67,281	4,417	72,458	66,419	6,039	9%	67,281
Vote 4 - Corporate Services	43,715	40,227	40,227	47	40,493	40,227	266	1%	40,227
Vote 5 - Community Services	105,498	132,693	113,239	1,168	57,897	113,239	(55,341)	-49%	113,239
Vote 6 - Technical Services	211,009	227,629	258,293	5,698	222,464	258,293	(35,829)	-14%	258,293
Vote 7 - Developmental Planning	7,022	14,966	14,741	31	14,650	14,741	(91)	-1%	14,741
Vote 8 - Executive Support	16,013	18,229	18,229	-	18,229	18,229	(0)	0%	18,229
<b>Total Revenue by Vote</b>	<b>507,790</b>	<b>580,134</b>	<b>588,884</b>	<b>11,362</b>	<b>503,065</b>	<b>588,022</b>	<b>(84,957)</b>	<b>-14%</b>	<b>588,884</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	37,443	36,873	42,579	2,335	41,936	43,307	(1,371)	-3%	42,579
Vote 2 - Municipal Manager	46,078	35,065	42,688	884	46,489	42,688	3,801	9%	42,688
Vote 3 - Budget & Treasury	64,915	52,917	56,083	2,345	54,686	56,083	(1,397)	-2%	56,083
Vote 4 - Corporate Services	27,310	36,814	30,859	1,492	21,101	32,484	(11,383)	-35%	30,859
Vote 5 - Community Services	103,847	112,427	94,391	3,649	59,595	93,705	(34,110)	-36%	94,391
Vote 6 - Technical Services	171,711	181,124	185,231	3,270	115,674	185,231	(69,557)	-38%	185,231
Vote 7 - Developmental Planning	7,632	13,185	12,998	516	8,756	12,968	(4,212)	-32%	12,998
Vote 8 - Executive Support	18,180	15,088	19,749	1,376	20,146	19,749	397	2%	19,749
<b>Total Expenditure by Vote</b>	<b>477,117</b>	<b>483,492</b>	<b>484,577</b>	<b>15,868</b>	<b>368,383</b>	<b>486,215</b>	<b>(117,832)</b>	<b>-24%</b>	<b>484,577</b>
<b>Surplus/ (Deficit) for the year</b>	<b>30,674</b>	<b>96,642</b>	<b>104,307</b>	<b>(4,506)</b>	<b>134,682</b>	<b>101,807</b>	<b>32,875</b>	<b>32%</b>	<b>104,307</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	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	32,756	34,727	36,658	2,997	35,773	36,658	(885)	-2%	36,658
Service charges - electricity revenue	75,108	92,957	94,306	5,649	83,075	94,306	(11,232)	-12%	94,306
Service charges - refuse revenue	7,854	8,550	8,550	699	8,431	8,550	(119)	-1%	8,550
Rental of facilities and equipment	1,644	1,052	2,033	46	702	2,033	(1,331)	-65%	2,033
Interest earned - external investments	2,133	2,946	3,246	141	1,368	3,246	(1,877)	-58%	3,246
Interest earned - outstanding debtors	9,183	7,040	12,303	1,162	12,170	12,303	(132)	-1%	12,303
Fines, penalties and forfeits	56,635	73,860	53,638	67	3,236	53,638	(50,402)	-94%	53,638
Licences and permits	4,707	5,470	6,070	397	4,240	6,070	(1,831)	-30%	6,070
Transfers and subsidies	245,324	272,618	272,735	119	272,622	272,735	(114)	0%	272,735
Other revenue	1,680	1,664	1,290	83	1,211	1,290	(78)	-6%	1,290
Gains on disposal of PPE		-	862	-	-	-	-	-	862
<b>Total Revenue (excluding capital transfers and contribu</b>	<b>437,024</b>	<b>500,885</b>	<b>491,692</b>	<b>11,362</b>	<b>422,829</b>	<b>490,829</b>	<b>(68,001)</b>	<b>-14%</b>	<b>491,692</b>
<b>Expenditure By Type</b>									
Employee related costs	146,968	147,530	142,665	11,144	142,262	142,665	(403)	0%	142,665
Remuneration of councillors	23,662	25,554	25,068	2,026	24,574	25,068	(494)	-2%	25,068
Debt impairment	47,752	57,860	43,505	-	-	45,605	(45,605)	-100%	43,505
Depreciation & asset impairment	54,178	56,520	54,830	-	273	52,729	(52,456)	-99%	54,830
Finance charges	2,797	2,505	2,505	-	2,345	2,505	(160)	-6%	2,505
Bulk purchases	73,727	80,941	87,000	303	68,417	87,000	(18,583)	-21%	87,000
Other materials	15,839	13,590	17,798	670	10,059	17,798	(7,739)	-43%	17,798
Contracted services	67,496	53,788	65,807	268	74,997	65,807	9,190	14%	65,807
Transfers and subsidies	2,483	3,740	3,340	148	2,632	3,524	(892)	-25%	3,340
Other expenditure	42,216	40,562	42,787	1,038	43,178	43,513	(335)	-1%	42,787
Loss on disposal of PPE	-	(0)	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>477,117</b>	<b>482,591</b>	<b>485,305</b>	<b>15,597</b>	<b>368,738</b>	<b>486,215</b>	<b>(117,477)</b>	<b>-24%</b>	<b>485,305</b>
<b>Surplus/(Deficit)</b>	<b>(40,092)</b>	<b>18,293</b>	<b>6,386</b>	<b>(4,236)</b>	<b>54,091</b>	<b>4,615</b>	<b>49,476</b>	<b>1072%</b>	<b>6,386</b>
Transfers and subsidies - capital (monetary allocations)	70,766	73,921	75,421	-	62,183	75,421	(13,238)	-18%	75,421
Transfers and subsidies - capital (monetary allocations)	-	-	21,771	-	18,054	21,771	(3,717)	-17%	21,771
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>			<b>103,579</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>			<b>103,579</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>			<b>103,579</b>
<b>Share of surplus/ (deficit) of associate</b>									
<b>Surplus/ (Deficit) for the year</b>	<b>30,674</b>	<b>92,214</b>	<b>103,579</b>	<b>(4,236)</b>	<b>134,327</b>	<b>101,807</b>			<b>103,579</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.

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**

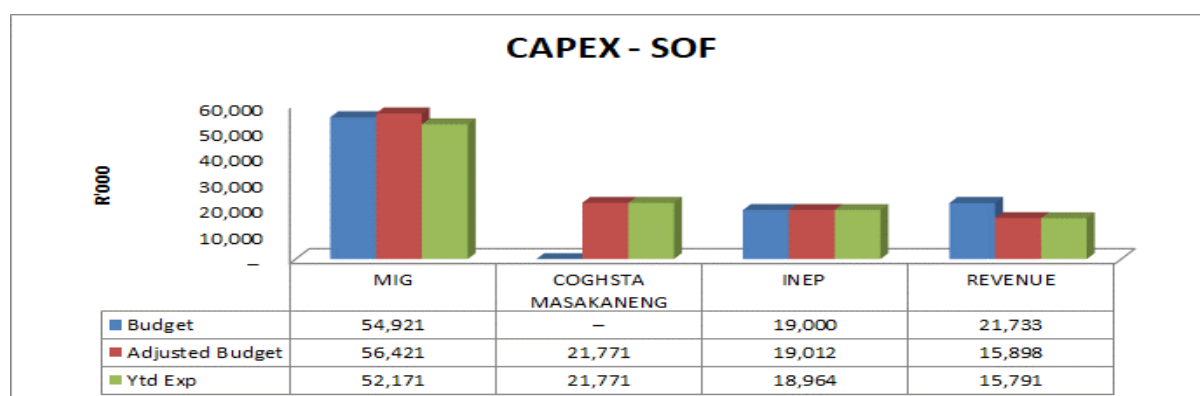
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	2,200	1,800	1,015	13	633	1,015	(381)	-38%	1,015
Executive and council							-		
Finance and administration	2,200	1,800	1,015	13	633	1,015	(381)	-38%	1,015
Internal audit							-		
<b>Community and public safety</b>	522	500	-	-	-	-	-		-
Community and social services	522	500	-	-	-	-	-		-
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	58,640	72,006	91,010	-	66,134	91,010	(24,877)	-27%	91,010
Planning and development							-		
Road transport	58,640	72,006	91,010	-	66,134	91,010	(24,877)	-27%	91,010
Environmental protection							-		
<b>Trading services</b>	15,075	21,348	21,078	-	17,535	21,066	(3,530)	-17%	21,078
Energy sources	13,475	19,522	19,574	-	16,111	19,562	(3,450)	-18%	19,574
Waste management	1,600	1,826	1,504	-	1,424	1,504	(80)	-5%	1,504
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>76,437</b>	<b>95,654</b>	<b>113,103</b>	<b>13</b>	<b>84,302</b>	<b>113,090</b>	<b>(28,788)</b>	<b>-25%</b>	<b>113,103</b>
<b>Funded by:</b>									
National Government	61,021	73,921	75,434	-	54,628	75,421	(20,794)	-28%	75,434
Provincial Government		-	21,771	-	15,699	21,771	(6,072)	-28%	21,771
District Municipality							-		
Other transfers and grants							-		
<b>Transfers recognised - capital</b>	<b>61,021</b>	<b>73,921</b>	<b>97,205</b>	<b>-</b>	<b>70,327</b>	<b>97,192</b>	<b>(26,866)</b>	<b>-28%</b>	<b>97,205</b>
Borrowing							-		
Internally generated funds	15,417	21,733	15,898	13	13,975	15,898	(1,923)	-12%	15,898
<b>Total Capital Funding</b>	<b>76,437</b>	<b>95,654</b>	<b>113,103</b>	<b>13</b>	<b>84,302</b>	<b>113,090</b>	<b>(28,788)</b>	<b>-25%</b>	<b>113,103</b>

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,400	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,600	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	23,825	50,583	50,828	-	43,961	50,816	(6,855)	-13%	50,828
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>26,825</b>	<b>50,583</b>	<b>50,828</b>	<b>-</b>	<b>43,961</b>	<b>50,816</b>	<b>(6,855)</b>	<b>-13%</b>	<b>50,828</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	-
Vote 4 - Corporate Services	800	1,800	1,015	13	633	1,015	(381)	-38%	1,015
Vote 5 - Community Services	522	1,826	1,504	-	1,424	1,504	(80)	-5%	1,504
Vote 6 - Technical Services	48,291	40,945	59,756	-	38,284	59,756	(21,472)	-36%	59,756
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>49,613</b>	<b>45,071</b>	<b>62,275</b>	<b>13</b>	<b>40,341</b>	<b>62,275</b>	<b>(21,933)</b>	<b>-35%</b>	<b>62,275</b>
<b>Total Capital Expenditure</b>	<b>76,437</b>	<b>95,654</b>	<b>113,103</b>	<b>13</b>	<b>84,302</b>	<b>113,090</b>	<b>(28,788)</b>	<b>-25%</b>	<b>113,103</b>

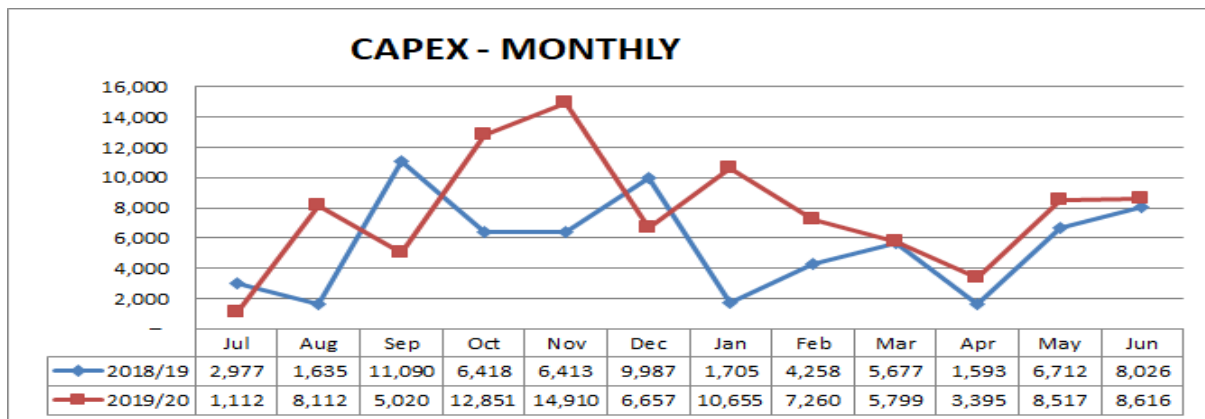
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of June 2020, R12, 500 thousand spending is incurred and that increased the year to date expenditure to R84, 302 million whilst the year to date budget is R113, 090 million and this gave rise to under spending variance of R27, 788 million that translates to 25%.

**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 R113, 103 million, R56, 421 million is funded from Municipal Infrastructure grant, R21, 771 million from COGHSTA for the development of Masakaneng, R19, 012 million from Integrated National Electrification Programme and R15, 898 million from own revenue and the spending per source of finance is presented in the above graph.

**Figure 2: Monthly capital expenditure**



The above graph compares the 2018/19 and 2019/20 monthly capital expenditure performance.

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

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	24,177	4,882	16,697	2,458	16,697
Call investment deposits	–	24,155	–	–	–
Consumer debtors	21,334	41,950	49,631	64,133	49,631
Other debtors	54,923	40,727	49,052	57,019	49,052
Current portion of long-term receivables	–	–	–	–	–
Inventory	6,245	3,300	5,009	8,438	5,009
<b>Total current assets</b>	<b>106,679</b>	<b>115,014</b>	<b>120,388</b>	<b>132,048</b>	<b>120,388</b>
<b>Non current assets</b>					
Long-term receivables	–	–	–	–	–
Investments	13,539	–	13,539	774	13,539
Investment property	58,240	53,739	58,240	60,900	58,240
Investments in Associate	–	–	–	–	–
Property, plant and equipment	998,680	1,055,765	1,135,808	1,085,676	1,135,808
Biological	–	–	–	–	–
Intangible	39	85	39	1,207	39
Other non-current assets	463	13,476	463	1,237	463
<b>Total non current assets</b>	<b>1,070,962</b>	<b>1,123,066</b>	<b>1,208,090</b>	<b>1,149,795</b>	<b>1,208,090</b>
<b>TOTAL ASSETS</b>	<b>1,177,641</b>	<b>1,238,080</b>	<b>1,328,478</b>	<b>1,281,843</b>	<b>1,328,478</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	9,624	9,686	11,542	2,248	11,542
Consumer deposits	5,383	4,860	5,430	5,581	5,430
Trade and other payables	113,571	60,924	64,491	90,313	64,491
Provisions	3,955	5,658	6,508	11,358	6,508
<b>Total current liabilities</b>	<b>132,534</b>	<b>81,128</b>	<b>87,970</b>	<b>109,500</b>	<b>87,970</b>
<b>Non current liabilities</b>					
Borrowing	13,469	13,554	13,469	17,328	13,469
Provisions	94,152	90,142	90,046	85,088	90,046
<b>Total non current liabilities</b>	<b>107,621</b>	<b>103,696</b>	<b>103,515</b>	<b>102,417</b>	<b>103,515</b>
<b>TOTAL LIABILITIES</b>	<b>240,155</b>	<b>184,824</b>	<b>191,485</b>	<b>211,917</b>	<b>191,485</b>
<b>NET ASSETS</b>	<b>937,486</b>	<b>1,053,256</b>	<b>1,136,993</b>	<b>1,069,926</b>	<b>1,136,993</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>937,486</b>	<b>1,053,256</b>	<b>1,136,993</b>	<b>1,069,926</b>	<b>1,136,993</b>
<b>Reserves</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>937,486</b>	<b>1,053,256</b>	<b>1,136,993</b>	<b>1,069,926</b>	<b>1,136,993</b>

The above table shows that community wealth amounts to R1, 069 billion, total liabilities R211, 719 million and the total assets R1, 281 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 1.2:1 that is below the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

**Table C7: Monthly Budget Statement Cash Flow**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	28,779	21,878	20,958	2,113	24,332	20,958	3,374	16%	20,958
Service charges	77,686	91,398	101,547	4,978	83,646	101,547	(17,900)	-18%	101,547
Other revenue	14,066	17,441	15,467	1,530	21,376	15,467	5,910	38%	15,467
Government - operating	240,283	272,618	272,735	-	273,214	272,735	479	0%	272,735
Government - capital	97,537	73,921	75,421	-	73,921	75,421	(1,500)	-2%	75,421
Interest	2,966	3,861	15,548	102	2,405	15,548	(13,143)	-85%	15,548
<b>Payments</b>									
Suppliers and employees	(356,478)	(372,021)	(374,506)	(16,742)	(447,788)	(374,506)	73,282	-20%	(374,506)
Finance charges	(2,797)	(2,505)	(2,505)	-	(2,592)	(2,505)	86	-3%	(2,505)
Transfers and Grants	(2,483)	(3,740)	(3,340)	(148)	(2,632)	(3,340)	(708)	21%	(3,340)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>99,560</b>	<b>102,851</b>	<b>121,326</b>	<b>(8,167)</b>	<b>25,884</b>	<b>121,326</b>	<b>95,442</b>	<b>79%</b>	<b>121,326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	2,839	-	862	-	-	862	(862)	-100%	862
Decrease (Increase) in non-current debtors	-	-	-	4,915	46,369	-	46,369	-	-
Decrease (increase) other non-current receivables	833	-	(463)	-	-	(463)	463	-100%	(463)
Decrease (increase) in non-current investments	-	-	(13,539)	-	-	(13,539)	13,539	-100%	(13,539)
<b>Payments</b>									
Capital assets	(76,437)	(88,001)	(113,103)	-	(85,303)	(113,103)	(27,800)	25%	(113,090)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(72,765)</b>	<b>(88,001)</b>	<b>(126,243)</b>	<b>4,915</b>	<b>(38,934)</b>	<b>(126,243)</b>	<b>(87,309)</b>	<b>69%</b>	<b>(126,231)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	1,542	-	-	-	-	-	1,542
Increase (decrease) in consumer deposits	-	(400)	170	65	196	170	26	15%	170
<b>Payments</b>									
Repayment of borrowing	(8,843)	(9,686)	(17,208)	(865)	(9,670)	(17,208)	(7,538)	44%	(17,208)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(8,843)</b>	<b>(10,086)</b>	<b>(15,497)</b>	<b>(800)</b>	<b>(9,474)</b>	<b>(17,039)</b>	<b>(7,564)</b>	<b>44%</b>	<b>(15,497)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>17,952</b>	<b>4,764</b>	<b>(20,414)</b>	<b>(4,052)</b>	<b>(22,524)</b>	<b>(21,956)</b>			<b>(20,402)</b>
Cash/cash equivalents at beginning:	6,225	24,273	31,396		24,982	31,396			24,982
Cash/cash equivalents at month/year end:	24,177	29,037	10,982		2,458	9,441			4,580

Table C7 presents details pertaining to cash flow performance. As at end of June 2020, the net cash inflow from operating activities is R25, 884 million whilst net cash outflow from investing activities is R38, 934 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R9, 474 million. The cash and cash equivalent held at end of June 2020 amounted to R2, 458 million and the net effect of the above cash flows is cash outflow movement of R22, 524 million. The cash and cash equivalent at end of the reporting period of R2, 458 million, is mainly made up of cash in the primary bank account amounting to R2, 458 million and a short-term investment amounting to Nil.

## 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	-2%	The projected monthly revenue appear to be high in light of the actual revenue performance	No remedial action is needed
Service charges - electricity revenue	-12%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed
Service charges - refuse revenue	-1%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-65%	The actual revenue generated is too lower than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	-58%	The projected interest to be realised was overprojected	The municipality should invest so that the investment will correspond with the projections.
Interest earned - outstanding debtors	-1%	The projected interest to be realised was overprojected	Customers should be encourage to pay off their debts quickly.
Fines, penalties and forfeits	-94%	The contract of the speed fine cameras has expired hence the actuals are lower than the projects thereof.	The speed fine cameras tender has been advertised and it anticipated new contract will start soon.
Licences and permits	-30%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed.
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	-6%	The actual revenue generated is more than the projected monthly revenue	No remedial action is needed.
<b>Expenditure By Type</b>			
Employee related costs	0%	The actual expenditure incurred on employee related costs is less than the projected monthly expenditure	The budget will be adjusted downwards in the main adjustment budget
Remuneration of councillors	-2%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed.
Depreciation & asset impairment	-99%	Depreciation is still calculated at year end	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-6%	Finance charges is mainly for finance lease and the leased invoices are not captured before System closure	The Invoices will be reflected on the following Month
Bulk purchases	-21%	The current Eskom bill was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-43%	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
Contracted services	14%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed.
Transfers and subsidies	-25%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed.
Other expenditure	-1%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed.

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-28%	The spending on grants funded capital projects is less the projected expenditure thereof	No remedial action is needed
Provincial Government	-28%	The spending on grant funded capital projects is less the projected expenditure thereof	No remedial action is needed
Internally generated funds	-12%	The spending on internally generated funded capital projects is less than the projected expenditure thereof	No remedial action is needed
<b>Cash Flow</b>			
Property rates	16%	The actual collection rate on property rates is more than the projected rate	The municipality should continue to encourage customers to pay their accounts on time.
Service charges	-18%	The collection rate on service charges is below the projected rate	No remedial action is needed
Other revenue	38%	The collection rate on tender documents (grants funded) for 2019/20 are not selling as projected	This need to be looked into
Government - operating	0%	All grants have been received to this date and the projections are not in line with payment schedule.	No remedial action is needed as all budgeted grants have been gazetted
Interest	-85%	Interest on on other revenue isn't as projected due to the under collection from other debtors	Finance department to strengthen the credit control measures in ensuring improved collection rate on other revenue
Suppliers and employees	-20%	The actual costs incurred is above the projected costs	No remedial action is needed
Finance charges	-3%	The actual costs incurred on finance charges is below the collection thereof	No remedial action is needed
Capital assets	-2%	The projected capital expenditure on capex is higher than the actual spending thereof, whereas june capex payments were not captured on Munsoft	No remedial action is needed
Transfers and Grants	21%	The payments relating to this account are slightly lower the projections for the previous months	No remedial action is needed
Increase (decrease) in consumer deposits	15%	Consumer deposits were significantly more than the projection thereof	No remedial action is needed
Repayment of borrowing	44%	Projected repayments were higher than the actual Payment	No remedial action is needed



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

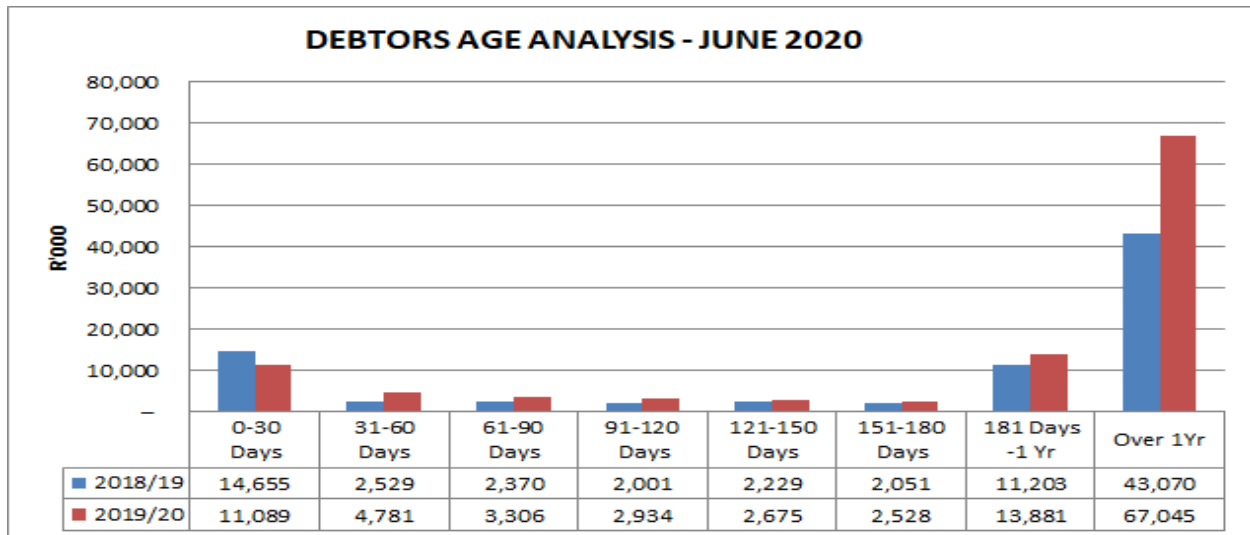
Description	Budget Year 2019/20										Actual Bad Debts Written Off	Impairment - Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5,705	1,371	479	246	154	74	309	2,977	11,315	3,759			
Receivables from Non-exchange Transactions - Property Rates	2,799	1,560	1,242	1,170	1,055	1,020	5,827	30,652	45,325	39,724			
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-			
Receivables from Exchange Transactions - Waste Management	679	508	428	409	395	369	2,163	9,590	14,540	12,925			
Receivables from Exchange Transactions - Property Rental Debtors	32	21	10	9	9	9	105	934	1,129	1,065			
Interest on Arrear Debtor Accounts	1,185	1,149	1,103	1,062	1,031	996	5,391	22,018	33,937	30,499			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-			
Other	689	170	43	38	32	60	87	874	1,993	1,091			
<b>Total By Income Source</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>	-	-	-
<b>2018/19 - totals only</b>	<b>14,655</b>	<b>2,529</b>	<b>2,370</b>	<b>2,001</b>	<b>2,229</b>	<b>2,051</b>	<b>11,203</b>	<b>43,070</b>	<b>80,108</b>	<b>60,554</b>			
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	1,080	807	643	556	587	556	3,073	14,788	22,090	19,560			
Commercial	4,613	1,034	631	507	347	340	1,752	9,202	18,426	12,149			
Households	4,110	2,326	1,459	1,281	1,205	1,106	6,032	26,748	44,268	36,372			
Other	1,286	614	572	591	536	526	3,023	16,306	23,454	20,981			
<b>Total By Customer Group</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>	-	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R108, 238 million. The debtors' book is made up as follows:

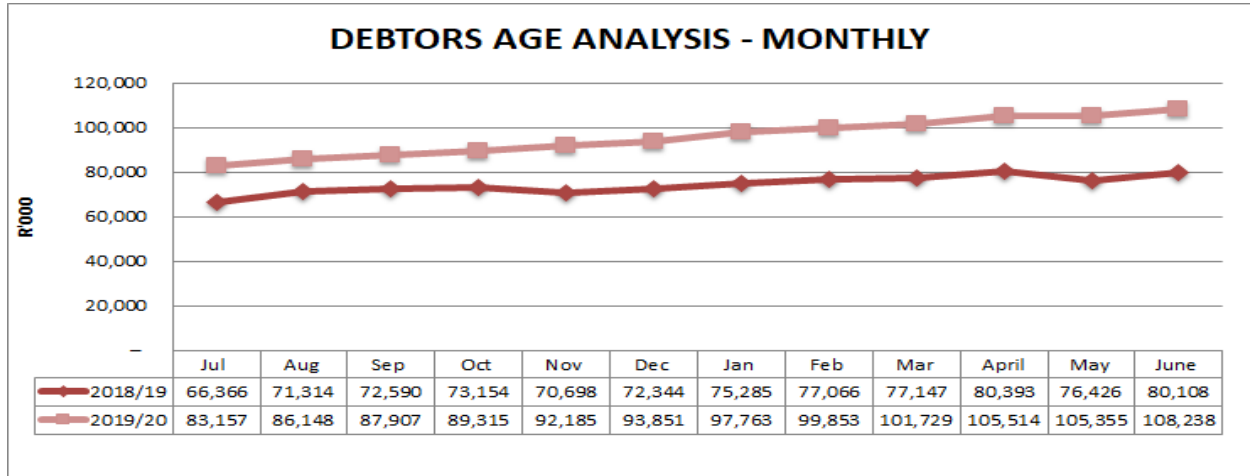
- Rates 42%
- Electricity 10%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 31%
- Other 2%

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 2018/19 financial year and 2019/20 (as at end of June 2020) whilst the latter shows monthly movement of debtors for both the current financial year and the 2018/19 financial year. The debtors book is materially less than the 2019/20 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

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

## TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,193,792.91
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,018,186.39
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	549,192.86
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	417,002.49
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	388,605.52
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	330,665.37
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	302,260.50
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	290,868.82
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	287,431.20
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	263,830.44
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	248,896.92
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	248,660.04
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	215,979.26
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	215,175.99
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	214,399.71
20494	BREAKAWAY TRUST	ACTIVE	OWNER	210,683.38
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	210,057.72
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	208,245.30
9001712	20	ACTIVE	OWNER	192,501.89
9001101	BLUE MAGNOLIA TRADING 507 CC	ACTIVE	OWNER	192,433.44
TOTAL				<b>7,198,870.15</b>

## Supporting Table: SC 4 - Creditors Age Analysis

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

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

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are 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**

<b>CODE</b>	<b>CREDITOR NAME</b>	<b>AMOUNT</b>
80596	MABOFA TRADING SERVICES	332,695.00
81008	OBAKENG MEDIA AND PROJECTS	188,820.00
453	MOJEKANA MJ CONSTRUCTION	12,500.00
80957	SEDIKANE INVESTMENTS	4,600.00
<b>TOTAL</b>		<b>538,615.00</b>

The Municipality has an outstanding total amount 538 thousands creditors for the month of June 2020.

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

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

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

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

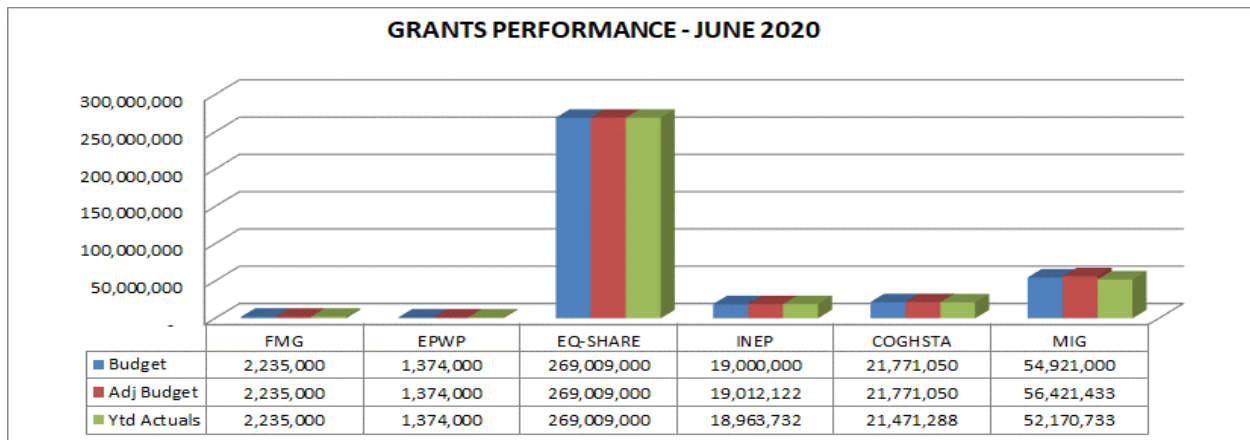
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R368, 906 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R269 009 million; Integrated National Electrification Programme amounting to R19 000 million; Municipal Infrastructure Grant amounting to R54 921 millio; Expanded Public Works Programme R1, 374 million and Financial Management Grant amounting to R2, 235 million were received. The Municipality received grant late last financial year from COGHSTA for the Development of Masakaneng amounting to R21, 771 million, which is rolled forward this financial year. 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	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>245,283</b>	<b>272,618</b>	<b>273,214</b>	<b>22,533</b>	<b>272,618</b>	<b>273,214</b>	<b>(596)</b>	<b>0%</b>	<b>273,214</b>
Local Government Equitable Share	237,511	269,009	269,009	22,417	269,009	269,009	-		269,009
Finance Management	1,770	2,235	2,235	116	2,235	2,235	-		2,235
EPWP Incentive	1,002	1,374	1,374	-	1,374	1,374	-		1,374
Energy Efficiency and Demand Management	5,000	-	-	-	-	-	-		-
Disaster Relief Grant COVID-19 (Corona virus)	-	-	596	-	-	596	(596)	-100%	596
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>245,283</b>	<b>272,618</b>	<b>273,214</b>	<b>22,533</b>	<b>272,618</b>	<b>273,214</b>	<b>(596)</b>	<b>0%</b>	<b>273,214</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>73,921</b>	<b>-</b>	<b>62,183</b>	<b>73,921</b>	<b>(11,738)</b>	<b>-16%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921	54,921	-	45,304	54,921	(9,617)	-18%	54,921
Intergrated National Electrification Grant	10,009	19,000	19,000	-	16,879	19,000	(2,121)	-11%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>21,771</b>	<b>21,771</b>	<b>-</b>	<b>18,054</b>	<b>21,771</b>	<b>(3,717)</b>	<b>-17%</b>	<b>21,771</b>
Coghsta - Development	21,771	21,771	21,771	-	18,054	21,771	(3,717)	-17%	21,771
<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>94,050</b>	<b>95,692</b>	<b>95,692</b>	<b>-</b>	<b>80,237</b>	<b>95,692</b>	<b>(15,455)</b>	<b>-16%</b>	<b>95,692</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>339,333</b>	<b>368,310</b>	<b>368,906</b>	<b>22,533</b>	<b>352,855</b>	<b>368,906</b>	<b>(16,051)</b>	<b>-4%</b>	<b>368,906</b>

An amount of R22, 533 million has been spent on grants during the month of June 2020 and the year to date actuals is R352, 855 million whilst the year to date budget amounts to R368, 906 million and this results in underspending variance of R16, 051 million that translates to negative 4%. Of the total spending amounting to R22, 533million, R22, 533 million is spent on operational grants whilst Nil 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 2020. The grants expenditure are shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Integrated National Electrification Grant 99.75%
- COGHSTA – Masakaneng Development 98.62%
- Municipal Infrastructure Grant 92.47%



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

Description	Budget Year 2019/20				
	Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance
<b>EXPENDITURE</b>					
<b>Operating expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	
Local Government Equitable Share	-			-	
Finance Management	-			-	
EPWP Incentive	-			-	
Energy Efficiency and Demand Management	-			-	
Disaster Relief Grant COVID-19 (Corona virus)				-	
<b>Provincial Government:</b>	-	-	-	-	
N/A				-	
<b>District Municipality:</b>	-	-	-	-	
N/A				-	
<b>Other grant providers:</b>	-	-	-	-	
N/A				-	
<b>Total operating expenditure of Approved Roll-overs</b>	-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	1,513	-	961	551	36%
Municipal Infrastructure Grant (MIG)	1,500	-	961	539	36%
Intergrated National Electrification Grant	12	-	-	12	100%
<b>Provincial Government:</b>	-	-	-	-	
Coghsta - Development				-	
<b>District Municipality:</b>	-	-	-	-	
N/A				-	
<b>Other grant providers:</b>	-	-	-	-	
N/A				-	
<b>Total capital expenditure of Approved Roll-overs</b>	1,513	-	961	551	36%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	1,513	-	961	551	36%

Table SC7 (2) provides details for expenditure on approved rollovers. The municipality applied for Municipal Infrastructure Grant roll over (amount not spend in 2018-19 financial year). Roll over approval amounted to R1, 500 million which relate to MIG and R12 thousand related to INEP, the year to date spending is R961 thousands and the year to date budget is R539 thousands.

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

Summary of Employee and Councilor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	13,395	15,201	14,851	1,183	14,458	14,851	(392)	-3%	14,851
Pension and UIF Contributions	1,605	1,744	1,719	142	1,712	1,719	(7)	0%	1,719
Medical Aid Contributions	368	369	341	25	319	341	(22)	-7%	341
Motor Vehicle Allowance	5,145	5,611	5,130	431	5,149	5,130	19	0%	5,130
Cellphone Allowance	2,708	2,629	2,804	226	2,701	2,804	(103)	-4%	2,804
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	223	19	235	223	12	5%	223
<b>Sub Total - Councillors</b>	<b>23,222</b>	<b>25,554</b>	<b>25,068</b>	<b>2,026</b>	<b>24,574</b>	<b>25,068</b>	<b>(494)</b>	<b>-2%</b>	<b>25,068</b>
<b>% increase</b>		<b>10%</b>	<b>8%</b>						<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,421	5,150	4,304	480	4,938	4,304	634	15%	4,304
Pension and UIF Contributions	100	172	163	18	178	163	15	9%	163
Medical Aid Contributions	102	64	79	7	82	79	2	3%	79
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	403	918	660	56	661	660	1	0%	660
Cellphone Allowance	108	188	161	14	168	161	7	4%	161
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	378	331	445	10	446	445	1	0%	445
Payments in lieu of leave	-	-	-	-	18	-	18	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4,512</b>	<b>6,824</b>	<b>5,813</b>	<b>585</b>	<b>6,491</b>	<b>5,813</b>	<b>679</b>	<b>12%</b>	<b>5,813</b>
<b>% increase</b>		<b>51%</b>	<b>29%</b>						<b>29%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	84,473	91,339	90,220	7,316	88,856	90,220	(1,364)	-2%	90,220
Pension and UIF Contributions	16,792	18,714	17,856	1,480	17,801	17,856	(55)	0%	17,856
Medical Aid Contributions	5,303	4,761	5,391	430	5,555	5,391	164	3%	5,391
Overtime	2,166	1,948	1,261	109	1,443	1,261	182	14%	1,261
Motor Vehicle Allowance	10,390	11,571	11,107	917	11,056	11,107	(52)	0%	11,107
Cellphone Allowance	1,437	1,171	1,757	151	1,786	1,757	29	2%	1,757
Housing Allowances	171	437	174	15	179	174	4	3%	174
Other benefits and allowances	7,859	8,329	8,146	106	8,248	8,146	103	1%	8,146
Payments in lieu of leave	5,981	1,951	494	4	407	494	(87)	-18%	494
Long service awards	1,020	486	446	30	439	446	(6)	-1%	446
Post-retirement benefit obligations	3,523	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>139,115</b>	<b>140,707</b>	<b>136,852</b>	<b>10,559</b>	<b>135,771</b>	<b>136,852</b>	<b>(1,082)</b>	<b>-1%</b>	<b>136,852</b>
<b>% increase</b>		<b>1%</b>	<b>-2%</b>						<b>-2%</b>
<b>Total Parent Municipality</b>	<b>166,850</b>	<b>173,085</b>	<b>167,733</b>	<b>13,170</b>	<b>166,836</b>	<b>167,733</b>	<b>(897)</b>	<b>-1%</b>	<b>167,733</b>
		<b>4%</b>	<b>1%</b>						<b>1%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,850</b>	<b>173,085</b>	<b>167,733</b>	<b>13,170</b>	<b>166,836</b>	<b>167,733</b>	<b>(897)</b>	<b>-1%</b>	<b>167,733</b>
<b>% increase</b>		<b>4%</b>	<b>1%</b>						<b>1%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>143,628</b>	<b>147,530</b>	<b>142,665</b>	<b>11,144</b>	<b>142,262</b>	<b>142,665</b>	<b>(403)</b>	<b>0%</b>	<b>142,665</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2020 amounts to R166, 836 million and the year to date budget is R167, 733 million and the expenditure for remuneration of councilors amounts to R24, 574 million while the year to date budget is R25, 068 million. The year to date actual expenditure for senior managers is R6, 491 million and the year to date budget thereof is R5, 813 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 R135, 771 million and the year to date budget is R136, 852 million. The remuneration of councilors and other municipal staff category has underspending variance, and there is only one vacant position in the senior management level and the position in the new financial year 2020/21.

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

Description	Budget Year 2019/20												2019/20 Medium Term Revenue			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Year	Year +1	Year +2	
<b>Cash Receipts By Source</b>																
Property rates	2,340	2,014	2,246	2,012	2,102	1,991	1,807	2,022	2,055	1,741	1,889	2,113	24,332	27,452	28,934	
Service charges - electricity revenue	5,598	6,336	6,911	7,093	7,290	7,485	6,902	7,163	7,334	6,151	6,570	4,689	79,521	86,220	90,876	
Service charges - refuse	428	406	338	342	360	327	338	387	330	239	341	290	4,126	4,596	4,844	
Rental of facilities and equipment	17	188	59	24	34	43	25	51	32	27	37	20	559	721	760	
Interest earned - external investments	425	456	233	41	-	-	-	-	41	141	-	-	1,336	3,105	3,272	
Interest earned - outstanding debtors	150	133	127	102	52	74	68	63	73	62	63	102	1,069	1,484	1,564	
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	10,120	10,667	
Licences and permits	475	481	456	521	415	289	450	416	377	0	-	397	4,278	5,766	6,077	
Transfer receipts - operating	112,431	2,235	-	-	19,963	69,707	619	411	67,252	596	-	-	273,214	291,737	314,255	
Other revenue	1,285	1,215	2,271	1,371	1,521	1,458	1,441	1,144	1,430	1,091	1,201	1,113	16,540	1,754	1,849	
<b>Cash Receipts by Source</b>	<b>123,149</b>	<b>13,464</b>	<b>12,640</b>	<b>11,507</b>	<b>31,737</b>	<b>81,374</b>	<b>11,649</b>	<b>11,658</b>	<b>78,923</b>	<b>10,049</b>	<b>10,102</b>	<b>8,723</b>	<b>404,974</b>	<b>432,954</b>	<b>463,098</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	30,968	-	-	-	5,000	17,476	-	5,000	15,477	-	-	-	73,921	74,234	75,773	
Contributions & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase in consumer deposits	56	113	61	(115)	2	7	33	15	(31)	1	(12)	65	196	(350)	(300)	
Receipt of non-current debtors			4,651	2,585	2,846	-	12,263	6,021		4,776	8,311	4,915	46,369			
Receipt of non-current receivables																
Change in non-current investments																
<b>Total Cash Receipts by Source</b>	<b>154,173</b>	<b>13,577</b>	<b>17,352</b>	<b>13,977</b>	<b>39,585</b>	<b>98,858</b>	<b>23,946</b>	<b>22,694</b>	<b>94,369</b>	<b>14,826</b>	<b>18,401</b>	<b>13,703</b>	<b>525,460</b>	<b>506,838</b>	<b>538,571</b>	
<b>Cash Payments by Type</b>																
Employee related costs	11,243	11,085	11,107	12,045	11,072	18,328	11,205	11,256	11,213	11,121	11,442	11,547	142,665	157,231	165,564	
Remuneration of councillors	1,936	1,903	2,102	2,238	1,951	1,981	1,951	1,951	1,951	1,951	2,636	2,026	24,574	27,266	28,093	
Interest paid	255	-	-	731	217	217	-	408	187	232	345	-	2,592	1,141	53	
Bulk purchases - Electricity	85	8,918	9,123	7,369	6,053	6,691	6,618	5,616	7,222	5,898	4,520	303	68,417	93,406	107,884	
Other materials	289	598	990	1,306	803	2,443	666	1,257	411	48	2,125	670	11,607	9,612	9,831	
Contracted services	7,339	3,265	7,503	8,035	5,181	14,370	8,314	2,318	3,328	6,161	8,026	1,158	74,997	58,464	61,929	
Grants and subsidies paid - other	217	228	142	209	119	347	246	246	70	564	95	148	2,632	3,942	4,155	
General expenses	6,799	3,168	4,748	5,317	2,254	5,258	3,357	2,108	3,099	1,462	3,730	1,038	42,337	40,284	40,150	
<b>Cash Payments by Type</b>	<b>28,163</b>	<b>29,164</b>	<b>35,715</b>	<b>37,250</b>	<b>27,650</b>	<b>49,635</b>	<b>32,357</b>	<b>25,159</b>	<b>27,480</b>	<b>27,437</b>	<b>32,919</b>	<b>16,890</b>	<b>369,821</b>	<b>391,346</b>	<b>417,660</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	1,421	9,187	5,542	12,834	14,910	6,657	10,655	6,384	5,799	3,395	8,517	-	85,303	89,158	88,783	
Repayment of borrowing	754	763	771	781	790	799	807	818	826	841	855	865	9,670	11,050	2,504	
Other Cash Flows/Payments	38,713	6,411	-	9,746	-	12,347	-	-	15,168	-	-	-	82,385	13,000	15,000	
<b>Total Cash Payments by Type</b>	<b>69,053</b>	<b>45,525</b>	<b>42,028</b>	<b>60,612</b>	<b>43,350</b>	<b>69,438</b>	<b>43,819</b>	<b>32,361</b>	<b>49,273</b>	<b>31,673</b>	<b>42,291</b>	<b>17,755</b>	<b>547,178</b>	<b>504,555</b>	<b>523,947</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>85,120</b>	<b>(31,948)</b>	<b>(24,677)</b>	<b>(46,635)</b>	<b>(3,765)</b>	<b>29,420</b>	<b>(19,874)</b>	<b>(9,667)</b>	<b>45,095</b>	<b>(16,847)</b>	<b>(23,890)</b>	<b>(4,052)</b>	<b>(21,719)</b>	<b>2,283</b>	<b>14,624</b>	
Cash/cash equivalents at the month/year beginning:	24,177	109,297	77,349	52,672	6,037	2,272	31,692	11,819	2,152	47,247	30,400	6,510	24,177	2,458	4,741	
Cash/cash equivalents at the month/year end:	109,297	77,349	52,672	6,037	2,272	31,692	11,819	2,152	47,247	30,400	6,510	2,458	2,458	4,741	19,365	

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R13, 703 million and the total cash payment for the month were R17, 755 million and this resulted in net decrease in cash held amounting to R4, 052 million. With cash and cash equivalent of R6, 510 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R2, 458 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July	4,292	9,466	9,424	1,112	1,112	9,424	8,312	88%	1%
August	1,635	3,712	3,576	8,112	9,225	13,000	3,775	29%	10%
September	9,816	14,062	13,926	5,020	14,245	26,926	12,681	47%	15%
October	5,461	8,364	8,822	12,851	27,096	35,748	8,651	24%	28%
November	6,413	8,687	8,687	14,910	42,006	44,434	2,428	5%	44%
December	7,217	9,913	9,913	6,657	48,664	54,348	5,684	10%	51%
January	2,762	8,429	8,221	10,655	59,319	62,569	3,250	5%	62%
February	5,583	4,675	8,162	7,260	66,579	70,731	4,152	6%	70%
March	2,500	10,432	13,753	5,799	72,378	84,483	12,106	14%	76%
April	5,844	4,917	8,363	3,395	75,773	92,847	17,074	18%	79%
May	8,105	5,184	8,683	8,517	84,290	101,530	17,240	17%	88%
June	11,742	7,813	11,573	8,616	92,906	113,103	28,800	25%	97%
<b>Total Capital expenditure</b>	<b>71,370</b>	<b>95,654</b>	<b>113,103</b>	<b>92,906</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 June amounts to R8, 616 million as the capital project payments are not captured on the system prior to month end closure. The year to date actual expenditure incurred is R92, 906 million whilst the year to date budget is R113, 103 million that gives rise to under spending variance of R28, 800 million that translate to 25%.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	28,613	53,043	74,061	–	58,011	74,049	16,039	22%	74,061
<b>Roads Infrastructure</b>	15,138	33,521	54,487	–	41,899	54,487	12,588	23%	54,487
Roads	15,138	33,521	54,487	–	41,899	54,487	12,588	23%	54,487
Road Structures							–		
Road Furniture							–		
Storm water Infrastructure	–	–	–	–	–	–	–		–
Drainage Collection							–		
<b>Electrical Infrastructure</b>	13,475	19,522	19,574	–	16,111	19,562	3,450	18%	19,574
HV Substations							–		
HV Switching Station							–		
HV Transmission Conductors							–		
MV Networks	13,475	19,522	19,574	–	16,111	19,562	3,450	18%	19,574
<b>Solid Waste Infrastructure</b>	–	–	–	–	–	–	–		–
Landfill Sites							–		
Waste Transfer Stations							–		
Waste Processing Facilities							–		
<b>Community Assets</b>	–	–	–	–	–	–	–		–
Community Facilities	–	–	–	–	–	–	–		–
Libraries							–		
Cemeteries/Crematoria							–		
Police							–		
<b>Other assets</b>	4,947	900	–	–	–	–	–		–
Operational Buildings	4,947	900	–	–	–	–	–		
Pay/Enquiry Points							0%		
Building Plan Offices							–		
Workshops							–		
<b>Intangible Assets</b>	–	–	–	–	–	–	–		–
Servitudes							–		
Licences and Rights	–	–	–	–	–	–	–		–
Computer Software and Applications							–		
<b>Computer Equipment</b>	1,000	500	115	–	38	115	76	66%	115
Computer Equipment	1,000	500	115	–	38	115	76	66%	115
<b>Furniture and Office Equipment</b>	400	400	534	–	526	534	8	1%	534
Furniture and Office Equipment	400	400	534	–	526	534	8	1%	534
<b>Machinery and Equipment</b>	300	2,326	1,870	13	1,492	1,870	378	20%	1,870
Machinery and Equipment	300	2,326	1,870	13	1,492	1,870	378	20%	1,870
<b>Transport Assets</b>	–	–	–	–	–	–	–		–
Transport Assets							–		
<b>Total Capital Expenditure on new assets</b>	35,261	57,169	76,580	13	60,068	76,568	16,500	22%	76,580

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	39,055	21,663	20,701	-	13,885	20,701	6,816	33%	20,701
<b>Roads Infrastructure</b>	39,055	21,663	20,701	-	13,885	20,701	6,816	33%	20,701
Roads	39,055	21,663	20,701	-	13,885	20,701	6,816	33%	20,701
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	39,577	21,663	20,701	-	13,885	20,701	6,816	32.9%	20,701

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	6,704	6,756	7,683	375	5,119	7,683	2,564	33%	7,683
<b>Roads Infrastructure</b>	2,000	2,000	2,767	-	161	2,767	2,606	94%	2,767
Roads	2,000	2,000	2,767	-	161	2,767	2,606	94%	2,767
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	1,000	1,052	2,052	375	2,180	2,052	(128)	-6%	2,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052	2,052	375	2,180	2,052	(128)	-6%	2,052
<b>Solid Waste Infrastructure</b>	3,704	3,704	2,864	-	2,778	2,864	86	3%	2,864
Landfill Sites	3,704	3,704	2,864	-	2,778	2,864	86	3%	2,864
Waste Transfer Stations							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,000	1,052	1,752	-	1,497	1,752	255	15%	1,752
Operational Buildings	1,000	1,052	1,752	-	1,497	1,752	255	15%	1,752
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>	1,670	1,757	1,739	108	1,306	1,739	433	25%	1,739
Machinery and Equipment	1,670	1,757	1,739	108	1,306	1,739	433	25%	1,739
<b>Transport Assets</b>	1,000	1,052	2,352	32	2,727	2,352	(375)	-16%	2,352
Transport Assets	1,000	1,052	2,352	32	2,727	2,352	(375)	-16%	2,352
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,374</b>	<b>10,617</b>	<b>13,526</b>	<b>515</b>	<b>10,649</b>	<b>13,526</b>	<b>2,878</b>	<b>21.3%</b>	<b>13,526</b>



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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	34,653	39,133	33,237	-	-	33,237	33,237	100%	33,237
<b>Roads Infrastructure</b>	25,147	29,133	27,141	-	-	27,141	27,141	100%	27,141
Roads	25,147	29,133	27,141			27,141	27,141	100%	27,141
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	5,166	5,434	5,434	-	-	5,434	5,434	100%	5,434
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434	5,434	-	-	5,434	5,434	100%	5,434
MV Networks							-		
<b>Solid Waste Infrastructure</b>	629	662	662	-	-	662	662	100%	662
Landfill Sites	629	662	662	-	-	662	662	100%	662
Waste Transfer Stations							-		
<b>Community Assets</b>	2,918	3,070	3,070	-	-	3,070	3,070	100%	3,070
Community Facilities	2,918	3,070	3,070	-	-	3,070	3,070	100%	3,070
Libraries							-		
Police							-		
<b>Other assets</b>	2,180	2,293	494	-	-	494	494	0	494
Operational Buildings	2,180	2,293	494	-	-	494	494	100%	494
Workshops							-		
<b>Intangible Assets</b>	378	398	2,100	-	-	2,100	2,100	100%	2,100
Servitudes							-		
Computer Software and Applications	378	398	2,100			2,100	2,100	100%	2,100
<b>Computer Equipment</b>	1,518	1,597	1,597	-	-	1,597	1,597	100%	1,597
Computer Equipment	1,518	1,597	1,597			1,597	1,597	100%	1,597
<b>Furniture and Office Equipment</b>	3,817	4,015	4,015	-	-	4,015	4,015	100%	4,015
Furniture and Office Equipment	3,817	4,015	4,015			4,015	4,015	100%	4,015
<b>Machinery and Equipment</b>	2,175	2,288	2,288	-	-	2,288	2,288	100%	2,288
Machinery and Equipment	2,175	2,288	2,288			2,288	2,288	100%	2,288
<b>Transport Assets</b>	3,542	3,727	3,727	-	273	3,727	3,453	93%	3,727
Transport Assets	3,542	3,727	3,727	-	273	3,727	3,453	93%	3,727
<b>Total Depreciation</b>	51,181	56,520	50,528	-	273	50,528	50,254	99%	50,528

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	1,600	14,346	14,346	-	9,050	14,346	5,296	37%	14,346
<b>Roads Infrastructure</b>	-	14,346	14,346	-	9,050	14,346	5,296	37%	14,346
Roads		14,346	14,346	-	9,050	14,346	5,296	37%	14,346
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-	-	-	-	-	-		-
Waste Transfer Stations							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,476	1,476	-	1,299	1,476	177	0	1,476
Operational Buildings	-	2,476	1,476	-	1,299	1,476	177	12%	1,476
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>	1,600	16,822	15,822	-	10,349	15,822	5,473	35%	15,822

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

The total expenditure for new capital projects amounts to R60, 068 million and the year to date budget is R76, 568 million that reflects under spending variance of R16, 500 million that translates to 22% variance.

The year to date actuals on renewal of existing assets amounts R13, 885 million, and with the year to date budget of R20, 701 million and this reflects under spending variance of R6, 816 million that translates to 32.9% variance.

The year to date actual expenditure on repairs and maintenance is R10, 649 million and the year to date budget is R13, 526 million, reflecting under spending variance of R2, 878 million that translates to 21.3%.

The year to date actual expenditure on upgrading of existing assets is R10, 349 million and the year to date budget is R15, 822 million, reflecting under spending variance of R5, 473 million that translates to 35%.

The year to date actual expenditure on depreciation and asset impairment is R273 thousands and the year to date budget is R35, 068 million, reflecting spending variance of R34, 795 million, that translates to 99% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. However the municipality did not prepare either six nor nine financials hence there is still under spending on depreciation and asset impairment. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework			
					Budget Year 2019/20			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
<b>Parent municipality:</b>								
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	22,816	17,316	10,816	62%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	-	21,771	16,860	77%
Technical Services	Groblerdal Landfill site	Upgrade	Community assets	Waste Management	13,000	13,000	8,262	64%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	12,266	10,494	86%
Technical Services	Groblerdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	7,068	8,218	116%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	16,900	14,253	84%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	10,705	4,603	43%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	3,864	4,234	110%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	2,278	681	30%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	1,476	1,299	88%
Technical Services	Culverts, road signs	New	Infrastructure	Roads Infrastructure	1,739	-	-	
Technical Services	Upgrading of Bloompoot to Uitspanning Access Road	Renewal	Infrastructure	Roads Infrastructure	1,500	650	384	59%
Technical Services	Upgrading of Dipakapakeng Access Road	Upgrade	Infrastructure	Roads Infrastructure	1,500	650	643	99%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	1,435	1,435	452	31%
Technical Services	Electrification of Ntswelemutse	New	Infrastructure	Electrical Infrastructure	1,435	1,435	384	27%
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	Infrastructure	Roads Infrastructure	696	696	145	21%
Community Services	Lawn mowers and other equipment's	New	Community assets	Machinery and Equipment	522	389	389	100%
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	Infrastructure	Electrical Infrastructure	522	562	548	98%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	115	38	34%
Community Services	Mobile Offices Traffic	New	Community assets	Operational building	500	-	-	
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Equipment	478	396	361	91%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	534	526	99%
Technical Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	400	-	-	
Community Services	Twenty skip bins	New	Community assets	Equipment	348	345	300	87%
Community Services	Bin lifter (compatible with self-compressed containers)	New	Machinery and Equipment	Machinery and Equipment	348	258	258	100%
Technical Services	Laersdrift Road	New	Infrastructure	Roads Infrastructure	-	1,500	1,132	75%
Technical Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment		366	56	15%
Community Services	Two trailers	New	Community assets	Equipment	130	116	116	100%

# 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 2020 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date

*[Handwritten signature]*  
*15 July 2020*

