

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**SEPTEMBER 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 September 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 2018-19 financial year amounts are not yet audited.

### IN YEAR BUDGET STATEMENT TABLES

SUMMARY OF BUDGET AND ACTUALS 2019/20				
DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	500,884,685	-	152,482,564	30%
		-		
OPERATING EXPENDITURE	482,591,369	-	92,829,708	19%
		-		
TRANSFER - CAPITAL	73,921,000	-	16,150,799	22%
SURPLUS/(DEFICIT)	92,214,316	-	75,803,655	82%
CAPITAL EXPENDITURE	95,653,510	-	13,275,928	14%

**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	33,010	34,727	-	2,973	8,912	8,682	230	3%	34,727
Service charges	89,925	101,507	-	7,685	23,354	22,530	824	4%	101,507
Investment revenue	2,800	2,946	-	233	1,114	504	610	121%	2,946
Transfers and subsidies	245,278	272,618	-	574	113,185	101,646	11,539	11%	-
Other own revenue	84,683	89,087	-	1,928	5,917	24,917	(19,000)	-76%	361,705
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>-</b>	<b>13,392</b>	<b>152,483</b>	<b>158,279</b>	<b>(5,797)</b>	<b>-4%</b>	<b>500,885</b>
Employee costs	130,473	147,530	-	11,107	33,435	35,389	(1,954)	-6%	147,530
Remuneration of Councillors	24,291	25,554	-	2,102	5,940	6,389	(448)	-7%	25,554
Depreciation & asset impairment	51,181	56,520	-	-	-	14,130	(14,130)	-100%	56,520
Finance charges	2,900	2,505	-	-	-	626	(626)	-100%	2,505
Materials and bulk purchases	78,909	94,531	-	10,114	20,004	27,582	(7,577)	-27%	94,531
Transfers and subsidies	3,580	3,740	-	142	587	980	(393)	-40%	3,740
Other expenditure	157,835	152,210	-	12,286	32,863	42,149	(9,286)	-22%	152,210
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>35,750</b>	<b>92,830</b>	<b>127,245</b>	<b>(34,416)</b>	<b>-27%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>(22,358)</b>	<b>59,653</b>	<b>31,034</b>	<b>28,619</b>	<b>92%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921	-	5,542	16,151	30,600	(14,449)	-47%	73,921
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>	<b>14,170</b>	<b>23%</b>	<b>92,214</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>	<b>14,170</b>	<b>23%</b>	<b>92,214</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>4,238</b>	<b>13,462</b>	<b>27,239</b>	<b>(13,777)</b>	<b>-51%</b>	<b>95,654</b>
Capital transfers recognised	81,841	73,921	-	4,051	13,276	22,524	(9,248)	-41%	73,921
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,417	21,733	-	187	187	4,715	(4,529)	-96%	21,733
<b>Total sources of capital funds</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>4,238</b>	<b>13,462</b>	<b>27,239</b>	<b>(13,777)</b>	<b>-51%</b>	<b>95,654</b>
<b>Financial position</b>									
Total current assets	211,349	115,014	-		149,336				115,014
Total non current assets	1,053,184	1,123,066	-		1,345,072				1,123,066
Total current liabilities	140,539	81,128	-		357,232				81,128
Total non current liabilities	121,097	103,696	-		109,994				103,696
Community wealth/Equity	1,002,897	1,053,256	-		1,027,183				1,053,256
<b>Cash flows</b>									
Net cash from (used) operating	118,137	102,851	-	(23,075)	41,248	61,634	20,386	33%	102,851
Net cash from (used) investing	(44,880)	(88,001)	-	(892)	(11,500)	(11,256)	244	-2%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	-	(710)	(2,059)	(3,204)	(1,146)	36%	(10,086)
<b>Cash/cash equivalents at the month/year end</b>	<b>70,428</b>	<b>29,037</b>	<b>-</b>	<b>-</b>	<b>52,671</b>	<b>71,446</b>	<b>18,775</b>	<b>26%</b>	<b>29,746</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	12,210	4,603	2,635	5,555	2,156	2,010	11,104	47,632	87,907
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 September is R152, 483 million and the year to date budget of R158, 279 million and this reflects a negative variance of R5, 797 million which is mostly attributable to equitable shares received amounting to R112 087 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 121% favorable variance,
- Interest earned – outstanding debtors: 155% favorable variance,
- Rental on Facilities and Equipment: 30% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Transfer and Subsidies: 11% favorable variance
- Services Charges – refuse revenue: 61% favorable variance
- Licenses and permits: 59% favorable variance
- Property rates: 3% favorable variance
- Other revenue: 15% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of September amounts to R92, 830 million and the year to date budget is R127, 245 million. This reflects underspending variance of R34, 416 million that translates to 27% 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: 100% under performance variance,
- Other Materials: 69% under performance
- Bulk purchase: 16% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 100% under performance variance
- Transfers and subsidies: 40% under performance variance
- Other expenditure: 23% over performance
- Contracted services: 15% over performance

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

## **Capital Expenditure**

The year to date actual capital expenditure as at end of September 2019 amounts to R13, 462 million and the year to date budget amounts to R27, 239 million and this gives rise to R13, 777 million under performance. 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 to forecast the cash flow projections.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of September is R75, 804 million that is mainly attributed under 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 September amounts to R87, 907 million and this shows an increase of R7, 799 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 R60, 881 million and other debtors amounting to R27, 026 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 September 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>198,283</b>	<b>214,636</b>	<b>-</b>	<b>4,624</b>	<b>82,642</b>	<b>74,938</b>	<b>7,704</b>	<b>10%</b>	<b>214,636</b>
Executive and council	42,873	46,559	-	-	21,332	17,128	4,204	25%	46,559
Finance and administration	147,508	159,127	-	4,624	58,018	54,518	3,499	6%	159,127
Internal audit	7,902	8,950	-	-	3,292	3,292	0	0%	8,950
<b>Community and public safety</b>	<b>88,850</b>	<b>94,968</b>	<b>-</b>	<b>491</b>	<b>10,056</b>	<b>30,217</b>	<b>(20,162)</b>	<b>-67%</b>	<b>94,968</b>
Community and social services	7,973	9,026	-	10	3,323	3,310	13	0%	9,026
Sport and recreation	10,677	12,092	-	1	5,366	4,445	921	21%	12,092
Public safety	70,200	73,850	-	479	1,367	22,463	(21,096)	-94%	73,850
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>141,810</b>	<b>117,004</b>	<b>-</b>	<b>5,972</b>	<b>36,292</b>	<b>46,292</b>	<b>(10,000)</b>	<b>-22%</b>	<b>117,004</b>
Planning and development	17,107	21,564	-	120	7,670	7,774	(104)	-1%	21,564
Road transport	123,685	94,287	-	5,852	28,198	38,094	(9,896)	-26%	94,287
Environmental protection	1,018	1,153	-	-	424	424	0	0%	1,153
<b>Trading services</b>	<b>120,804</b>	<b>148,197</b>	<b>-</b>	<b>7,848</b>	<b>39,644</b>	<b>37,432</b>	<b>2,212</b>	<b>6%</b>	<b>148,197</b>
Energy sources	102,039	119,623	-	7,148	29,304	28,821	482	2%	119,623
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	18,765	28,574	-	700	10,340	8,610	1,730	20%	28,574
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>549,746</b>	<b>574,806</b>	<b>-</b>	<b>18,935</b>	<b>168,633</b>	<b>188,879</b>	<b>(20,246)</b>	<b>-11%</b>	<b>574,806</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>184,555</b>	<b>191,835</b>	<b>-</b>	<b>17,389</b>	<b>49,759</b>	<b>51,917</b>	<b>(2,158)</b>	<b>-4%</b>	<b>191,835</b>
Executive and council	39,998	41,658	-	5,452	13,410	11,325	2,085	18%	41,658
Finance and administration	135,446	141,488	-	11,181	34,814	38,176	(3,361)	-9%	141,488
Internal audit	9,111	8,689	-	756	1,535	2,417	(882)	-36%	8,689
<b>Community and public safety</b>	<b>68,557</b>	<b>76,535</b>	<b>-</b>	<b>1,943</b>	<b>6,349</b>	<b>19,270</b>	<b>(12,920)</b>	<b>-67%</b>	<b>76,535</b>
Community and social services	5,563	7,457	-	377	1,186	1,794	(608)	-34%	7,457
Sport and recreation	9,713	11,037	-	438	1,382	2,671	(1,288)	-48%	11,037
Public safety	53,281	58,041	-	1,127	3,781	14,805	(11,025)	-74%	58,041
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>79,856</b>	<b>87,675</b>	<b>-</b>	<b>4,156</b>	<b>11,245</b>	<b>22,715</b>	<b>(11,470)</b>	<b>-50%</b>	<b>87,675</b>
Planning and development	15,813	17,147	-	1,441	3,565	4,060	(495)	-12%	17,147
Road transport	63,315	69,685	-	2,670	7,544	18,467	(10,923)	-59%	69,685
Environmental protection	728	843	-	45	137	188	(52)	-28%	843
<b>Trading services</b>	<b>116,200</b>	<b>126,546</b>	<b>-</b>	<b>12,262</b>	<b>25,476</b>	<b>33,343</b>	<b>(7,867)</b>	<b>-24%</b>	<b>126,546</b>
Energy sources	92,646	99,370	-	9,490	19,501	26,429	(6,928)	-26%	99,370
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,554	27,177	-	2,771	5,974	6,914	(939)	-14%	27,177
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>35,750</b>	<b>92,830</b>	<b>127,245</b>	<b>(34,416)</b>	<b>-27%</b>	<b>482,591</b>
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>	<b>14,170</b>	<b>23%</b>	<b>92,214</b>

**Table C3 – Fin’ 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	38,168	46,559	–	–	19,168	15,168	4,000	26%	46,559
Vote 2 - Municipal Manager	31,469	35,643	–	–	13,316	13,112	204	2%	35,643
Vote 3 - Budget & Treasury	59,272	64,188	–	4,611	21,056	19,595	1,461	7%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	13	14,835	14,796	39	0%	40,227
Vote 5 - Community Services	120,478	132,693	–	1,609	22,190	41,045	(18,856)	-46%	132,693
Vote 6 - Technical Services	233,051	227,629	–	12,582	66,120	73,110	(6,990)	-10%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	120	5,243	5,347	(104)	-2%	14,966
Vote 8 - Executive Support	16,094	18,229	–	–	6,706	6,706	0	0%	18,229
<b>Total Revenue by Vote</b>	<b>549,746</b>	<b>580,134</b>	<b>–</b>	<b>18,935</b>	<b>168,633</b>	<b>188,879</b>	<b>(20,246)</b>	<b>-11%</b>	<b>580,134</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,307	36,873	–	5,207	12,706	10,152	2,553	25%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	3,931	11,561	9,441	2,120	22%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	4,907	15,864	15,092	772	5%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	1,634	4,486	9,211	(4,725)	-51%	36,814
Vote 5 - Community Services	100,333	112,427	–	5,322	14,106	28,267	(14,161)	-50%	112,427
Vote 6 - Technical Services	167,702	181,124	–	12,458	27,876	48,558	(20,682)	-43%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	908	2,055	3,083	(1,028)	-33%	13,185
Vote 8 - Executive Support	14,187	15,088	–	1,384	4,176	3,441	734	21%	15,088
<b>Total Expenditure by Vote</b>	<b>446,483</b>	<b>483,492</b>	<b>–</b>	<b>35,750</b>	<b>92,830</b>	<b>127,245</b>	<b>(34,416)</b>	<b>-27%</b>	<b>483,492</b>
<b>Surplus/ (Deficit) for the year</b>	<b>103,263</b>	<b>96,642</b>	<b>–</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>	<b>14,170</b>	<b>23%</b>	<b>96,642</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	33,010	34,727		2,973	8,912	8,682	230	3%	34,727
Service charges - electricity revenue	81,798	92,957		6,985	21,262	21,229	33	0%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		700	2,093	1,301	792	61%	8,550
Rental of facilities and equipment	1,000	1,052		40	184	263	(79)	-30%	1,052
Interest earned - external investments	2,800	2,946		233	1,114	504	610	121%	2,946
Interest earned - outstanding debtors	6,692	7,040		932	2,678	1,052	1,626	155%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		483	1,367	22,465	(21,098)	-94%	73,860
Licences and permits	5,200	5,470		418	1,374	864	510	59%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		574	113,185	101,646	11,539	11%	
Other revenue	1,582	1,664		54	315	273	42	15%	272,618
Gains on disposal of PPE	-	-		-	-	-	-		1,664
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>-</b>	<b>13,392</b>	<b>152,483</b>	<b>158,279</b>	<b>(5,797)</b>	<b>-4%</b>	<b>500,885</b>
<b>Expenditure By Type</b>									
Employee related costs	130,473	147,530		11,107	33,435	35,389	(1,954)	-6%	147,530
Remuneration of councillors	24,291	25,554		2,102	5,940	6,389	(448)	-7%	25,554
Debt impairment	55,000	57,860		35	42	14,465	(14,423)	-100%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	14,130	(14,130)	-100%	56,520
Finance charges	2,900	2,505		-	-	626	(626)	-100%	2,505
Bulk purchases	70,000	80,941		9,123	18,127	21,585	(3,458)	-16%	80,941
Other materials	8,909	13,590		990	1,877	5,996	(4,119)	-69%	13,590
Contracted services	59,841	53,788		7,503	18,106	15,693	2,414	15%	53,788
Transfers and subsidies	3,580	3,740		142	587	980	(393)	-40%	3,740
Other expenditure	42,994	40,562		4,748	14,715	11,992	2,723	23%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>35,750</b>	<b>92,830</b>	<b>127,245</b>	<b>(34,416)</b>	<b>-27%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>(22,358)</b>	<b>59,653</b>	<b>31,034</b>	<b>28,619</b>	<b>92%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		5,542	16,151	30,600	(14,449)	-47%	73,921
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>			<b>92,214</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>			<b>92,214</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>			<b>92,214</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(16,815)</b>	<b>75,804</b>	<b>61,634</b>			<b>92,214</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**

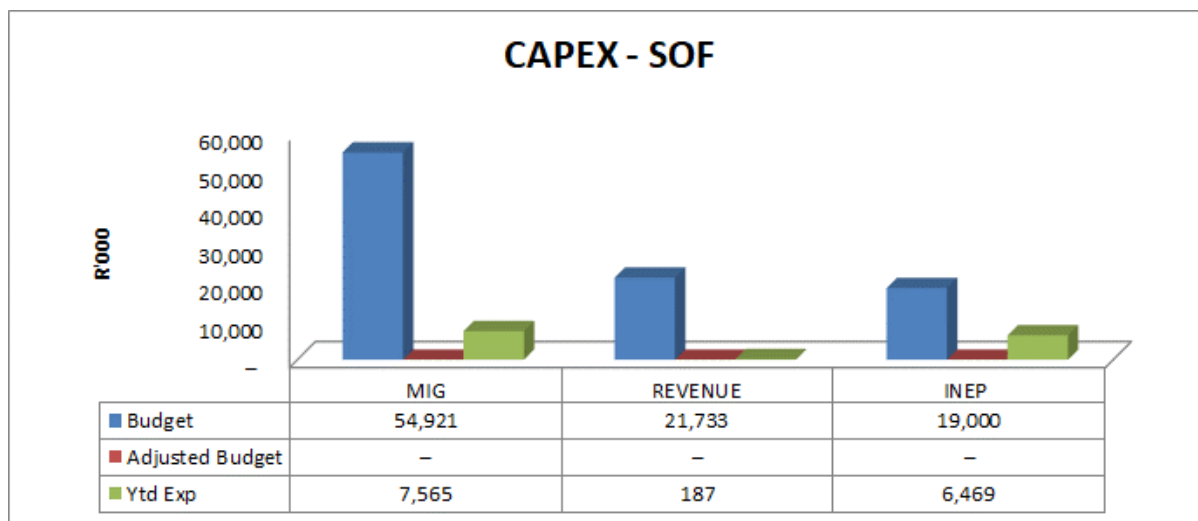
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	2,200	1,800	-	187	187	526	(340)	-65%	1,800
Executive and council							-		
Finance and administration	2,200	1,800		187	187	526	(340)	-65%	1,800
Internal audit							-		
<b>Community and public safety</b>	522	500	-	-	-	-	-		500
Community and social services	522	500				-	-		500
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	79,449	72,006	-	3,934	7,672	17,966	(10,294)	-57%	72,006
Planning and development							-		
Road transport	79,449	72,006		3,934	7,672	17,966	(10,294)	-57%	72,006
Environmental protection							-		
<b>Trading services</b>	15,087	21,348	-	117	5,604	8,747	(3,143)	-36%	21,348
Energy sources	13,487	19,522		117	5,604	7,530	(1,926)	-26%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826				1,217	(1,217)	-100%	1,826
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>4,238</b>	<b>13,462</b>	<b>27,239</b>	<b>(13,777)</b>	<b>-51%</b>	<b>95,654</b>
<b>Funded by:</b>									
National Government	62,910	73,921		4,051	13,276	22,524	(9,248)	-41%	73,921
Provincial Government	18,931	-					-		
District Municipality							-		
Other transfers and grants							-		
<b>Transfers recognised - capital</b>	<b>81,841</b>	<b>73,921</b>	<b>-</b>	<b>4,051</b>	<b>13,276</b>	<b>22,524</b>	<b>(9,248)</b>	<b>-41%</b>	<b>73,921</b>
Borrowing							-		
Internally generated funds	15,417	21,733		187	187	4,715	(4,529)	-96%	21,733
<b>Total Capital Funding</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>4,238</b>	<b>13,462</b>	<b>27,239</b>	<b>(13,777)</b>	<b>-51%</b>	<b>95,654</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	25,714	50,583	-	852	6,339	13,462	(7,124)	-53%	50,583
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>28,714</b>	<b>50,583</b>	<b>-</b>	<b>852</b>	<b>6,339</b>	<b>13,462</b>	<b>(7,124)</b>	<b>-53%</b>	<b>50,583</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	500
Vote 4 - Corporate Services	800	1,800	-	187	187	526	(340)	-65%	1,800
Vote 5 - Community Services	522	1,826	-	-	-	1,217	(1,217)	-100%	1,826
Vote 6 - Technical Services	67,222	40,945	-	3,199	6,937	12,033	(5,096)	-42%	40,945
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>68,544</b>	<b>45,071</b>	<b>-</b>	<b>3,386</b>	<b>7,124</b>	<b>13,777</b>	<b>(6,653)</b>	<b>-48%</b>	<b>45,071</b>
<b>Total Capital Expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>4,238</b>	<b>13,462</b>	<b>27,239</b>	<b>(13,777)</b>	<b>-51%</b>	<b>95,654</b>

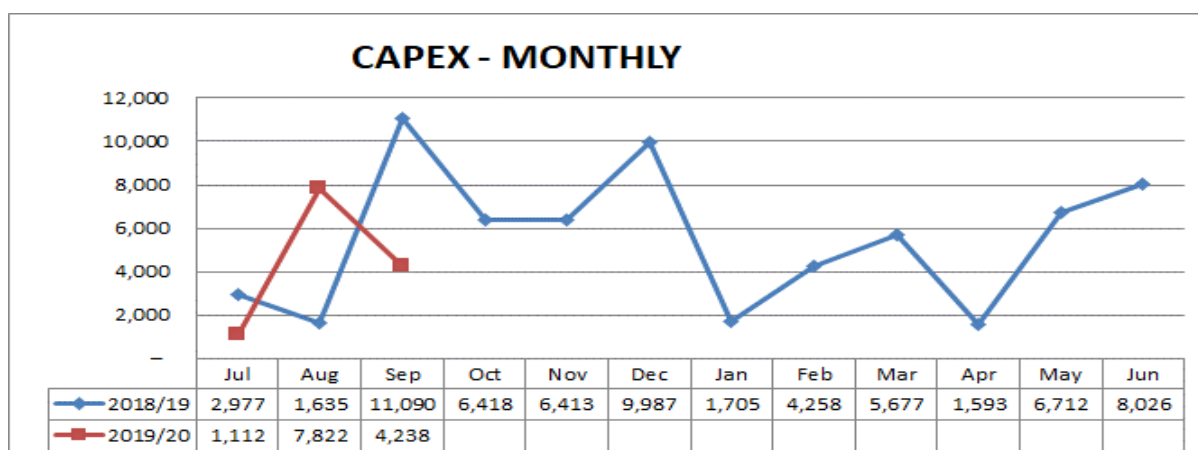
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of September 2019, R4, 238 million spending was incurred and that increased the year to date expenditure to R13, 462 million whilst the year to date budget is R27, 239 million and this gave rise to under spending variance of R13, 777 million that translates to 51%.

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 R95, 654 million, R54, 921 million is funded from Municipal Infrastructure grant, R19, 000 million from Integrated National Electrification Programme and R21, 733 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	3,136	4,882		30,513	4,882
Call investment deposits	67,292	24,155		22,159	24,155
Consumer debtors	45,009	41,950		43,929	41,950
Other debtors	89,584	40,727		44,872	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		7,864	3,300
<b>Total current assets</b>	<b>211,349</b>	<b>115,014</b>	<b>–</b>	<b>149,336</b>	<b>115,014</b>
<b>Non current assets</b>					
Long-term receivables	–	–			–
Investments	–	–			–
Investment property	54,139	53,739		70,285	53,739
Investments in Associate	–	–			–
Property, plant and equipment	997,723	1,055,765		1,272,844	1,055,765
Biological					
Intangible	85	85		1,207	85
Other non-current assets	1,237	13,476		736	13,476
<b>Total non current assets</b>	<b>1,053,184</b>	<b>1,123,066</b>	<b>–</b>	<b>1,345,072</b>	<b>1,123,066</b>
<b>TOTAL ASSETS</b>	<b>1,264,533</b>	<b>1,238,080</b>	<b>–</b>	<b>1,494,408</b>	<b>1,238,080</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	5,002	9,686		9,431	9,686
Consumer deposits	5,373	4,860		5,615	4,860
Trade and other payables	126,449	60,924		338,403	60,924
Provisions	3,715	5,658		3,781	5,658
<b>Total current liabilities</b>	<b>140,539</b>	<b>81,128</b>	<b>–</b>	<b>357,232</b>	<b>81,128</b>
<b>Non current liabilities</b>					
Borrowing	23,097	13,554		17,328	13,554
Provisions	98,000	90,142		92,665	90,142
<b>Total non current liabilities</b>	<b>121,097</b>	<b>103,696</b>	<b>–</b>	<b>109,994</b>	<b>103,696</b>
<b>TOTAL LIABILITIES</b>	<b>261,637</b>	<b>184,824</b>	<b>–</b>	<b>467,225</b>	<b>184,824</b>
<b>NET ASSETS</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,027,183</b>	<b>1,053,256</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,002,897	1,053,256		1,027,183	1,053,256
Reserves	–	–		–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,027,183</b>	<b>1,053,256</b>

The above table shows that community wealth amounts to R1, 027 billion, total liabilities R467, 225 million and the total assets R1, 494 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 0.42:1 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	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	18,029	21,878		2,246	6,601	8,682	(2,081)	-24%	21,878
Service charges	69,861	91,398		7,249	20,017	22,530	(2,514)	-11%	91,398
Other revenue	30,398	17,441		2,785	6,447	23,865	(17,419)	-73%	17,441
Government - operating	186,331	272,618		-	114,666	101,646	13,020	13%	272,618
Government - capital	93,601	73,921		-	30,967	30,600	367	1%	73,921
Interest	3,493	3,861		359	1,523	1,556	(33)	-2%	3,861
Dividends	-	-					-		-
<b>Payments</b>									
Suppliers and employees	(280,260)	(372,021)		(35,573)	(138,131)	(125,279)	12,852	-10%	(372,021)
Finance charges	(1,397)	(2,505)			(255)	(986)	(731)	74%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(142)	(587)	(980)	(393)	40%	(3,740)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>118,137</b>	<b>102,851</b>	<b>-</b>	<b>(23,075)</b>	<b>41,248</b>	<b>61,634</b>	<b>20,386</b>	<b>33%</b>	<b>102,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	3,022	-		-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-		4,651	4,651	-	4,651	#DIV/0!	-
Decrease (increase) other non-current receivables	150	-		-	-	-	-		-
Decrease (increase) in non-current investments	-	-		-	-	-	-		-
<b>Payments</b>									
Capital assets	(48,052)	(88,001)		(5,542)	(16,151)	(11,256)	4,894	-43%	(88,001)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(44,880)</b>	<b>(88,001)</b>	<b>-</b>	<b>(892)</b>	<b>(11,500)</b>	<b>(11,256)</b>	<b>244</b>	<b>-2%</b>	<b>(88,001)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	-					-		-
Increase (decrease) in consumer deposits	124	(400)		61	230	(916)	1,146	-125%	(400)
<b>Payments</b>									
Repayment of borrowing	(9,147)	(9,686)		(771)	(2,289)	(2,289)	-		(9,686)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,023)</b>	<b>(10,086)</b>	<b>-</b>	<b>(710)</b>	<b>(2,059)</b>	<b>(3,204)</b>	<b>(1,146)</b>	<b>36%</b>	<b>(10,086)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>64,234</b>	<b>4,764</b>	<b>-</b>	<b>(24,677)</b>	<b>27,689</b>	<b>47,173</b>			<b>4,764</b>
Cash/cash equivalents at beginning:	6,194	24,273			24,982	24,273			24,982
Cash/cash equivalents at month/year end:	70,428	29,037			52,671	71,446			29,746

Table C7 presents details pertaining to cash flow performance. As at end of September 2019, the net cash inflow from operating activities is R41, 248 million whilst net cash outflow from investing activities is R11, 500 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 059 million. The cash and cash equivalent held at end of September 2019 amounted to R52, 671 million and the net effect of the above cash flows is cash inflow movement of R27, 689 million. The cash and cash equivalent at end of the reporting period of R52, 671 million is made up of cash in the primary bank account amounting to R30, 513 million and short-term investments amounting to R22, 159 million.

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Service charges - electricity revenue	0.2%	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	60.8%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Rental of facilities and equipment	-30.1%	The actual revenue generated is less than the projected monthly revenue	The budget will be adjusted downwards in the main adjustment budget
Interest earned - external investments	121.1%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Interest earned - outstanding debtors	154.5%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Fines, penalties and forfeits	-93.9%	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
Licences and permits	59.0%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Transfers and subsidies	11.4%	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	15.2%	The actual revenue generated is more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
<b>Expenditure By Type</b>			
Depreciation & asset impairment	-100.0%	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	-100.0%	Finance charges is mainly for finance lease and the leased invoices where not captured on the System till to date due to segment errors	The Invoices will be reflected on the following Month once this has been fixed
Bulk purchases	-16.0%	The projected monthly budget expenditure appear to be slightly higher than the actual expenditure	All processed invoices must be captured on munsoft before month end system closure and budget will be adjusted downwards in the main adjustment budget
Other materials	-68.7%	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	15.4%	The actual expenditure incurred is more than the projected monthly expenditure	The Line item will be monitored at measure to cap the expenditure will be implemented
Transfers and subsidies	-40.1%	The actual expenditure incurred was less than the projected monthly expenditure	There might be downwards Expenditure adjustment should the account continue to underperform
Other expenditure	22.7%	The actual expenditure incurred is more than the projected monthly expenditure	The budget will be monitored for adjustment should the trend continue

<b>Description</b>	<b>Variance</b>	<b>Reasons for material deviations</b>	<b>Remedial or corrective steps/remarks</b>
<b>Capital Expenditure</b>			
National Government	-41.1%	The spending on grants funded capital projects was delayed by the fact that some of the projects have not began as to date.	The spending will only start improving towards second quarter
Internally generated funds	-96.0%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
<b>Cash Flow</b>			
Property rates	-24.0%	The collection rate on property rates is slightly below the projected rate	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	-11.2%	The collection rate on service charges is below the projected rate	To review the projected collection rate during adjustment
Other revenue	-73.0%	The projected monthly income is way above the actual income	Various collection department needs to strengthen on their collection methods and policies should be reviewed and implemented
Government - operating	13.3%	The first tranches of operational grants received and projects are lower than the spending thereof	No remedial action is needed as all budgeted grants have been gazetted
Government - capital	1.2%	The capital grants received are slightly higher than the projections	No remedial action is needed as all budgeted grants have been gazetted
Interest	-2.1%	Interest on Outstanding Debtors isn't as projected due to the under collection from debtors	Finance department to strengthen the credit control measures in ensuring improved collection rate
Suppliers and employees	-10.3%	The actual expenditure on suppliers and employees is higher than the projections	No remedial action is needed
Finance charges	74.1%	Finance charges is mainly for finance lease and the leased invoices where not captured on the Munsoft system.	The Invoices will be reflected on the following Month once this has been fixed
Transfers and Grants	40.1%	The payments relating to this account where over projected for the Month of July, August and September	No remedial action is needed
Increase (decrease) in consumer deposits	-125.1%	Consumer deposits were significantly higher than the projection thereof	No remedial action is needed



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

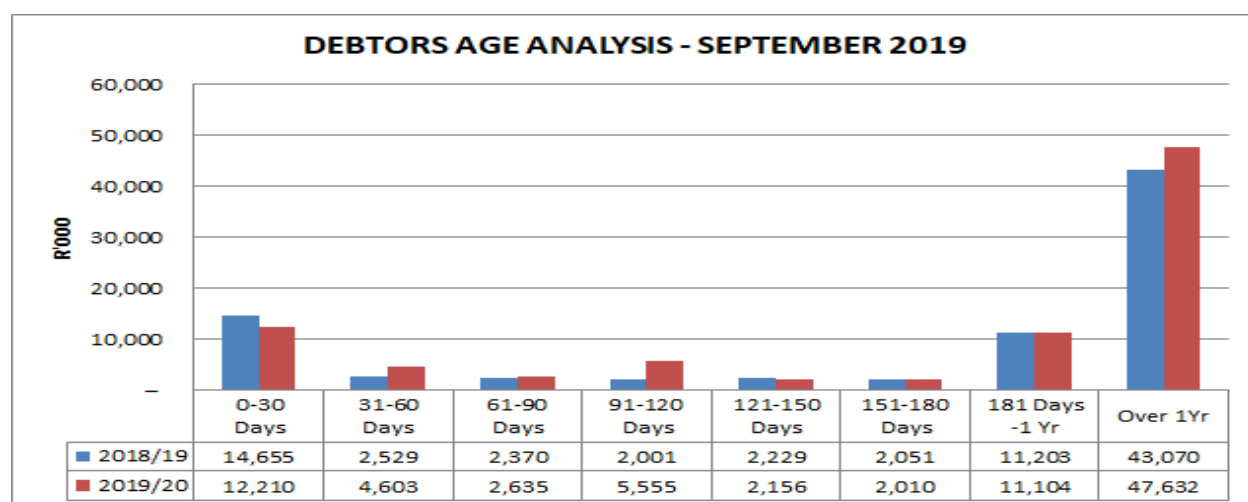
Description	Budget Year 2019/20											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6,898	1,605	144	60	73	71	308	2,812	11,971	3,324		
Receivables from Non-exchange Transactions - Property Rates	2,998	1,491	1,185	4,214	848	852	4,505	21,492	37,584	31,911		
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	703	459	402	351	407	325	2,003	6,675	11,325	9,761		
Receivables from Exchange Transactions - Property Rental Debtors	40	10	64	59	4	4	70	807	1,057	943		
Interest on Arrear Debtor Accounts	935	899	862	797	812	768	4,051	16,026	25,149	22,454		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-		
Other	635	140	(21)	75	13	(9)	167	(180)	819	66		
<b>Total By Income Source</b>	<b>12,210</b>	<b>4,603</b>	<b>2,635</b>	<b>5,555</b>	<b>2,156</b>	<b>2,010</b>	<b>11,104</b>	<b>47,632</b>	<b>87,907</b>	<b>68,457</b>	<b>-</b>	<b>-</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	1,601	958	593	1,175	450	444	2,313	10,572	18,106	14,955		
Commercial	6,099	1,083	424	479	348	227	1,030	7,196	16,886	9,280		
Households	3,691	1,895	1,049	1,471	948	928	5,449	18,991	34,421	27,787		
Other	820	667	570	2,430	410	411	2,312	10,872	18,493	16,436		
<b>Total By Customer Group</b>	<b>12,210</b>	<b>4,603</b>	<b>2,635</b>	<b>5,555</b>	<b>2,156</b>	<b>2,010</b>	<b>11,104</b>	<b>47,632</b>	<b>87,907</b>	<b>68,457</b>	<b>-</b>	<b>-</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of September amount to R87, 907 million. The debtors' book is made up as follows:

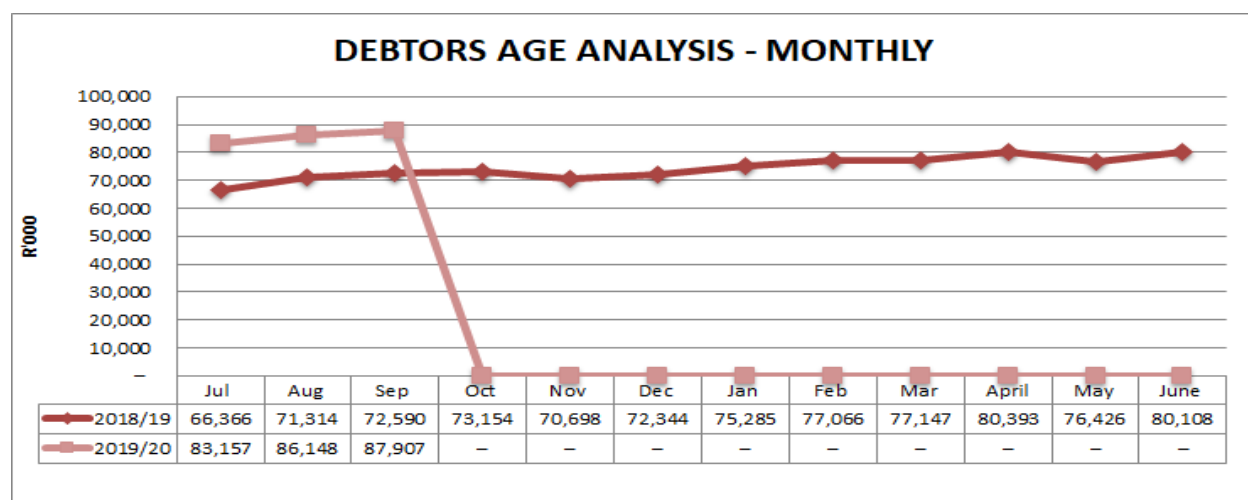
- Rates 43%
- Electricity 14%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 29%
- Other 1%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



The initial graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of September 2019) 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 NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,407,669.47
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	914,041.27
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	375,926.52
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	368,682.50
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	267,013.91
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	256,120.67
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	253,691.92
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	252,788.80
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	250,826.63
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	222,352.17
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	218,744.07
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	216,282.07
207447	CHOPPIES GROBLERSDAL	ACTIVE	OCCUPIER	211,375.97
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	210,307.86
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	201,864.04
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	188,697.36
9002387	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	186,190.98
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	182,715.06
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	175,363.04
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	172,654.97
<b>TOTAL</b>				<b>6,533,309.28</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

CODE	CREDITOR NAME	AMOUNT
41027	KDM TRAVEL EXPRESS	1,401,017.49
80654	MPOFU ELECTRICAL SERVICES	505,969.13
80563	KF PHETLA PROJECTS	397,267.50
31335	247 TRAVEL AND TOURISM	360,000.00
80596	MABOFA TRADING SERVICES	347,160.00
37770	BAHLOTSE TRADING (PTY) LTD	303,640.00
35398	BOMASHA TRANSPORT AND PROJECTS	189,000.00
80906	MOKHINE BUSINESS SOLUTION	186,500.00
80946	NTSOGE (PTY) LTD	175,000.00
80945	1 PANGAEA EXPERTISE	164,000.00
35562	NEW HEIGHTS COMMUNICATIONS	148,797.14
80949	MOSHUPIADI WA DIPHUTHI PROJECT	85,500.00
80653	BABIRWA TRAVEL	78,435.15
80947	OMPHILIBOHLALE PROJECTS	29,116.10
41095	REAKGONA TRAVEL SERVICES	28,887.50
80948	TSWAKO (PTY) LTD	28,600.00
80952	BC MADONDO ENTERPRISE	28,000.00
80950	MATIMUSAKI ENTERPRISE	26,200.00
621	ARCH ACTURIAL CONSULTING	21,735.00
35507	KWAKGA TRADING AND PROJECTS	21,600.00
<b>TOTAL</b>		<b>4,526,425.01</b>

The above table presents the top creditors paid during the month of September 2019 and an amount of R4, 526 million were paid to these creditors within 30 days.

## Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Nedbank 03/7881068264/0054	1 Month	Current Investment	7.72%	9-Sep-19	30,342,641	50,762	(30,393,403)	-	0
Nedbank 03/7881068264/0037	1 Month	Current Investment	7.74%	8-Oct-19	22,020,299	138,499	-	-	22,158,798
Nedbank 03/7881068264/0055	1 Month	Current Investment	5.20%	30-Sep-19	2,870	43,300	(30,439,573)	30,393,403	-
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>52,365,810</b>		<b>(60,832,975)</b>	<b>30,393,403</b>	<b>22,158,798</b>

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R52, 365 million and this has yielded interests amounting to R232 thousand, withdrew R30, 393 million and reinvested and closing balance of R22, 158 million.

## 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>245,278</b>	<b>272,618</b>	<b>-</b>	<b>114,666</b>	<b>114,666</b>	<b>101,646</b>	<b>13,126</b>	<b>13%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		112,087	112,087	98,961	13,126	13%	269,009
Finance Management	1,770	2,235		2,235	2,235	2,235			2,235
EPWP Incentive	1,002	1,374		344	344	450			1,374
Energy Efficiency and Demand Management	5,000	-		-	-	-			-
<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>245,278</b>	<b>272,618</b>	<b>-</b>	<b>114,666</b>	<b>114,666</b>	<b>101,646</b>	<b>13,126</b>	<b>13%</b>	<b>272,618</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>30,967</b>	<b>30,967</b>	<b>30,600</b>	<b>367</b>	<b>1%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		21,967	21,967	25,000	(3,033)	-12%	54,921
Integrated National Electrification Grant	10,009	19,000		9,000	9,000	5,600	3,400	61%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-		-	-	-	-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>94,050</b>	<b>73,921</b>	<b>-</b>	<b>30,967</b>	<b>30,967</b>	<b>30,600</b>	<b>367</b>	<b>1%</b>	<b>73,921</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>339,328</b>	<b>346,539</b>	<b>-</b>	<b>145,633</b>	<b>145,633</b>	<b>132,246</b>	<b>13,493</b>	<b>10%</b>	<b>346,539</b>

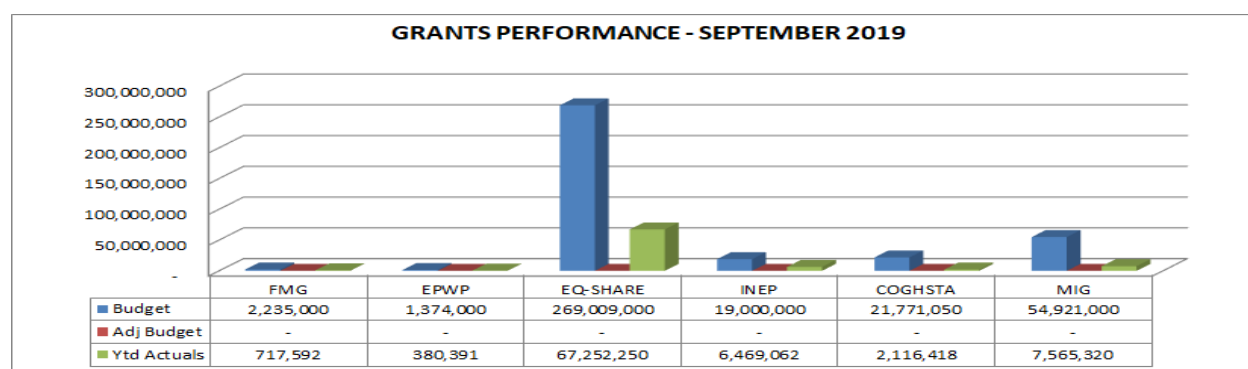
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R145, 633 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R112 087 million; Integrated National Electrification Programme amounting to R9 000 million and Municipal Infrastructure Grant amounting to R21 968 million, Expanded Public Works Programme R344 thousand, Financial Management Grant amounting to R2, 235 million were received. 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>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,992</b>	<b>68,350</b>	<b>101,646</b>	<b>(33,296)</b>	<b>-33%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		22,417	67,252	98,961	(31,709)	-32%	269,009
Finance Management	1,770	2,235		460	718	2,235	(1,517)	-68%	2,235
EPWP Incentive	1,002	1,374		114	380	450	(70)	-15%	1,374
Energy Efficiency and Demand Management	5,000	-				-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,992</b>	<b>68,350</b>	<b>101,646</b>	<b>(33,296)</b>	<b>-33%</b>	<b>272,618</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>3,760</b>	<b>14,034</b>	<b>30,600</b>	<b>(16,566)</b>	<b>-54%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		3,601	7,565	25,000	(17,435)	-70%	54,921
Intergrated National Electrification Grant	10,009	19,000		159	6,469	5,600	869	16%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>21,771</b>	<b>-</b>	<b>1,782</b>	<b>2,116</b>	<b>1,256</b>	<b>860</b>	<b>68%</b>	<b>21,771</b>
Coghsta - Development	21,771	21,771		1,782	2,116	1,256	860	68%	21,771
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>94,050</b>	<b>95,692</b>	<b>-</b>	<b>5,542</b>	<b>16,151</b>	<b>31,856</b>	<b>(15,706)</b>	<b>-49%</b>	<b>95,692</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>339,328</b>	<b>368,310</b>	<b>-</b>	<b>28,534</b>	<b>84,501</b>	<b>133,502</b>	<b>(49,001)</b>	<b>-37%</b>	<b>368,310</b>

An amount of R28, 534 million has been spent on grants during the month of September 2019 and the year to date actuals is 84, 501 million whilst the year to date budget amounts to R133, 502 million and this results in underspending variance of R49, 001 million that translates to negative 37%. Of the total spending amounting to R28, 534 million, R22, 992 million is spent on operational grants whilst R5, 542 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 September 2019. The grants expenditure are shown below in percentages:

- Financial Management Grant 22.11%
- Expanded Public Work Programme 27.68%
- Equitable Share 25.00%
- Integrated National Electrification Grant 34.05%
- COGHSTA – Masakaneng Development 9.72%
- Municipal Infrastructure Grant 13.77%

### 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	-			-	-
<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>	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	-	-
Intergrated National Electrification Grant				-	
<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>	-	-	-	-	-
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	-	-	-	-	-



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 will only take place in September 2019; at this stage we have not received any approval from the relevant department.

### 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	14,450	15,201		1,291	3,502	3,800	(299)	-8%	15,201
Pension and UIF Contributions	1,657	1,744		137	412	436	(24)	-6%	1,744
Medical Aid Contributions	351	369		27	82	92	(10)	-11%	369
Motor Vehicle Allowance	5,334	5,611		407	1,221	1,403	(182)	-13%	5,611
Cellphone Allowance	2,499	2,629		222	670	657	13	2%	2,629
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-		18	54		54	#DIV/0!	-
<b>Sub Total - Councillors</b>	<b>24,291</b>	<b>25,554</b>	<b>-</b>	<b>2,102</b>	<b>5,940</b>	<b>6,389</b>	<b>(448)</b>	<b>-7%</b>	<b>25,554</b>
<b>% increase</b>		<b>5%</b>							<b>5%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,532	5,150		359	1,076	1,287	(211)	-16%	5,150
Pension and UIF Contributions	245	172		14	41	43	(2)	-5%	172
Medical Aid Contributions	102	64		7	20	16	4	23%	64
Overtime	-	-					-		-
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	760	918		55	164	230	(65)	-28%	918
Cellphone Allowance	141	188		14	42	47	(5)	-11%	188
Housing Allowances	-	-					-		-
Other benefits and allowances	528	331		18	53	9	44	515%	331
Payments in lieu of leave	-	-					-		-
Long service awards	-	-					-		-
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,308</b>	<b>6,824</b>	<b>-</b>	<b>465</b>	<b>1,395</b>	<b>1,632</b>	<b>(236)</b>	<b>-14%</b>	<b>6,824</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	79,451	91,339		7,340	22,011	22,835	(824)	-4%	91,339
Pension and UIF Contributions	16,141	18,714		1,481	4,456	4,678	(222)	-5%	18,714
Medical Aid Contributions	4,726	4,761		444	1,334	1,190	143	12%	4,761
Overtime	2,108	1,948		122	333	487	(154)	-32%	1,948
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	10,043	11,571		923	2,776	2,893	(116)	-4%	11,571
Cellphone Allowance	1,147	1,171		148	447	293	154	53%	1,171
Housing Allowances	160	437		15	44	595	(551)	-93%	437
Other benefits and allowances	8,638	8,329		118	331	198	133	67%	8,329
Payments in lieu of leave	1,173	1,951		29	211	488	(277)	-57%	1,951
Long service awards	578	486		22	97	101	(4)	-4%	486
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Other Municipal Staff</b>	<b>124,165</b>	<b>140,707</b>	<b>-</b>	<b>10,641</b>	<b>32,039</b>	<b>33,758</b>	<b>(1,718)</b>	<b>-5%</b>	<b>140,707</b>
<b>% increase</b>		<b>13%</b>							<b>13%</b>
<b>Total Parent Municipality</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>13,208</b>	<b>39,375</b>	<b>41,778</b>	<b>(2,403)</b>	<b>-6%</b>	<b>173,085</b>
		<b>12%</b>							<b>12%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>13,208</b>	<b>39,375</b>	<b>41,778</b>	<b>(2,403)</b>	<b>-6%</b>	<b>173,085</b>
<b>% increase</b>		<b>12%</b>							<b>12%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>130,473</b>	<b>147,530</b>	<b>-</b>	<b>11,107</b>	<b>33,435</b>	<b>35,389</b>	<b>(1,954)</b>	<b>-6%</b>	<b>147,530</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of September 2019 amounts to R39, 375 million and the year to date budget is R41, 778 million and the expenditure for remuneration of councilors amounts to R5, 940 million while the year to date budget is R6, 389 million. The year to date actual expenditure for senior managers is R1, 395 million and the year to date budget thereof is R1, 632 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 R32, 039 million and the year to date budget is R33, 758 million. The remuneration of councilors, senior manager and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position will be filled.

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

Description	Budget Year 2019/20												2019/20 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
<b>Cash Receipts By Source</b>															
Property rates	2,340	2,014	2,246	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823	692	21,878	27,452	28,934
Service charges - electricity revenue	5,598	6,336	6,911	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	14,610	87,380	86,220	90,876
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse	428	406	338	335	335	335	335	335	335	335	335	168	4,018	4,596	4,844
Rental of facilities and equipment	17	188	59	59	59	59	59	59	59	59	59	(29)	705	721	760
Interest earned - external investments	425	456	233	245	245	245	245	245	245	245	245	(132)	2,946	3,105	3,272
Interest earned - outstanding debtors	150	133	127	76	76	76	76	76	76	76	76	(104)	915	1,484	1,564
Dividends received															
Fines, penalties and forfeits				800	800	800	800	800	800	800	800	3,201	9,602	10,120	10,667
Licences and permits	475	481	456	456	456	456	456	456	456	456	456	412	5,470	5,766	6,077
Agency services															
Transfer receipts - operating	112,431	2,235		23,135	23,135	23,135	23,135	23,135	23,135	23,135	23,135	(27,127)	272,618	291,737	314,255
Other revenue	1,285	1,215	2,271	139	139	139	139	139	139	139	139	(4,216)	1,664	1,754	1,849
<b>Cash Receipts by Source</b>	<b>123,149</b>	<b>13,464</b>	<b>12,640</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>(12,526)</b>	<b>407,197</b>	<b>432,954</b>	<b>463,098</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	30,967			6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	(6,327)	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									(630)	(400)	(350)	(300)
Receipt of non-current debtors			4,651									(4,651)			
Receipt of non-current receivables															
Change in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>154,172</b>	<b>13,577</b>	<b>17,352</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>(24,134)</b>	<b>480,718</b>	<b>506,838</b>	<b>538,571</b>
<b>Cash Payments by Type</b>															
Employee related costs	11,243	11,085	11,107	12,609	12,609	12,609	12,609	12,609	12,609	12,609	12,609	13,225	147,530	157,231	165,564
Remuneration of councillors	1,936	1,903	2,102	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,578	25,554	27,266	28,093
Interest paid	255			207	207	207	207	207	207	207	207	590	2,505	1,141	53
Bulk purchases - Electricity	85	8,918	9,123	6,382	6,382	6,382	6,382	6,382	6,382	6,382	6,382	11,756	80,941	93,406	107,884
Bulk purchases - Water & Sewer															
Other materials	289	598	990	773	773	773	773	773	773	773	773	1,057	9,120	9,612	9,831
Contracted services	7,339	3,265	7,503	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	(1,761)	56,268	58,464	61,929
Grants and subsidies paid - other municipalities															
Grants and subsidies paid - other	217	228	142	312	312	312	312	312	312	312	312	(3,080)	3,740	3,942	4,155
General expenses	6,799	3,168	4,748	4,247	4,247	4,247	4,247	4,247	4,247	4,247	4,247	(6,135)	42,552	40,284	40,150
<b>Cash Payments by Type</b>	<b>28,163</b>	<b>29,164</b>	<b>35,715</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>21,970</b>	<b>368,211</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	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	20,234	88,001	89,158	88,783
Repayment of borrowing	754	763	771	807	807	807	807	807	807	807	807	940	9,686	11,050	2,504
Other Cash Flows/Payments	38,713	6,411		838	838	838	838	838	838	838	838	(41,773)	10,055	13,000	15,000
<b>Total Cash Payments by Type</b>	<b>69,063</b>	<b>45,525</b>	<b>42,028</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>1,371</b>	<b>475,953</b>	<b>504,555</b>	<b>523,947</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>85,119</b>	<b>(31,948)</b>	<b>(24,677)</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>222</b>	<b>(25,505)</b>	<b>4,764</b>	<b>2,283</b>	<b>14,624</b>
Cash/cash equivalents at the month/year beginning:	24,177	109,296	77,348	52,671	52,893	53,115	53,337	53,558	53,780	54,002	54,224	54,445	24,177	28,941	31,224
Cash/cash equivalents at the month/year end:	109,296	77,348	52,671	52,893	53,115	53,337	53,558	53,780	54,002	54,224	54,445	28,941	28,941	31,224	45,848

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 R17, 352 million and the total cash payment for the month were R42, 028 million and this resulted in net decrease in cash held amounting to R24, 677 million. With cash and cash equivalent of R77, 348 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R52, 893 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		1,112	1,112	9,466	8,353	88%	1%
August	1,635	3,712		7,822	8,934	13,178	4,244	32%	9%
September	9,816	14,062		4,238	13,172	27,239	14,068	52%	14%
October	5,461	8,364				35,603	–		
November	6,413	8,687				44,290	–		
December	7,217	9,913				54,203	–		
January	2,762	8,429				62,632	–		
February	5,583	4,675				67,307	–		
March	2,500	10,432				77,739	–		
April	5,844	4,917				82,656	–		
May	8,105	5,184				87,840	–		
June	11,742	7,813				95,654	–		
<b>Total Capital expenditure</b>	<b>71,370</b>	<b>95,654</b>	<b>–</b>	<b>13,172</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 September amounts to R4, 238 million. The year to date actual expenditure incurred is R13, 172 million whilst the year to date budget is R27, 239 million that gives rise to under spending variance of R14, 068 million that translate to 52%.

## 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/Sub-class</b>									
<b>Infrastructure</b>	47,545	53,043	-	1,877	9,202	18,043	8,841	49%	53,043
<b>Roads Infrastructure</b>	34,057	33,521	-	1,760	3,599	10,514	6,915	66%	33,521
Roads	34,057	33,521		1,760	3,599	10,514	6,915	66%	33,521
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	13,487	19,522	-	117	5,604	7,530	1,926	26%	19,522
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,487	19,522		117	5,604	7,530	1,926	26%	19,522
<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	-	-	-	33	33	100%	900
Operational Buildings	4,947	900	-	-	-	33	33	100%	900
Municipal Offices	4,947	900		-	-	33	33	100%	900
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
<b>Computer Equipment</b>	1,000	500	-	-	-	209	209	100%	500
Computer Equipment	1,000	500		-	-	209	209	100%	500
<b>Furniture and Office Equipment</b>	400	400	-	-	-	317	317	100%	400
Furniture and Office Equipment	400	400		-	-	317	317	100%	400
<b>Machinery and Equipment</b>	300	2,326	-	187	187	1,259	1,073	85%	2,326
Machinery and Equipment	300	2,326		187	187	1,259	1,073	85%	2,326
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	54,192	57,169	-	2,063	9,389	19,862	10,473	53%	57,169

## 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>	40,944	21,663	-	370	370	2,665	2,295	86%	21,663
<b>Roads Infrastructure</b>	40,944	21,663	-	370	370	2,665	2,295	86%	21,663
Roads	40,944	21,663		370	370	2,665	2,295	86%	21,663
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							-		
Cemeteries/Crematoria	522	-					-		
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>	<b>41,466</b>	<b>21,663</b>	<b>-</b>	<b>370</b>	<b>370</b>	<b>2,665</b>	<b>2,295</b>	<b>86.1%</b>	<b>21,663</b>

## 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	-	165	582	2,452	1,870	76%	6,756
<b>Roads Infrastructure</b>	2,000	2,000	-	9	62	1,000	938	94%	2,000
Roads	2,000	2,000		9	62	1,000	938	94%	2,000
Road Structures							-		
Road Furniture							-		
<b>Electrical Infrastructure</b>	1,000	1,052	-	156	212	526	314	60%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		156	212	526	314	60%	1,052
<b>Solid Waste Infrastructure</b>	3,704	3,704	-	-	309	926	617	67%	3,704
Landfill Sites	3,704	3,704		-	309	926	617	67%	3,704
Waste Transfer Stations							-		
<b>Other assets</b>	1,000	1,052	-	188	188	526	338	64%	1,052
Operational Buildings	1,000	1,052	-	188	188	526	338	64%	1,052
Municipal Offices	1,000	1,052		188	188	526	338	64%	1,052
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
<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	-	-	121	761	640	84%	1,757
Machinery and Equipment	1,670	1,757		-	121	761	640	84%	1,757
<b>Transport Assets</b>	1,000	1,052	-	-	7	614	606	99%	1,052
Transport Assets	1,000	1,052		-	7	614	606	99%	1,052
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,374</b>	<b>10,617</b>	<b>-</b>	<b>353</b>	<b>898</b>	<b>4,353</b>	<b>3,455</b>	<b>79%</b>	<b>10,617</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>	<b>34,653</b>	<b>39,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,299</b>	<b>9,299</b>	<b>100%</b>	<b>39,133</b>
<b>Roads Infrastructure</b>	<b>25,147</b>	<b>29,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,283</b>	<b>7,283</b>	<b>100%</b>	<b>29,133</b>
Roads	25,147	29,133				7,283	7,283	100%	29,133
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	492	492	100%	3,905
Storm water Conveyance	3,712	3,905				492	492	100%	3,905
Attenuation							-		
<b>Electrical Infrastructure</b>	<b>5,166</b>	<b>5,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,359</b>	<b>1,359</b>	<b>100%</b>	<b>5,434</b>
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434				1,359	1,359	100%	5,434
MV Networks							-		
<b>Solid Waste Infrastructure</b>	<b>629</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165</b>	<b>165</b>	<b>100%</b>	<b>662</b>
Landfill Sites	629	662				165	165	100%	662
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>2,918</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>768</b>	<b>768</b>	<b>100%</b>	<b>3,070</b>
Community Facilities	2,918	3,070	-	-	-	768	768	100%	3,070
Libraries							-		
Cemeteries/Crematoria	2,918	3,070				768	768	100%	3,070
Police							-		
<b>Other assets</b>	<b>2,180</b>	<b>2,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>573</b>	<b>573</b>	<b>0</b>	<b>2,293</b>
Operational Buildings	2,180	2,293	-	-	-	573	573	100%	2,293
Municipal Offices	2,180	2,293				573	573	100%	2,293
Workshops							-		
<b>Intangible Assets</b>	<b>378</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>33</b>	<b>100%</b>	<b>398</b>
Servitudes							-		
Licences and Rights	378	398	-	-	-	33	33	100%	398
Computer Software and Applications	378	398				33	33	100%	398
<b>Computer Equipment</b>	<b>1,518</b>	<b>1,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>399</b>	<b>399</b>	<b>100%</b>	<b>1,597</b>
Computer Equipment	1,518	1,597				399	399	100%	1,597
<b>Furniture and Office Equipment</b>	<b>3,817</b>	<b>4,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,004</b>	<b>1,004</b>	<b>100%</b>	<b>4,015</b>
Furniture and Office Equipment	3,817	4,015				1,004	1,004	100%	4,015
<b>Machinery and Equipment</b>	<b>2,175</b>	<b>2,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>572</b>	<b>572</b>	<b>100%</b>	<b>2,288</b>
Machinery and Equipment	2,175	2,288				572	572	100%	2,288
<b>Transport Assets</b>	<b>3,542</b>	<b>3,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>932</b>	<b>932</b>	<b>100%</b>	<b>3,727</b>
Transport Assets	3,542	3,727				932	932	100%	3,727
<b>Total Depreciation</b>	<b>51,181</b>	<b>56,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,580</b>	<b>13,580</b>	<b>100%</b>	<b>56,520</b>



## 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	-	1,804	3,703	3,681	(22)	-1%	14,346
<b>Roads Infrastructure</b>	-	14,346	-	1,804	3,703	3,681	(22)	-1%	14,346
Roads		14,346		1,804	3,703	3,681	(22)	-1%	14,346
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance							-		
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	-	-	-	1,031	1,031	0	2,476
Operational Buildings	-	2,476	-	-	-	1,031	1,031	100%	2,476
Municipal Offices	-	2,476				1,031	1,031	100%	2,476
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	-	1,804	3,703	4,712	1,009	21%	16,822

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 R9, 389 million and the year to date budget is R19, 862 million that reflects under spending variance of R10, 473 million that translates to 53% variance.

The year to date actuals on renewal of existing assets amounts 370 thousands, and with the year to date budget of R2, 665 million and this reflects under spending variance of R2, 295 that translates to 86% variance.

The year to date actual expenditure on repairs and maintenance is R898 thousand and the year to date budget is R4, 353 million, reflecting under spending variance of R3, 455 million that translates to 79%.

The year to date actual expenditure on upgrading of existing assets is R3, 703 million and the year to date budget is R4, 712 million, reflecting over spending variance of R1, 009 million that translates to 21%.

The year to date actual expenditure on depreciation and asset impairment is nil and the year to date budget is R13, 580 million, reflecting spending variance of nil, that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is 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	YTD Actuals	Percentage
<b>Parent municipality:</b>							
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	22,816	1,549	7%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	21,771	1,685	8%
Technical Services	Grobblersdal Landfill site	Upgrade	Community assets	Waste Management	13,000	3,703	28%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	3,247	26%
Technical Services	Grobblersdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	–	0%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	370	4%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	365	5%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	2,357	61%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	–	0%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	–	0%
Technical Services	Culverts, road signs	New	Infrastructure	Roads Infrastructure	1,739	–	0%
Technical Services	Upgrading of Bloompoot to Uitspanning Access Road (Design only)	Renewal	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Access Road	Upgrade	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Electrification of Ntswelemutse	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	Infrastructure	Roads Infrastructure	696	–	0%
Community Services	Lawn mowers and other equipment's	New	Community assets	Machinery and Equipment	522	–	0%
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	Infrastructure	Electrical Infrastructure	522	–	0%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	–	0%
Technical Services	Equipment(tools)	New	Equipment	Equipment	500	187	37%
Community Services	Mobile Offices Traffic	New	Community assets	Operational building	500	–	0%
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Machinery and Equipment	478	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	–	0%
Technical Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	400	–	0%
Community Services	Twenty skip bins	New	Community assets	Machinery and Equipment	348	–	0%
Community Services	Bin lifter (compatible with self-compressed containers)	New	Machinery and Equipment	Machinery and Equipment	348	–	0%
Community Services	Two trailers	New	Community assets	Equipment	130	–	0%

# Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of September 2019 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 11/10/2019

**Elias Motsoaledi Local  
Municipality**  
11 OCT 2019  
**Municipal Manager**