

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

MAY 2020

Table of Contents

PART 1: IN - YEAR REPORT	3
PURPOSE	3
EXECUTIVE SUMMARY	3
IN YEAR BUDGET STATEMENT TABLES	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
Figure1: 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
PART 2: SUPPORTING TABLES	15
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	16
TOP TWENTY DEBTORS	17
Supporting Table: SC 4 - Creditors Age Analysis	17
TOP CREDITORS PAID	18
Supporting Table: SC 5 - Investment Portfolio	19
Supporting Table: SC 6 - Transfers and Grant Receipts	19
Supporting Table: SC 7 Transfers and grants – Expenditure	20
Figure 5: Grants performance	21
Supporting Table: SC7 (2) – Expenditure against approved rollovers	22
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs	23
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
QUALITY CERTIFICATE	35

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 Mayor 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	411,467,012	84%
		-		
OPERATING EXPENDITURE	482,591,369	485,305,414	353,140,694	73%
		-		
TRANSFER - CAPITAL	73,921,000	75,421,443	62,182,962	82%
SURPLUS/(DEFICIT)	92,214,316	103,578,736	138,563,200	134%
CAPITAL EXPENDITURE	95,653,510	113,102,553	84,289,547	75%

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
Financial Performance									
Property rates	32,756	34,727	36,658	2,983	32,776	33,525	(749)	-2%	36,658
Service charges	82,962	101,507	102,856	5,178	85,157	93,261	(8,104)	-9%	102,856
Investment revenue	2,133	2,946	3,246	-	1,228	2,834	(1,606)	-57%	3,246
Transfers and subsidies	245,324	272,618	272,735	793	272,502	272,383	119	0%	272,735
Other own revenue	73,848	89,087	76,196	1,437	19,804	57,537	(37,732)	-66%	76,196
Total Revenue (excluding capital transfers and contributions)	437,024	500,885	491,692	10,392	411,467	459,539	(48,072)	-10%	491,692
Employee costs	146,968	147,530	142,665	11,442	131,118	131,351	(233)	0%	142,665
Remuneration of Councillors	23,662	25,554	25,068	2,636	22,549	22,867	(318)	-1%	25,068
Depreciation & asset impairment	54,178	56,520	54,830	-	273	-	273	-	54,830
Finance charges	2,797	2,505	2,505	345	2,345	2,239	106	5%	2,505
Materials and bulk purchases	89,566	94,531	104,798	6,645	82,082	93,821	(11,739)	-13%	104,798
Transfers and subsidies	2,483	3,740	3,340	95	2,483	2,927	(444)	-15%	3,340
Other expenditure	157,463	152,210	152,099	11,756	112,290	102,870	9,421	9%	152,099
Total Expenditure	477,117	482,591	485,305	32,919	353,141	356,074	(2,933)	-1%	485,305
Surplus/(Deficit)	(40,092)	18,293	6,386	(22,527)	58,326	103,465	(45,139)	-44%	6,386
Transfers and subsidies - capital (monetary allocations)	70,766	73,921	75,421	8,732	62,183	65,063	(2,880)	-4%	75,421
Contributions & Contributed assets	-	-	21,771	-	18,054	18,503	(449)	-2%	21,771
Surplus/(Deficit) after capital transfers & contributions	30,674	92,214	103,579	(13,796)	138,563	187,031	(48,468)	-26%	103,579
Surplus/ (Deficit) for the year	30,674	92,214	103,579	(13,796)	138,563	187,031	(48,468)	-26%	103,579
Capital expenditure & funds sources									
Capital expenditure	76,437	95,654	113,103	8,517	84,290	96,870	(12,580)	-13%	113,103
Capital transfers recognised	61,021	73,921	97,205	7,800	70,327	83,578	(13,251)	-16%	97,205
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,417	21,733	15,898	717	13,963	13,292	671	5%	15,898
Total sources of capital funds	76,437	95,654	113,103	8,517	84,290	96,870	(12,580)	-13%	113,103
Financial position									
Total current assets	106,679	115,014	120,388		134,822				120,388
Total non current assets	1,070,962	1,123,066	1,208,090		1,146,153				1,208,090
Total current liabilities	132,534	81,128	87,970		103,034				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		1,075,525				1,136,993
Cash flows									
Net cash from (used) operating	99,560	102,851	121,326	(22,818)	34,051	17,622	(16,429)	-93%	121,326
Net cash from (used) investing	(72,765)	(88,001)	(126,231)	(206)	(43,849)	(86,203)	(42,354)	49%	(126,231)
Net cash from (used) financing	(8,843)	(10,086)	(15,497)	(866)	(8,674)	(9,441)	(767)	8%	(15,497)
Cash/cash equivalents at the month/year end	24,177	29,037	10,995	-	6,510	(46,626)	(53,136)	114%	4,580
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	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 May is R411, 467 million and the year to date budget of R459, 539 million and this reflects a negative variance of R48, 072 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: 57% unfavorable variance,
- Interest earned – outstanding debtors: 1% unfavorable variance,
- Rental on Facilities and Equipment: 66% unfavorable variance,
- Fines, penalties and forfeits: 92% unfavorable variance
- Services Charges – electricity revenue: 9% unfavorable variance
- Services Charges – refuse revenue: 3% unfavorable variance
- Licenses and permits: 30% unfavorable variance
- Property rates: 2% unfavorable variance
- Other revenue: 7% favorable

Operating Expenditure

The year to date operational expenditure as at end of May amounts to R353, 141 million and the year to date budget is R356, 074 million. This reflects underspending variance of R2, 933 million that translates to 1% 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: 12% under performance
- Other Materials: 14% under performance
- Other expenditure: 13% under performance
- Contracted Services: 22% 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 May 2020 amounts to R84, 290 million and the year to date budget amounts to R96, 870 million and this gives rise to R12, 580 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of May is R138, 563 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 May amounts to R105, 355 million and this shows an increase of R25, 247 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 R70, 979 million and other debtors amounting to R34, 376 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, they do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice in the month of May 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
Revenue - Functional									
Governance and administration	192,483	214,636	217,729	5,054	218,708	213,706	5,001	2%	217,729
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	5,054	163,198	158,197	5,001	3%	162,220
Internal audit	7,932	8,950	8,950	–	8,950	8,950	(0)	0%	8,950
Community and public safety	71,651	94,968	74,760	21	24,255	59,032	(34,776)	-59%	74,760
Community and social services	11,375	9,026	9,076	1	9,033	9,076	(43)	0%	9,076
Sport and recreation	9,710	12,092	12,092	–	12,104	12,090	14	0%	12,092
Public safety	50,566	73,850	53,592	20	3,119	37,866	(34,747)	-92%	53,592
Economic and environmental services	116,607	117,004	141,587	8,711	122,735	126,998	(4,263)	-3%	141,587
Planning and development	13,036	21,564	21,339	83	21,217	21,111	106	1%	21,339
Road transport	102,541	94,287	118,977	8,628	100,365	104,617	(4,252)	-4%	118,977
Environmental protection	1,030	1,153	1,270	–	1,153	1,270	(117)	-9%	1,270
Trading services	127,049	148,197	154,808	5,338	126,006	143,370	(17,363)	-12%	154,808
Energy sources	106,327	119,623	126,235	4,631	98,574	115,420	(16,847)	-15%	126,235
Waste management	20,722	28,574	28,574	706	27,433	27,949	(516)	-2%	28,574
Total Revenue - Functional	507,790	574,806	588,884	19,123	491,704	543,105	(51,401)	-9%	588,884
Expenditure - Functional									
Governance and administration	210,937	191,835	209,573	19,538	187,209	176,362	10,847	6%	209,573
Executive and council	44,433	41,658	50,599	3,638	46,747	47,038	(290)	-1%	50,599
Finance and administration	158,816	141,488	152,110	15,844	134,417	122,709	11,708	10%	152,110
Internal audit	7,688	8,689	6,864	56	6,044	6,616	(572)	-9%	6,864
Community and public safety	69,179	76,535	59,454	2,008	23,702	24,180	(477)	-2%	59,454
Community and social services	4,988	7,457	5,582	373	4,683	4,893	(210)	-4%	5,582
Sport and recreation	6,003	11,037	8,951	416	5,100	5,386	(286)	-5%	8,951
Public safety	58,188	58,041	44,921	1,219	13,919	13,901	18	0%	44,921
Economic and environmental services	88,411	87,675	84,795	3,540	42,557	48,462	(5,905)	-12%	84,795
Planning and development	13,453	17,147	19,388	1,378	13,783	17,517	(3,734)	-21%	19,388
Road transport	74,310	69,685	64,766	2,118	28,221	30,349	(2,129)	-7%	64,766
Environmental protection	648	843	641	45	553	596	(43)	-7%	641
Trading services	108,589	126,546	131,483	7,833	99,673	107,070	(7,397)	-7%	131,483
Energy sources	81,381	99,370	104,456	5,202	74,536	84,096	(9,560)	-11%	104,456
Waste management	27,208	27,177	27,027	2,631	25,136	22,974	2,163	9%	27,027
Total Expenditure - Functional	477,117	482,591	485,305	32,919	353,141	356,074	(2,933)	-1%	485,305
Surplus/ (Deficit) for the year	30,674	92,214	103,579	(13,796)	138,563	187,031	(48,468)	-26%	103,579

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
Revenue by Vote									
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	5,039	68,041	63,206	4,835	8%	67,281
Vote 4 - Corporate Services	43,715	40,227	40,227	14	40,445	40,279	166	0%	40,227
Vote 5 - Community Services	105,498	132,693	113,239	729	56,730	96,294	(39,565)	-41%	113,239
Vote 6 - Technical Services	211,009	227,629	258,293	13,258	216,766	233,710	(16,945)	-7%	258,293
Vote 7 - Developmental Planning	7,022	14,966	14,741	83	14,619	14,513	106	1%	14,741
Vote 8 - Executive Support	16,013	18,229	18,229	-	18,229	18,229	(0)	0%	18,229
Total Revenue by Vote	507,790	580,134	588,884	19,123	491,704	543,105	(51,401)	-9%	588,884
Expenditure by Vote									
Vote 1 - Executive & Council	37,443	36,873	42,579	3,310	39,601	40,030	(429)	-1%	42,579
Vote 2 - Municipal Manager	46,078	35,065	42,688	2,686	45,605	41,582	4,022	10%	42,688
Vote 3 - Budget & Treasury	64,915	52,917	56,083	7,002	52,341	43,894	8,447	19%	56,083
Vote 4 - Corporate Services	27,310	36,814	30,859	2,470	20,235	22,335	(2,101)	-9%	30,859
Vote 5 - Community Services	103,847	112,427	94,391	5,227	55,946	54,752	1,194	2%	94,391
Vote 6 - Technical Services	171,711	181,124	185,231	9,751	112,404	123,693	(11,289)	-9%	185,231
Vote 7 - Developmental Planning	7,632	13,185	12,998	968	8,240	11,621	(3,380)	-29%	12,998
Vote 8 - Executive Support	18,180	15,088	19,749	1,505	18,770	18,167	602	3%	19,749
Total Expenditure by Vote	477,117	483,492	484,577	32,919	353,141	356,074	(2,933)	-1%	484,577
Surplus/ (Deficit) for the year	30,674	96,642	104,307	(13,796)	138,563	187,031	(48,468)	-26%	104,307

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
Revenue By Source									
Property rates	32,756	34,727	36,658	2,983	32,776	33,525	(749)	-2%	36,658
Service charges - electricity revenue	75,108	92,957	94,306	4,471	77,425	85,271	(7,845)	-9%	94,306
Service charges - refuse revenue	7,854	8,550	8,550	706	7,732	7,990	(258)	-3%	8,550
Rental of facilities and equipment	1,644	1,052	2,033	46	657	1,934	(1,277)	-66%	2,033
Interest earned - external investments	2,133	2,946	3,246	-	1,228	2,834	(1,606)	-57%	3,246
Interest earned - outstanding debtors	9,183	7,040	12,303	1,163	11,008	11,162	(153)	-1%	12,303
Fines, penalties and forfeits	56,635	73,860	53,638	22	3,169	37,903	(34,734)	-92%	53,638
Licences and permits	4,707	5,470	6,070	-	3,843	5,486	(1,644)	-30%	6,070
Transfers and subsidies	245,324	272,618	272,735	793	272,502	272,383	119	0%	272,735
Other revenue	1,680	1,664	1,290	206	1,128	1,052	76	7%	1,290
Gains on disposal of PPE	-	-	862	-	-	-	-	-	862
Total Revenue (excluding capital transfers and contributions)	437,024	500,885	491,692	10,392	411,467	459,539	(48,072)	-10%	491,692
Expenditure By Type									
Employee related costs	146,968	147,530	142,665	11,442	131,118	131,351	(233)	0%	142,665
Remuneration of councillors	23,662	25,554	25,068	2,636	22,549	22,867	(318)	-1%	25,068
Debt impairment	47,752	57,860	43,505	-	-	-	-	-	43,505
Depreciation & asset impairment	54,178	56,520	54,830	-	273	-	273	-	54,830
Finance charges	2,797	2,505	2,505	345	2,345	2,239	106	5%	2,505
Bulk purchases	73,727	80,941	87,000	4,520	68,114	77,572	(9,458)	-12%	87,000
Other materials	15,839	13,590	17,798	2,125	13,968	16,250	(2,282)	-14%	17,798
Contracted services	67,496	53,788	65,807	8,026	78,584	64,327	14,257	22%	65,807
Transfers and subsidies	2,483	3,740	3,340	95	2,483	2,927	(444)	-15%	3,340
Other expenditure	42,216	40,562	42,787	3,730	33,706	38,543	(4,836)	-13%	42,787
Loss on disposal of PPE	-	(0)	-	-	-	-	-	-	-
Total Expenditure	477,117	482,591	485,305	32,919	353,141	356,074	(2,933)	-1%	485,305
Surplus/(Deficit)	(40,092)	18,293	6,386	(22,527)	58,326	103,465	(45,139)	-44%	6,386
Transfers and subsidies - capital (monetary allocations)	70,766	73,921	75,421	8,732	62,183	65,063	(2,880)	-4%	75,421
Transfers and subsidies - capital (monetary allocations)	-	-	21,771	-	18,054	18,503	(449)	-2%	21,771
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	30,674	92,214	103,579	(13,796)	138,563	187,031			103,579
Taxation									
Surplus/(Deficit) after taxation	30,674	92,214	103,579	(13,796)	138,563	187,031			103,579
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	30,674	92,214	103,579	(13,796)	138,563	187,031			103,579
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	30,674	92,214	103,579	(13,796)	138,563	187,031			103,579

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance; Remuneration of councillors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

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

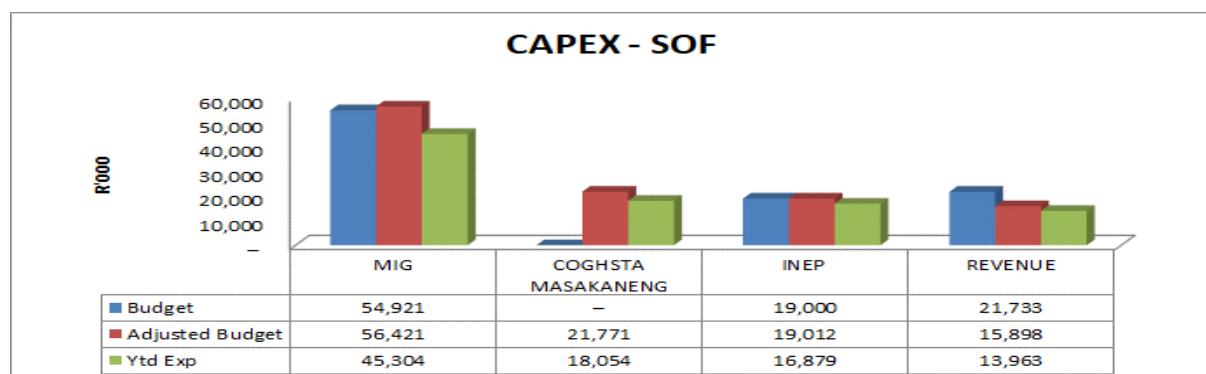
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,200	1,800	1,015	52	621	876	(256)	-29%	1,015
Executive and council							-		
Finance and administration	2,200	1,800	1,015	52	621	876	(256)	-29%	1,015
Internal audit							-		
Community and public safety	522	500	-	-	-	-	-		-
Community and social services	522	500	-	-	-	-	-		-
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	58,640	72,006	91,010	7,721	66,134	75,410	(9,277)	-12%	91,010
Planning and development							-		
Road transport	58,640	72,006	91,010	7,721	66,134	75,410	(9,277)	-12%	91,010
Environmental protection							-		
Trading services	15,075	21,348	21,078	744	17,535	20,571	(3,036)	-15%	21,078
Energy sources	13,475	19,522	19,574	383	16,111	19,203	(3,092)	-16%	19,574
Waste management	1,600	1,826	1,504	361	1,424	1,368	56	4%	1,504
Other							-		
Total Capital Expenditure - Functional Classification	76,437	95,654	113,103	8,517	84,290	96,858	(12,568)	-13%	113,103
Funded by:									
National Government	61,021	73,921	75,434	6,851	54,628	65,075	(10,448)	-16%	75,434
Provincial Government		-	21,771	949	15,699	18,503	(2,804)	-15%	21,771
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	61,021	73,921	97,205	7,800	70,327	83,578	(13,251)	-16%	97,205
Borrowing							-		
Internally generated funds	15,417	21,733	15,898	717	13,963	13,292	671	5%	15,898
Total Capital Funding	76,437	95,654	113,103	8,517	84,290	96,870	(12,580)	-13%	113,103

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
Multi-Year expenditure appropriation									
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	5,863	43,961	46,127	(2,167)	-5%	50,828
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	26,825	50,583	50,828	5,863	43,961	46,127	(2,167)	-5%	50,828
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	-
Vote 4 - Corporate Services	800	1,800	1,015	52	621	876	(256)	-29%	1,015
Vote 5 - Community Services	522	1,826	1,504	361	1,424	1,368	56	4%	1,504
Vote 6 - Technical Services	48,291	40,945	59,756	2,241	38,284	48,498	(10,214)	-21%	59,756
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	49,613	45,071	62,275	2,654	40,329	50,743	(10,414)	-21%	62,275
Total Capital Expenditure	76,437	95,654	113,103	8,517	84,290	96,870	(12,580)	-13%	113,103

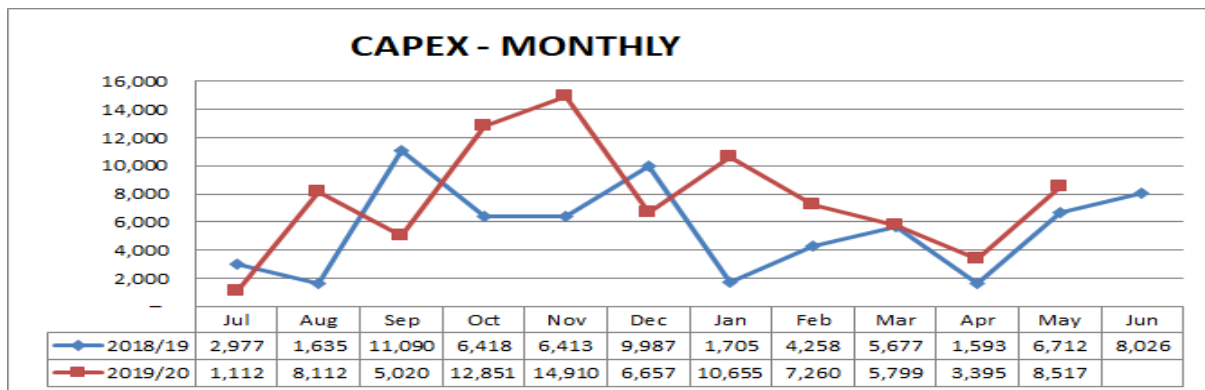
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of May 2020, R8, 517 million spending is incurred and that increased the year to date expenditure to R84, 290 million whilst the year to date budget is R96, 870 million and this gave rise to under spending variance of R12, 580 million that translates to 13%.

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
ASSETS					
Current assets					
Cash	24,177	4,882	16,697	6,510	16,697
Call investment deposits	–	24,155	–	–	–
Consumer debtors	21,334	41,950	49,631	61,538	49,631
Other debtors	54,923	40,727	49,052	58,419	49,052
Current portion of long-term receivables	–	–	–	–	–
Inventory	6,245	3,300	5,009	8,355	5,009
Total current assets	106,679	115,014	120,388	134,822	120,388
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	13,539	–	13,539	774	13,539
Investment property	58,240	53,739	58,240	58,240	58,240
Investments in Associate	–	–	–	–	–
Property, plant and equipment	998,680	1,055,765	1,135,808	1,085,863	1,135,808
Biological	–	–	–	–	–
Intangible	39	85	39	39	39
Other non-current assets	463	13,476	463	1,237	463
Total non current assets	1,070,962	1,123,066	1,208,090	1,146,153	1,208,090
TOTAL ASSETS	1,177,641	1,238,080	1,328,478	1,280,975	1,328,478
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	9,624	9,686	11,542	2,248	11,542
Consumer deposits	5,383	4,860	5,430	5,517	5,430
Trade and other payables	113,571	60,924	64,491	83,910	64,491
Provisions	3,955	5,658	6,508	11,358	6,508
Total current liabilities	132,534	81,128	87,970	103,034	87,970
Non current liabilities					
Borrowing	13,469	13,554	13,469	17,328	13,469
Provisions	94,152	90,142	90,046	85,088	90,046
Total non current liabilities	107,621	103,696	103,515	102,417	103,515
TOTAL LIABILITIES	240,155	184,824	191,485	205,450	191,485
NET ASSETS	937,486	1,053,256	1,136,993	1,075,525	1,136,993
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	937,486	1,053,256	1,136,993	1,075,525	1,136,993
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	937,486	1,053,256	1,136,993	1,075,525	1,136,993

The above table shows that community wealth amounts to R1, 075 billion, total liabilities R205, 450 million and the total assets R1, 280 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 1.3:1 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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	28,779	21,878	20,958	1,889	22,220	22,380	(160)	-1%	20,958
Service charges	77,686	91,398	101,547	6,911	78,668	79,458	(791)	-1%	101,547
Other revenue	14,066	17,441	15,467	1,238	19,846	23,125	(3,279)	-14%	15,467
Government - operating	240,283	272,618	272,735	-	273,214	271,214	2,000	1%	272,735
Government - capital	97,537	73,921	75,421	-	73,921	74,989	(1,068)	-1%	75,421
Interest	2,966	3,861	15,548	63	2,303	2,833	(529)	-19%	15,548
Payments									
Suppliers and employees	(356,478)	(372,021)	(374,506)	(32,479)	(431,046)	(449,735)	(18,689)	4%	(374,506)
Finance charges	(2,797)	(2,505)	(2,505)	(345)	(2,592)	(3,453)	(861)	25%	(2,505)
Transfers and Grants	(2,483)	(3,740)	(3,340)	(95)	(2,483)	(3,190)	(707)	22%	(3,340)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99,560	102,851	121,326	(22,818)	34,051	17,622	(16,429)	-93%	121,326
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2,839	-	862	-	-	-	-	-	862
Decrease (Increase) in non-current debtors	-	-	-	8,311	41,454	-	41,454	-	-
Decrease (increase) other non-current receivables	833	-	(463)	-	-	-	-	-	(463)
Decrease (increase) in non-current investments	-	-	(13,539)	-	-	-	-	-	(13,539)
Payments									
Capital assets	(76,437)	(88,001)	(113,090)	(8,517)	(85,303)	(86,203)	(901)	1%	(113,090)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(72,765)	(88,001)	(126,231)	(206)	(43,849)	(86,203)	(42,354)	49%	(126,231)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	1,542	-	-	-	-	-	1,542
Increase (decrease) in consumer deposits	-	(400)	170	(12)	131	191	(60)	-31%	170
Payments									
Repayment of borrowing	(8,843)	(9,686)	(17,208)	(855)	(8,805)	(9,633)	(828)	9%	(17,208)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8,843)	(10,086)	(15,497)	(866)	(8,674)	(9,441)	(767)	8%	(15,497)
NET INCREASE/ (DECREASE) IN CASH HELD	17,952	4,764	(20,402)	(23,890)	(18,472)	(78,022)			(20,402)
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	10,995		6,510	(46,626)			4,580

Table C7 presents details pertaining to cash flow performance. As at end of May 2020, the net cash inflow from operating activities is R34, 051 million whilst net cash outflow from investing activities is R43, 849 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R8, 674 million. The cash and cash equivalent held at end of May 2020 amounted to R6, 510 million and the net effect of the above cash flows is cash outflow movement of R18, 472 million. The cash and cash equivalent at end of the reporting period of R6, 510 million, is mainly made up of cash in the primary bank account amounting to R6, 510 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
Revenue By Source			
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	-9%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed
Service charges - refuse revenue	-3%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-66%	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	-57%	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	-92%	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	7%	The actual revenue generated is more than the projected monthly revenue	No remedial action is needed.
Expenditure By Type			
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	-1%	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	5%	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	-12%	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	-14%	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	22%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed.
Transfers and subsidies	-15%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed.
Other expenditure	-13%	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
Capital Expenditure			
National Government	-16%	The spending on grants funded capital projects is less the projected expenditure thereof	No remedial action is needed
Provincial Government	-15%	The spending on grant funded capital projects is less the projected expenditure thereof	No remedial action is needed
Internally generated funds	5%	The spending on internally generated funded capital projects is more than the projected expenditure thereof	No remedial action is needed
Cash Flow			
Property rates	-1%	The actual collection rate on property rates is lower than the projected rate	The municipality should continue to encourage customers to pay their accounts on time.
Service charges	-1%	The collection rate on service charges is below the projected rate	No remedial action is needed
Other revenue	-14%	The collection rate on tender documents (grants funded) for 2019/20 are not selling as projected	This need to be looked into
Government - operating	1%	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	-19%	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	4%	The actual costs incurred is below the projected costs	No remedial action is needed
Finance charges	25%	The actual costs incurred on finance charges is below the collection thereof	No remedial action is needed
Capital assets	1%	The projected capital expenditure on capex is higher than the actual spending thereof	No remedial action is needed
Transfers and Grants	22%	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	-31%	Consumer deposits were significantly lower than the projection thereof	No remedial action is needed
Repayment of borrowing	9%	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				
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	4,348	1,985	693	386	90	58	311	2,967	10,839	3,813				
Receivables from Non-exchange Transactions - Property Rates	2,996	1,552	1,272	1,170	1,119	1,020	9,061	26,612	44,802	38,982				
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-				
Receivables from Exchange Transactions - Waste Management	706	514	434	406	371	366	2,151	9,255	14,203	12,549				
Receivables from Exchange Transactions - Property Rental Debtors	46	10	9	9	9	8	155	889	1,135	1,070				
Interest on Arrear Debtor Accounts	1,169	1,124	1,071	1,036	1,004	972	5,223	21,293	32,892	29,528				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-				
Other	354	213	31	43	55	(40)	159	669	1,484	886				
Total By Income Source	9,618	5,399	3,510	3,051	2,649	2,384	17,060	61,685	105,355	86,828	-	-		
2018/19 - totals only	14,655	2,529	2,370	2,001	2,229	2,051	11,203	43,070	80,108	60,554				
Debtors Age Analysis By Customer Group														
Organs of State	1,405	1,198	716	722	564	540	3,709	13,566	22,419	19,101				
Commercial	3,724	1,576	752	521	438	328	1,919	8,751	18,008	11,957				
Households	3,768	1,911	1,437	1,269	1,117	994	6,444	25,388	42,328	35,213				
Other	722	714	607	538	530	521	4,988	13,981	22,600	20,558				
Total By Customer Group	9,618	5,399	3,510	3,051	2,649	2,384	17,060	61,685	105,355	86,828	-	-		

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of May amount to R105, 355 million. The debtors' book is made up as follows:

- Rates 43%
- Electricity 10%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 31%
- Other 1%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

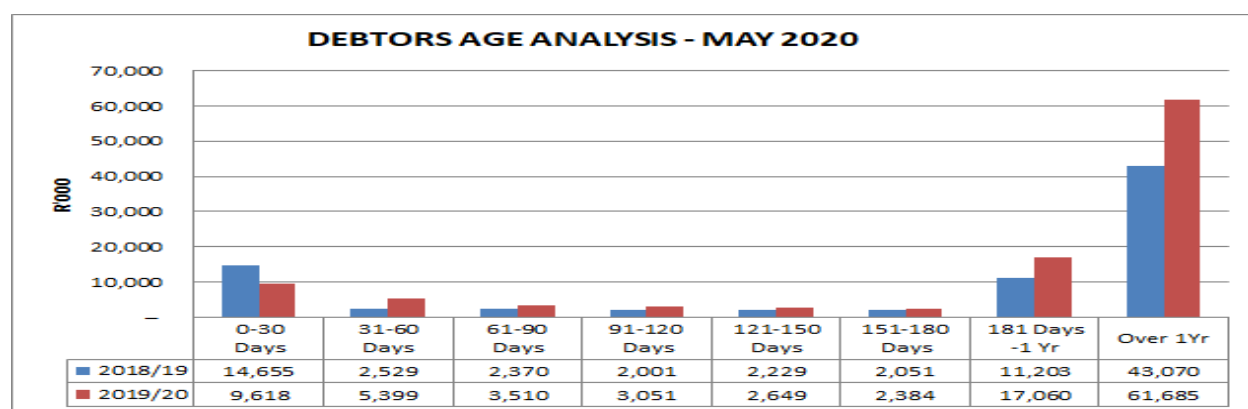
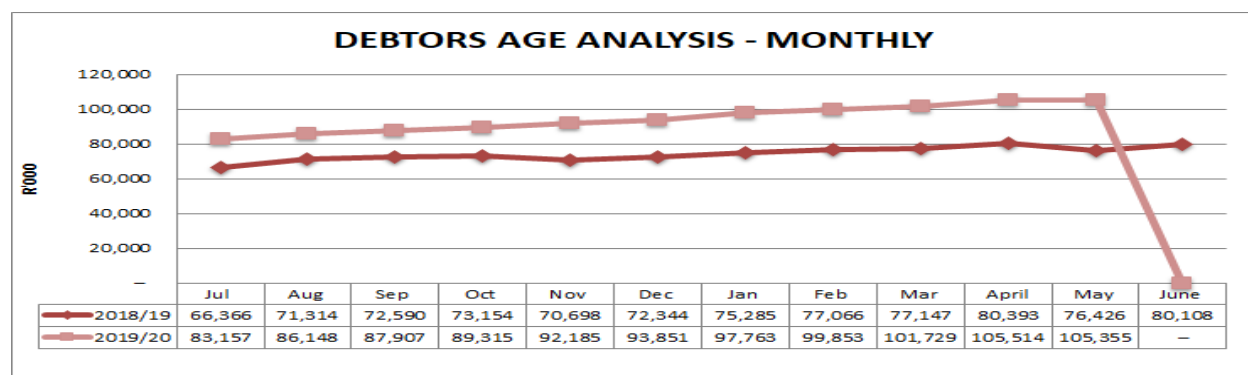


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of May 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 NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,006,031
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	903,533
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	565,131
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	512,277
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	424,514
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	393,577
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	317,567
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	286,199
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	283,493
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	258,568
9053280	LIMPOPO GOVERNMENT PROV(BEN VILJOEN)	ACTIVE	OWNER	257,370
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	244,500
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	243,408
2913	SHOPRITE/CHECKERS	ACTIVE	OCCUPIER	242,474
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	212,097
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	211,403
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	210,529
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	210,132
20494	BREAKAWAY TRUST	ACTIVE	OWNER	204,144
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	203,752
TOTAL				7,190,699

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

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

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

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80568	KGAKILWE TRADING AND PROJECTS	423,000.00
41095	REAKGONA TRAVEL SERVICES	111,988.75
80996	SPRING FOREST TRADING 232	27,900.00
80657	TLOU TUBATSE CONSTRUCTION	27,000.00
32604	SEGOKGOME TRADING AND PROJECTS	24,600.00
80289	MEGAGY GZ COMPUTERS PTY LTD	23,920.00
80938	EARTH 111 PROJECTS	22,020.00
41027	KDM TRAVEL EXPRESS	6,134.10
TOTAL		666,562.85

The Municipality has an outstanding total amount R666 thousands creditors for the month of May 2020.

Supporting Table: SC 5 - Investment Portfolio

The Municipality has no current investment portfolio during the month of May 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
RECEIPTS:									
Operating Transfers and Grants									
National Government:	245,283	272,618	273,214	596	273,214	273,214	-		273,214
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	-		596
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Operating Transfers and Grants	245,283	272,618	273,214	596	273,214	273,214	-		273,214
Capital Transfers and Grants									
National Government:	72,279	73,921	73,921	-	73,921	73,921	-		73,921
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
Provincial Government:	21,771	-	21,771	-	21,771	21,771	-		21,771
Coghsta - Development	21,771	-	21,771	-	21,771	21,771	-		21,771
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	94,050	73,921	95,692	-	95,692	95,692	-		95,692
TOTAL RECEIPTS OF TRANSFERS & GRANTS	339,333	346,539	368,906	596	368,906	368,906	-		368,906

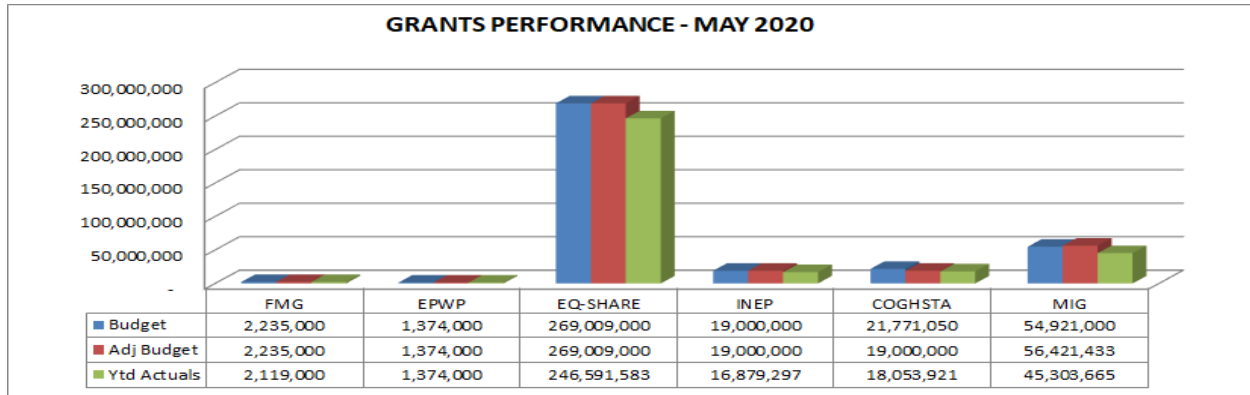
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R368, 310 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R269 009 million; Integrated National Electrification Programme 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
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	245,283	272,618	273,214	23,211	250,085	273,214	(23,129)	-8%	273,214
Local Government Equitable Share	237,511	269,009	269,009	22,417	246,592	269,009	(22,417)	-8%	269,009
Finance Management	1,770	2,235	2,235	723	2,119	2,235	(116)	-5%	2,235
EPWP Incentive	1,002	1,374	1,374	70	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
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	245,283	272,618	273,214	23,211	250,085	273,214	(23,129)	-8%	273,214
Capital expenditure of Transfers and Grants									
National Government:	72,279	73,921	73,921	7,640	62,183	73,921	(11,738)	-16%	73,921
Municipal Infrastructure Grant (MIG)	62,270	54,921	54,921	7,480	45,304	54,921	(9,617)	-18%	54,921
Intergrated National Electrification Grant	10,009	19,000	19,000	160	16,879	19,000	(2,121)	-11%	19,000
Provincial Government:	21,771	21,771	21,771	-	18,054	21,771	(3,717)	-17%	21,771
Coghsta - Development	21,771	21,771	21,771	-	18,054	21,771	(3,717)	-17%	21,771
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	94,050	95,692	95,692	7,640	80,237	95,692	(15,455)	-16%	95,692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	339,333	368,310	368,906	30,851	330,321	368,906	(38,585)	-10%	368,906

An amount of R30, 851 million has been spent on grants during the month of May 2020 and the year to date actuals is R330, 321 million whilst the year to date budget amounts to R368, 906 million and this results in underspending variance of R38, 585 million that translates to negative 10%. Of the total spending amounting to R30, 851 million, R23, 211 million is spent on operational grants whilst R7, 640 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 May 2020. The grants expenditure are shown below in percentages:

- Financial Management Grant 94.81%
- Expanded Public Work Programme 100%
- Equitable Share 91.67%
- Integrated National Electrification Grant 88.78%
- COGHSTA – Masakaneng Development 82.93%
- Municipal Infrastructure Grant 80.30%

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
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	
Local Government Equitable Share	-			-	
Finance Management	-			-	
EPWP Incentive	-			-	
Energy Efficiency and Demand Management	-			-	
Disaster Relief Grant COVID-19 (Corona virus)				-	
Provincial Government:	-	-	-	-	
N/A				-	
District Municipality:	-	-	-	-	
N/A				-	
Other grant providers:	-	-	-	-	
N/A				-	
Total operating expenditure of Approved Roll-overs	-	-	-	-	
Capital expenditure of Approved Roll-overs					
National Government:	1,513	-	961	551	36%
Municipal Infrastructure Grant (MIG)	1,500	-	961	539	36%
Intergrated National Electrification Grant	12	-	-	12	100%
Provincial Government:	-	-	-	-	
Coghsta - Development				-	
District Municipality:	-	-	-	-	
N/A				-	
Other grant providers:	-	-	-	-	
N/A				-	
Total capital expenditure of Approved Roll-overs	1,513	-	961	551	36%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	13,395	15,201	14,851	1,559	13,275	13,546	(271)	-2%	14,851
Pension and UIF Contributions	1,605	1,744	1,719	191	1,570	1,568	2	0%	1,719
Medical Aid Contributions	368	369	341	25	294	311	(17)	-6%	341
Motor Vehicle Allowance	5,145	5,611	5,130	598	4,717	4,680	38	1%	5,130
Cellphone Allowance	2,708	2,629	2,804	226	2,475	2,557	(82)	-3%	2,804
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	223	37	216	204	13	6%	223
Sub Total - Councillors	23,222	25,554	25,068	2,636	22,549	22,867	(318)	-1%	25,068
% increase		10%	8%						8%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,421	5,150	4,304	658	4,458	3,945	512	13%	4,304
Pension and UIF Contributions	100	172	163	18	161	150	11	7%	163
Medical Aid Contributions	102	64	79	7	75	73	2	3%	79
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	403	918	660	56	605	605	0	0%	660
Cellphone Allowance	108	188	161	14	154	146	8	6%	161
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	378	331	445	20	453	426	28	6%	445
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	4,512	6,824	5,813	772	5,906	5,344	562	11%	5,813
% increase		51%	29%						29%
Other Municipal Staff									
Basic Salaries and Wages	84,473	91,339	90,220	7,298	81,539	82,647	(1,107)	-1%	90,220
Pension and UIF Contributions	16,792	18,714	17,856	1,478	16,322	16,372	(50)	0%	17,856
Medical Aid Contributions	5,303	4,761	5,391	487	5,125	4,948	176	4%	5,391
Overtime	2,166	1,948	1,261	191	1,334	1,141	193	17%	1,261
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	10,390	11,571	11,107	916	10,139	10,181	(42)	0%	11,107
Cellphone Allowance	1,437	1,171	1,757	149	1,635	1,609	26	2%	1,757
Housing Allowances	171	437	174	15	163	159	5	3%	174
Other benefits and allowances	7,859	8,329	8,146	103	8,143	8,058	85	1%	8,146
Payments in lieu of leave	5,981	1,951	494	-	403	473	(70)	-15%	494
Long service awards	1,020	486	446	33	409	418	(9)	-2%	446
Post-retirement benefit obligations	3,523	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	139,115	140,707	136,852	10,670	125,212	126,006	(794)	-1%	136,852
% increase		1%	-2%						-2%
Total Parent Municipality	166,850	173,085	167,733	14,078	153,667	154,218	(551)	0%	167,733
		4%	1%						1%
TOTAL SALARY, ALLOWANCES & BENEFITS	166,850	173,085	167,733	14,078	153,667	154,218	(551)	0%	167,733
% increase		4%	1%						1%
TOTAL MANAGERS AND STAFF	143,628	147,530	142,665	11,442	131,118	131,351	(233)	0%	142,665

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of May 2020 amounts to R153, 667 million and the year to date budget is R154, 218 million and the expenditure for remuneration of councilors amounts to R22, 549 million while the year to date budget is R22, 867 million. The year to date actual expenditure for senior managers is R5, 909 million and the year to date budget thereof is R5, 344 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 R125, 212 million and the year to date budget is R126, 006 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 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	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	Budget	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	2,340	2,014	2,246	2,012	2,102	1,991	1,807	2,022	2,055	1,741	1,889	(342)	21,878	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	12,548	87,380	86,220	90,876
Service charges - refuse	428	406	338	342	360	327	338	387	330	239	341	183	4,018	4,596	4,844
Rental of facilities and equipment	17	188	59	24	34	43	25	51	32	27	37	167	705	721	760
Interest earned - external investments	425	456	233	41	-	-	-	-	41	141	-	1,609	2,946	3,105	3,272
Interest earned - outstanding debtors	150	133	127	102	52	74	68	63	73	62	63	(52)	915	1,484	1,564
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	9,602	9,602	10,120	10,667
Licences and permits	475	481	456	521	415	289	450	416	377	0	-	1,589	5,470	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	(13,763)	1,664	1,754	1,849
Cash Receipts by Source	123,149	13,464	12,640	11,507	31,737	81,374	11,649	11,658	78,923	10,049	10,102	11,542	407,793	432,954	463,098
Other Cash Flows by Source															
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)	(531)	(400)	(350)	(300)
Receipt of non-current debtors			4,651	2,585	2,846	-	12,263	6,021		4,776	8,311	(41,454)			
Receipt of non-current receivables															
Change in non-current investments															
Total Cash Receipts by Source	154,173	13,577	17,352	13,977	39,585	98,858	23,946	22,694	94,369	14,826	18,401	(30,443)	481,314	506,838	538,571
Cash Payments by Type															
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	16,412	147,530	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	3,005	25,554	27,266	28,093
Interest paid	255	-	-	731	217	217	-	408	187	232	345	(86)	2,505	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	12,827	80,941	93,406	107,884
Other materials	289	598	990	1,306	803	2,443	666	1,257	411	48	2,125	(1,818)	9,120	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	(17,570)	56,268	58,464	61,929
Grants and subsidies paid - other	217	228	142	209	119	347	246	246	70	564	95	1,257	3,740	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	1,253	42,552	40,284	40,150
Cash Payments by Type	28,163	29,164	35,715	37,250	27,650	49,635	32,357	25,159	27,480	27,437	32,919	15,281	368,211	391,346	417,660
Other Cash Flows/Payments by Type															
Capital assets	1,421	9,187	5,542	12,834	14,910	6,657	10,655	6,384	5,799	3,395	8,517	2,699	88,001	89,158	88,783
Repayment of borrowing	754	763	771	781	790	799	807	818	826	841	855	881	9,686	11,050	2,504
Other Cash Flows/Payments	38,713	6,411	-	9,746	-	12,347	-	-	15,168	-	-	(72,330)	10,055	13,000	15,000
Total Cash Payments by Type	69,053	45,525	42,028	60,612	43,350	69,438	43,819	32,361	49,273	31,673	42,291	(53,469)	475,953	504,555	523,947
NET INCREASE/(DECREASE) IN CASH HELD	85,120	(31,948)	(24,677)	(46,635)	(3,765)	29,420	(19,874)	(9,667)	45,095	(16,847)	(23,890)	23,026	5,360	2,283	14,624
Cash/cash equivalents at the month/year beginning:	24,177	109,296	77,348	52,671	6,036	2,271	31,682	11,809	2,142	47,237	30,390	6,510	24,177	29,537	31,820
Cash/cash equivalents at the month/year end:	109,296	77,348	52,671	6,036	2,271	31,682	11,809	2,142	47,237	30,390	6,510	29,537	29,537	31,820	46,444

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 R18, 401 million and the total cash payment for the month were R42, 291 million and this resulted in net decrease in cash held amounting to R23, 890 million. With cash and cash equivalent of R30, 390 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R6, 510 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
Monthly expenditure performance trend									
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			113,103	-		
Total Capital expenditure	71,370	95,654	113,103	84,290					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of May amounts to R8, 517 million. The year to date actual expenditure incurred is R84, 290 million whilst the year to date budget is R101, 530 million that gives rise to under spending variance of R17, 240 million that translate to 17%.

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
Capital expenditure on new assets by Asset Class									
Infrastructure	28,613	53,043	74,061	6,726	58,011	66,118	8,107	12%	74,061
Roads Infrastructure	15,138	33,521	54,487	6,342	41,899	46,902	5,003	11%	54,487
Roads	15,138	33,521	54,487	6,342	41,899	46,902	5,003	11%	54,487
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	13,475	19,522	19,574	383	16,111	19,215	3,104	16%	19,574
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,475	19,522	19,574	383	16,111	19,215	3,104	16%	19,574
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	4,947	900	-	-	-	-	-		-
Operational Buildings	4,947	900	-	-	-	-	-		-
Municipal Offices	4,947	900	-	-	-	-	-		-
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	1,000	500	115	24	38	115	76	66%	115
Computer Equipment	1,000	500	115	24	38	115	76	66%	115
Furniture and Office Equipment	400	400	534	-	526	534	8	1%	534
Furniture and Office Equipment	400	400	534	-	526	534	8	1%	534
Machinery and Equipment	300	2,326	1,870	389	1,480	1,596	116	7%	1,870
Machinery and Equipment	300	2,326	1,870	389	1,480	1,596	116	7%	1,870
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on new assets	35,261	57,169	76,580	7,138	60,055	68,362	8,307	12%	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
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	39,055	21,663	20,701	1,163	13,885	16,197	2,312	14%	20,701
Roads Infrastructure	39,055	21,663	20,701	1,163	13,885	16,197	2,312	14%	20,701
Roads	39,055	21,663	20,701	1,163	13,885	16,197	2,312	14%	20,701
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	522	-	-	-	-	-	-		-
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	39,577	21,663	20,701	1,163	13,885	16,197	2,312	14.3%	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
Repairs and maintenance expenditure by Asset Class									
Infrastructure	6,704	6,756	7,683	160	4,743	7,070	2,327	33%	7,683
Roads Infrastructure	2,000	2,000	2,767	–	161	2,246	2,085	93%	2,767
Roads	2,000	2,000	2,767	–	161	2,246	2,085	93%	2,767
Road Structures							–		
Road Furniture							–		
Storm water Infrastructure	–	–	–	–	–	–	–		–
Electrical Infrastructure	1,000	1,052	2,052	160	1,804	1,960	156	8%	2,052
HV Substations							–		
HV Switching Station							–		
HV Transmission Conductors							–		
MV Networks	1,000	1,052	2,052	160	1,804	1,960	156	8%	2,052
Solid Waste Infrastructure	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							–		
Community Assets	–	–	–	–	–	–	–		–
Community Facilities	–	–	–	–	–	–	–		–
Libraries							–		
Police							–		
Sport and Recreation Facilities	–	–	–	–	–	–	–		–
Indoor Facilities							–		
Outdoor Facilities							–		
Other assets	1,000	1,052	1,752	–	1,497	1,712	215	13%	1,752
Operational Buildings	1,000	1,052	1,752	–	1,497	1,712	215	13%	1,752
Municipal Offices	1,000	1,052	1,752	–	1,497	1,712	215	13%	1,752
Workshops							–		
Intangible Assets	–	–	–	–	–	–	–		–
Servitudes							–		
Licences and Rights	–	–	–	–	–	–	–		–
Computer Software and Applications							–		
Computer Equipment	–	–	–	–	–	–	–		–
Computer Equipment							–		
Furniture and Office Equipment	–	–	–	–	–	–	–		–
Furniture and Office Equipment							–		
Machinery and Equipment	1,670	1,757	1,739	–	1,197	1,593	396	25%	1,739
Machinery and Equipment	1,670	1,757	1,739	–	1,197	1,593	396	25%	1,739
Transport Assets	1,000	1,052	2,352	806	2,695	2,159	(536)	-25%	2,352
Transport Assets	1,000	1,052	2,352	806	2,695	2,159	(536)	-25%	2,352
Total Repairs and Maintenance Expenditure	10,374	10,617	13,526	966	10,133	12,535	2,401	19.2%	13,526

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
Depreciation by Asset Class									
Infrastructure	34,653	39,133	37,142	-	-	23,486	23,486	100%	37,142
Roads Infrastructure	25,147	29,133	27,141	-	-	19,422	19,422	100%	27,141
Roads	25,147	29,133	27,141			19,422	19,422	100%	27,141
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	3,905	-	-	-	-		3,905
Attenuation							-		
Electrical Infrastructure	5,166	5,434	5,434	-	-	3,623	3,623	100%	5,434
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434	5,434	-	-	3,623	3,623	100%	5,434
MV Networks							-		
Solid Waste Infrastructure	629	662	662	-	-	441	441	100%	662
Landfill Sites	629	662	662	-	-	441	441	100%	662
Waste Transfer Stations							-		
Community Assets	2,918	3,070	3,070	-	-	2,047	2,047	100%	3,070
Community Facilities	2,918	3,070	3,070	-	-	2,047	2,047	100%	3,070
Libraries							-		
Police							-		
Other assets	2,180	2,293	494	-	-	1,529	1,529	0	494
Operational Buildings	2,180	2,293	494	-	-	1,529	1,529	100%	494
Municipal Offices	2,180	2,293	494	-	-	1,529	1,529	100%	494
Workshops							-		
Intangible Assets	378	398	398	-	-	1,225	1,225	100%	398
Servitudes							-		
Computer Software and Applications	378	398	398			1,225	1,225	100%	398
Computer Equipment	1,518	1,597	1,597	-	-	931	931	100%	1,597
Computer Equipment	1,518	1,597	1,597			931	931	100%	1,597
Furniture and Office Equipment	3,817	4,015	4,015	-	-	2,342	2,342	100%	4,015
Furniture and Office Equipment	3,817	4,015	4,015			2,342	2,342	100%	4,015
Machinery and Equipment	2,175	2,288	2,288	-	-	1,335	1,335	100%	2,288
Machinery and Equipment	2,175	2,288	2,288			1,335	1,335	100%	2,288
Transport Assets	3,542	3,727	3,727	-	273	2,174	1,901	87%	3,727
Transport Assets	3,542	3,727	3,727	-	273	2,174	1,901	87%	3,727
Total Depreciation	51,181	56,520	52,729	-	273	35,068	34,795	99%	52,729

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
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	1,600	14,346	14,346	-	9,050	11,062	2,011	18%	14,346
Roads Infrastructure	-	14,346	14,346	-	9,050	11,062	2,011	18%	14,346
Roads		14,346	14,346	-	9,050	11,062	2,011	18%	14,346
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-	-	-	-	-	-		-
Waste Transfer Stations							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	-	2,476	1,476	215	1,299	1,249	(50)	(0)	1,476
Operational Buildings	-	2,476	1,476	215	1,299	1,249	(50)	-4%	1,476
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	1,600	16,822	15,822	215	10,349	12,310	1,961	16%	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, 055 million and the year to date budget is R68, 362 million that reflects under spending variance of R8, 307 million that translates to 12% variance.

The year to date actuals on renewal of existing assets amounts R13, 885 million, and with the year to date budget of R16, 197 million and this reflects under spending variance of R2, 312 million that translates to 14.3% variance.

The year to date actual expenditure on repairs and maintenance is R10, 133 million and the year to date budget is R12, 535 million, reflecting under spending variance of R2, 401 million that translates to 19.2%.

The year to date actual expenditure on upgrading of existing assets is R10, 439 million and the year to date budget is R12, 310 million, reflecting over spending variance of R1, 961 million that translates to 16%.

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
Parent municipality:								
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 May 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 17/06/2020

**Elias Motsoaledi Local
Municipality**

17 JUN 2020

Municipal Manager