

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**OCTOBER 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 October 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**

DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
<b>OPERATING REVENUE</b>	<b>500,884,685</b>	<b>-</b>	<b>165,132,096</b>	<b>33%</b>
		<b>-</b>		
<b>OPERATING EXPENDITURE</b>	<b>482,591,369</b>	<b>-</b>	<b>130,147,746</b>	<b>27%</b>
		<b>-</b>		
<b>TRANSFER - CAPITAL</b>	<b>73,921,000</b>	<b>-</b>	<b>22,956,523</b>	<b>31%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>92,214,316</b>	<b>-</b>	<b>61,149,836</b>	<b>66%</b>
<b>CAPITAL EXPENDITURE</b>	<b>95,653,510</b>	<b>-</b>	<b>26,830,476</b>	<b>28%</b>

**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	-	2,925	11,837	11,576	262	2%	34,727
Service charges	89,925	101,507	-	7,363	30,718	29,711	1,007	3%	101,507
Investment revenue	2,800	2,946	-	73	1,187	701	486	69%	2,946
Transfers and subsidies	245,278	272,618	-	319	113,504	101,646	11,858	12%	-
Other own revenue	84,683	89,087	-	1,969	7,886	31,152	(23,266)	-75%	361,705
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>-</b>	<b>12,650</b>	<b>165,132</b>	<b>174,785</b>	<b>(9,653)</b>	<b>-6%</b>	<b>500,885</b>
Employee costs	130,473	147,530	-	12,045	45,480	47,024	(1,544)	-3%	147,530
Remuneration of Councillors	24,291	25,554	-	2,238	8,179	8,518	(340)	-4%	25,554
Depreciation & asset impairment	51,181	56,520	-	-	-	18,840	(18,840)	-100%	56,520
Finance charges	2,900	2,505	-	731	731	835	(104)	-12%	2,505
Materials and bulk purchases	78,909	94,531	-	8,675	28,679	34,413	(5,733)	-17%	94,531
Transfers and subsidies	3,580	3,740	-	209	796	1,250	(454)	-36%	3,740
Other expenditure	157,835	152,210	-	13,420	46,283	55,603	(9,320)	-17%	152,210
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>37,318</b>	<b>130,148</b>	<b>166,483</b>	<b>(36,336)</b>	<b>-22%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>(24,669)</b>	<b>34,984</b>	<b>8,302</b>	<b>26,682</b>	<b>321%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921	-	10,015	26,165	35,900	(9,735)	-27%	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>(14,654)</b>	<b>61,150</b>	<b>44,202</b>	<b>16,948</b>	<b>38%</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>(14,654)</b>	<b>61,150</b>	<b>44,202</b>	<b>16,948</b>	<b>38%</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>12,834</b>	<b>26,830</b>	<b>35,603</b>	<b>(8,772)</b>	<b>-25%</b>	<b>95,654</b>
Capital transfers recognised	81,841	73,921	-	9,147	22,957	26,370	(3,414)	-13%	73,921
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,417	21,733	-	3,687	3,874	9,233	(5,359)	-58%	21,733
<b>Total sources of capital funds</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>12,834</b>	<b>26,830</b>	<b>35,603</b>	<b>(8,772)</b>	<b>-25%</b>	<b>95,654</b>
<b>Financial position</b>									
Total current assets	211,349	115,014	-		120,246				115,014
Total non current assets	1,053,184	1,123,066	-		1,090,416				1,123,066
Total current liabilities	140,539	81,128	-		116,323				81,128
Total non current liabilities	121,097	103,696	-		98,557				103,696
Community wealth/Equity	1,002,897	1,053,256	-		995,783				1,053,256
<b>Cash flows</b>									
Net cash from (used) operating	118,137	102,851	-	(35,489)	5,759	75,566	69,807	92%	102,851
Net cash from (used) investing	(44,880)	(88,001)	-	(10,249)	(21,749)	(35,603)	(13,854)	39%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	-	(897)	(2,955)	(4,448)	(1,493)	34%	(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>6,036</b>	<b>59,787</b>	<b>53,751</b>	<b>90%</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	11,930	4,135	2,649	2,514	5,526	2,138	11,339	49,083	89,315
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 October is R165, 132 million and the year to date budget of R174, 785 million and this reflects a negative variance of R9, 653 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: 69% favorable variance,
- Interest earned – outstanding debtors: 139% favorable variance,
- Rental on Facilities and Equipment: 32% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Transfer and Subsidies: 12% favorable variance
- Services Charges – electricity revenue: 2% favorable variance
- Services Charges – refuse revenue: 49% favorable variance
- Licenses and permits: 48% favorable variance
- Property rates: 2% favorable variance
- Other revenue: 2% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of October amounts to R130, 148 million and the year to date budget is R166, 483 million. This reflects underspending variance of R36, 336 million that translates to 22% 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: 54% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 99% under performance variance
- Transfers and subsidies: 36% under performance variance
- Other expenditure: 31% over performance
- Contracted services: 25% 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 October 2019 amounts to R26, 830 million and the year to date budget amounts to R35, 603 million and this gives rise to R8, 772 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of October is R61, 150 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 October amounts to R89, 315 million and this shows an increase of R9, 206 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 R61, 279 million and other debtors amounting to R28, 035 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 October 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>4,136</b>	<b>86,778</b>	<b>78,282</b>	<b>8,496</b>	<b>11%</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	-	4,136	62,154	57,862	4,291	7%	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>385</b>	<b>10,441</b>	<b>35,377</b>	<b>(24,936)</b>	<b>-70%</b>	<b>94,968</b>
Community and social services	7,973	9,026	-	8	3,330	3,314	17	1%	9,026
Sport and recreation	10,677	12,092	-	-	5,366	4,446	920	21%	12,092
Public safety	70,200	73,850	-	377	1,744	27,617	(25,873)	-94%	73,850
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>141,810</b>	<b>117,004</b>	<b>-</b>	<b>3,436</b>	<b>39,728</b>	<b>46,873</b>	<b>(7,145)</b>	<b>-15%</b>	<b>117,004</b>
Planning and development	17,107	21,564	-	186	7,856	7,824	32	0%	21,564
Road transport	123,685	94,287	-	3,250	31,448	38,625	(7,177)	-19%	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>14,707</b>	<b>54,351</b>	<b>50,154</b>	<b>4,197</b>	<b>8%</b>	<b>148,197</b>
Energy sources	102,039	119,623	-	14,005	43,309	40,941	2,368	6%	119,623
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	18,765	28,574	-	702	11,042	9,213	1,829	20%	28,574
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>549,746</b>	<b>574,806</b>	<b>-</b>	<b>22,664</b>	<b>191,298</b>	<b>210,685</b>	<b>(19,388)</b>	<b>-9%</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>22,105</b>	<b>71,864</b>	<b>67,952</b>	<b>3,912</b>	<b>6%</b>	<b>191,835</b>
Executive and council	39,998	41,658	-	3,939	17,349	14,393	2,956	21%	41,658
Finance and administration	135,446	141,488	-	17,227	52,042	49,922	2,120	4%	141,488
Internal audit	9,111	8,689	-	938	2,473	3,638	(1,164)	-32%	8,689
<b>Community and public safety</b>	<b>68,557</b>	<b>76,535</b>	<b>-</b>	<b>2,016</b>	<b>8,366</b>	<b>25,576</b>	<b>(17,211)</b>	<b>-67%</b>	<b>76,535</b>
Community and social services	5,563	7,457	-	405	1,592	2,427	(836)	-34%	7,457
Sport and recreation	9,713	11,037	-	421	1,803	3,571	(1,768)	-50%	11,037
Public safety	53,281	58,041	-	1,190	4,971	19,578	(14,607)	-75%	58,041
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>79,856</b>	<b>87,675</b>	<b>-</b>	<b>3,482</b>	<b>14,727</b>	<b>29,755</b>	<b>(15,028)</b>	<b>-51%</b>	<b>87,675</b>
Planning and development	15,813	17,147	-	1,066	4,630	5,614	(984)	-18%	17,147
Road transport	63,315	69,685	-	2,369	9,913	23,886	(13,973)	-58%	69,685
Environmental protection	728	843	-	48	184	255	(71)	-28%	843
<b>Trading services</b>	<b>116,200</b>	<b>126,546</b>	<b>-</b>	<b>9,715</b>	<b>35,190</b>	<b>43,200</b>	<b>(8,009)</b>	<b>-19%</b>	<b>126,546</b>
Energy sources	92,646	99,370	-	7,938	27,439	33,951	(6,512)	-19%	99,370
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,554	27,177	-	1,777	7,751	9,248	(1,498)	-16%	27,177
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>37,318</b>	<b>130,148</b>	<b>166,483</b>	<b>(36,336)</b>	<b>-22%</b>	<b>482,591</b>
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(14,654)</b>	<b>61,150</b>	<b>44,202</b>	<b>16,948</b>	<b>38%</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	–	4,123	25,178	22,938	2,240	10%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	13	14,848	14,797	51	0%	40,227
Vote 5 - Community Services	120,478	132,693	–	1,608	23,798	47,222	(23,424)	-50%	132,693
Vote 6 - Technical Services	233,051	227,629	–	16,734	82,854	85,346	(2,491)	-3%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	186	5,428	5,397	32	1%	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>22,664</b>	<b>191,298</b>	<b>210,685</b>	<b>(19,388)</b>	<b>-9%</b>	<b>580,134</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,307	36,873	–	3,660	16,366	12,891	3,475	27%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	3,862	15,423	12,859	2,564	20%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	8,050	23,914	19,805	4,109	21%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	2,599	7,085	12,181	(5,096)	-42%	36,814
Vote 5 - Community Services	100,333	112,427	–	4,372	18,478	37,581	(19,103)	-51%	112,427
Vote 6 - Technical Services	167,702	181,124	–	12,861	40,738	62,415	(21,677)	-35%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	546	2,601	4,256	(1,655)	-39%	13,185
Vote 8 - Executive Support	14,187	15,088	–	1,368	5,544	4,496	1,047	23%	15,088
<b>Total Expenditure by Vote</b>	<b>446,483</b>	<b>483,492</b>	<b>–</b>	<b>37,318</b>	<b>130,148</b>	<b>166,483</b>	<b>(36,336)</b>	<b>-22%</b>	<b>483,492</b>
<b>Surplus/ (Deficit) for the year</b>	<b>103,263</b>	<b>96,642</b>	<b>–</b>	<b>(14,654)</b>	<b>61,150</b>	<b>44,202</b>	<b>16,948</b>	<b>38%</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		2,925	11,837	11,576	262	2%	34,727
Service charges - electricity revenue	81,798	92,957		6,661	27,923	27,830	93	0%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		702	2,795	1,881	914	49%	8,550
Rental of facilities and equipment	1,000	1,052		55	239	351	(112)	-32%	1,052
Interest earned - external investments	2,800	2,946		73	1,187	701	486	69%	2,946
Interest earned - outstanding debtors	6,692	7,040		930	3,608	1,510	2,098	139%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		377	1,744	27,620	(25,876)	-94%	73,860
Licences and permits	5,200	5,470		521	1,895	1,278	617	48%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		319	113,504	101,646	11,858	12%	
Other revenue	1,582	1,664		85	400	393	7	2%	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>12,650</b>	<b>165,132</b>	<b>174,785</b>	<b>(9,653)</b>	<b>-6%</b>	<b>500,885</b>
<b>Expenditure By Type</b>									
Employee related costs	130,473	147,530		12,045	45,480	47,024	(1,544)	-3%	147,530
Remuneration of councillors	24,291	25,554		2,238	8,179	8,518	(340)	-4%	25,554
Debt impairment	55,000	57,860		68	110	19,287	(19,177)	-99%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	18,840	(18,840)	-100%	56,520
Finance charges	2,900	2,505		731	731	835	(104)	-12%	2,505
Bulk purchases	70,000	80,941		7,369	25,496	27,560	(2,064)	-7%	80,941
Other materials	8,909	13,590		1,306	3,184	6,853	(3,669)	-54%	13,590
Contracted services	59,841	53,788		8,035	26,141	20,988	5,153	25%	53,788
Transfers and subsidies	3,580	3,740		209	796	1,250	(454)	-36%	3,740
Other expenditure	42,994	40,562		5,317	20,032	15,329	4,703	31%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>37,318</b>	<b>130,148</b>	<b>166,483</b>	<b>(36,336)</b>	<b>-22%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>(24,669)</b>	<b>34,984</b>	<b>8,302</b>	<b>26,682</b>	<b>321%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		10,015	26,165	35,900	(9,735)	-27%	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>(14,654)</b>	<b>61,150</b>	<b>44,202</b>			<b>92,214</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>(14,654)</b>	<b>61,150</b>	<b>44,202</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>(14,654)</b>	<b>61,150</b>	<b>44,202</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>(14,654)</b>	<b>61,150</b>	<b>44,202</b>		<b>-</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**

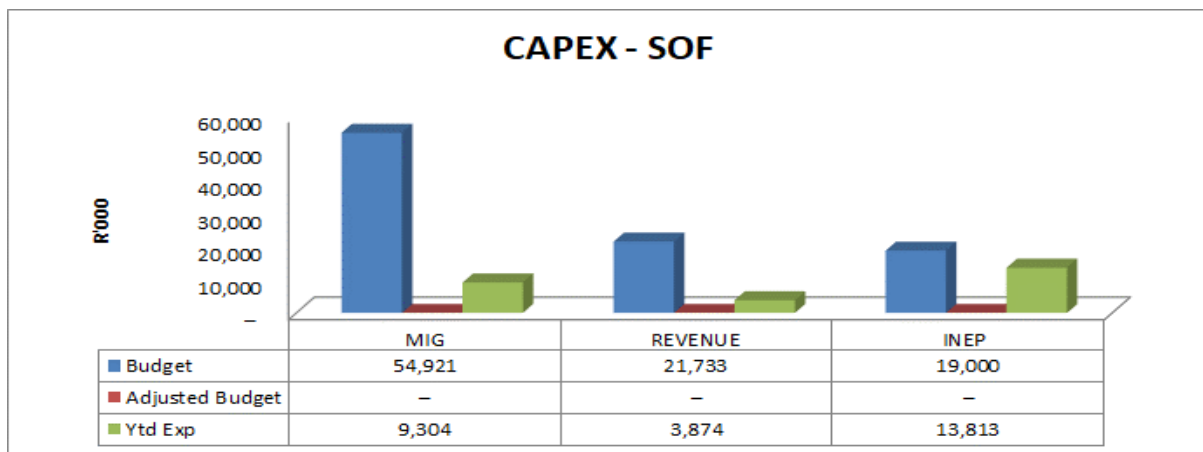
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	2,200	1,800	-	107	293	526	(233)	-44%	1,800
Executive and council							-		
Finance and administration	2,200	1,800		107	293	526	(233)	-44%	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	-	6,517	14,723	25,536	(10,813)	-42%	72,006
Planning and development							-		
Road transport	79,449	72,006		6,517	14,723	25,536	(10,813)	-42%	72,006
Environmental protection							-		
<b>Trading services</b>	15,087	21,348	-	6,211	11,814	9,040	2,774	31%	21,348
Energy sources	13,487	19,522		6,211	11,814	7,693	4,122	54%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826				1,348	(1,348)	-100%	1,826
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>12,834</b>	<b>26,830</b>	<b>35,603</b>	<b>(8,772)</b>	<b>-25%</b>	<b>95,654</b>
<b>Funded by:</b>									
National Government	62,910	73,921		9,147	22,957	26,370	(3,414)	-13%	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>9,147</b>	<b>22,957</b>	<b>26,370</b>	<b>(3,414)</b>	<b>-13%</b>	<b>73,921</b>
Borrowing							-		
Internally generated funds	15,417	21,733		3,687	3,874	9,233	(5,359)	-58%	21,733
<b>Total Capital Funding</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>12,834</b>	<b>26,830</b>	<b>35,603</b>	<b>(8,772)</b>	<b>-25%</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	-	11,034	17,373	20,146	(2,773)	-14%	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>11,034</b>	<b>17,373</b>	<b>20,146</b>	<b>(2,773)</b>	<b>-14%</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	-	107	293	1,026	(733)	-71%	1,800
Vote 5 - Community Services	522	1,826	-	-	-	1,348	(1,348)	-100%	1,826
Vote 6 - Technical Services	67,222	40,945	-	1,693	9,164	13,083	(3,918)	-30%	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>1,800</b>	<b>9,457</b>	<b>15,457</b>	<b>(5,999)</b>	<b>-39%</b>	<b>45,071</b>
<b>Total Capital Expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>12,834</b>	<b>26,830</b>	<b>35,603</b>	<b>(8,772)</b>	<b>-25%</b>	<b>95,654</b>

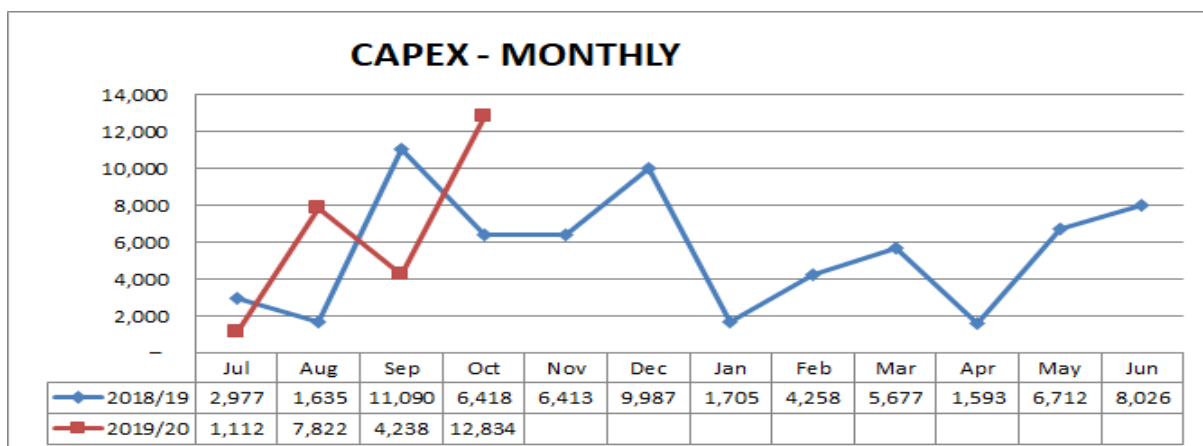
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of October 2019, R12, 834 million spending was incurred and that increased the year to date expenditure to R26, 830 million whilst the year to date budget is R35, 603 million and this gave rise to under spending variance of R8, 772 million that translates to 25%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of 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		5,995	4,882
Call investment deposits	67,292	24,155		41	24,155
Consumer debtors	45,009	41,950		45,275	41,950
Other debtors	89,584	40,727		60,922	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		8,013	3,300
<b>Total current assets</b>	<b>211,349</b>	<b>115,014</b>	<b>–</b>	<b>120,246</b>	<b>115,014</b>
<b>Non current assets</b>					
Long-term receivables	–	–			–
Investments	–	–			–
Investment property	54,139	53,739		58,240	53,739
Investments in Associate	–	–			–
Property, plant and equipment	997,723	1,055,765		1,032,100	1,055,765
Biological					
Intangible	85	85		39	85
Other non-current assets	1,237	13,476		37	13,476
<b>Total non current assets</b>	<b>1,053,184</b>	<b>1,123,066</b>	<b>–</b>	<b>1,090,416</b>	<b>1,123,066</b>
<b>TOTAL ASSETS</b>	<b>1,264,533</b>	<b>1,238,080</b>	<b>–</b>	<b>1,210,663</b>	<b>1,238,080</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	5,002	9,686		11,764	9,686
Consumer deposits	5,373	4,860		5,500	4,860
Trade and other payables	126,449	60,924		87,700	60,924
Provisions	3,715	5,658		11,358	5,658
<b>Total current liabilities</b>	<b>140,539</b>	<b>81,128</b>	<b>–</b>	<b>116,323</b>	<b>81,128</b>
<b>Non current liabilities</b>					
Borrowing	23,097	13,554		13,469	13,554
Provisions	98,000	90,142		85,088	90,142
<b>Total non current liabilities</b>	<b>121,097</b>	<b>103,696</b>	<b>–</b>	<b>98,557</b>	<b>103,696</b>
<b>TOTAL LIABILITIES</b>	<b>261,637</b>	<b>184,824</b>	<b>–</b>	<b>214,880</b>	<b>184,824</b>
<b>NET ASSETS</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>995,783</b>	<b>1,053,256</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,002,897</b>	<b>1,053,256</b>		<b>995,783</b>	<b>1,053,256</b>
<b>Reserves</b>	<b>–</b>	<b>–</b>		<b>–</b>	<b>–</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>995,783</b>	<b>1,053,256</b>

The above table shows that community wealth amounts to R995, 783 billion, total liabilities R214, 880 million and the total assets R1, 210 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 0.96:1 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		2,012	8,613	11,576	(2,963)	-26%	21,878
Service charges	69,861	91,398		7,435	27,451	29,711	(2,259)	-8%	91,398
Other revenue	30,398	17,441		1,917	8,364	23,865	(15,501)	-65%	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	35,900	(4,933)	-14%	73,921
Interest	3,493	3,861		143	1,666	2,211	(545)	-25%	3,861
Dividends	-	-					-		-
<b>Payments</b>									
Suppliers and employees	(280,260)	(372,021)		(46,056)	(184,187)	(127,107)	57,080	-45%	(372,021)
Finance charges	(1,397)	(2,505)		(731)	(986)	(986)	(1)	0%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(209)	(796)	(1,250)	(454)	36%	(3,740)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>118,137</b>	<b>102,851</b>	<b>-</b>	<b>(35,489)</b>	<b>5,759</b>	<b>75,566</b>	<b>69,807</b>	<b>92%</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	-	-		2,585	7,236	-	7,236	0%	-
Decrease (increase) other non-current receivables	150	-		-	-	-	-		-
Decrease (increase) in non-current investments	-	-		-	-	-	-		-
<b>Payments</b>									
Capital assets	(48,052)	(88,001)		(12,834)	(28,985)	(35,603)	(6,618)	19%	(88,001)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(44,880)</b>	<b>(88,001)</b>	<b>-</b>	<b>(10,249)</b>	<b>(21,749)</b>	<b>(35,603)</b>	<b>(13,854)</b>	<b>39%</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)		(115)	115	(916)	1,030	-113%	(400)
<b>Payments</b>									
Repayment of borrowing	(9,147)	(9,686)		(781)	(3,070)	(3,533)	(463)	13%	(9,686)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,023)</b>	<b>(10,086)</b>	<b>-</b>	<b>(897)</b>	<b>(2,955)</b>	<b>(4,448)</b>	<b>(1,493)</b>	<b>34%</b>	<b>(10,086)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>64,234</b>	<b>4,764</b>	<b>-</b>	<b>(46,635)</b>	<b>(18,946)</b>	<b>35,514</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	-		6,036	59,787			29,746

Table C7 presents details pertaining to cash flow performance. As at end of October 2019, the net cash inflow from operating activities is R5, 759 million whilst net cash outflow from investing activities is R21, 749 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 955 million. The cash and cash equivalent held at end of October 2019 amounted to R6, 036 million and the net effect of the above cash flows is cash inflow movement of R18, 946 million. The cash and cash equivalent at end of the reporting period of R6, 036 million is made up of cash in the primary bank account amounting to R5, 995 million and short-term investments amounting to R41 thousands.



## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	2%	The projected monthly revenue appear to be low in light of the actual revenue performance	There might be upwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	49%	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	-32%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	69%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Interest earned - outstanding debtors	139%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Fines, penalties and forfeits	-94%	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	48%	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	12%	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	2%	The actual revenue generated is slightly more than the projected monthly revenue	No remedial action
<b>Expenditure By Type</b>			
Employee related costs	-3%	The actual expenditure incurred on employee related costs is less than the projected monthly expenditure	No remedial action
Remuneration of councillors	-4%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	The budget will be adjusted downwards in the main adjustment budget
Depreciation & asset impairment	-100%	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	-12%	Finance charges is mainly for finance lease and the leased invoices where received after System closure	The Invoices will be reflected on the following Month
Bulk purchases	-7%	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	-54%	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	25%	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	-36%	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	31%	The actual expenditure incurred is more than the projected monthly expenditure	The budget will be monitored for adjustment should the trend continue



Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
National Government	-13%	The spending on grants funded capital projects is less than projected expenditure thereof	No remedial action is needed
Internally generated funds	-58%	The spending on internally generated funded capital projects is less than the projected expenditure thereof	No remedial action is needed
<b>Cash Flow</b>			
Service charges	-8%	The collection rate on service charges is below the projected rate	To review the projected collection rate during adjustment
Other revenue	-65%	The collection rate on tender documents (grants funded) for 2019/20 are not selling as projected	This need to be looked into
Government - operating	13%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Interest	-25%	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	-45%	The actual costs incurred is above the projected costs	No remedial action is needed
Capital assets	19%	The projected capital expenditure on capex is more than the actual spending thereof	No remedial action is needed
Transfers and Grants	36%	The payments relating to this account are underprojected	No remedial action is needed
Increase (decrease) in consumer deposits	-113%	Consumer deposits were significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	13%	Projected repayments were more than the actual Payment	No remedial action is needed

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

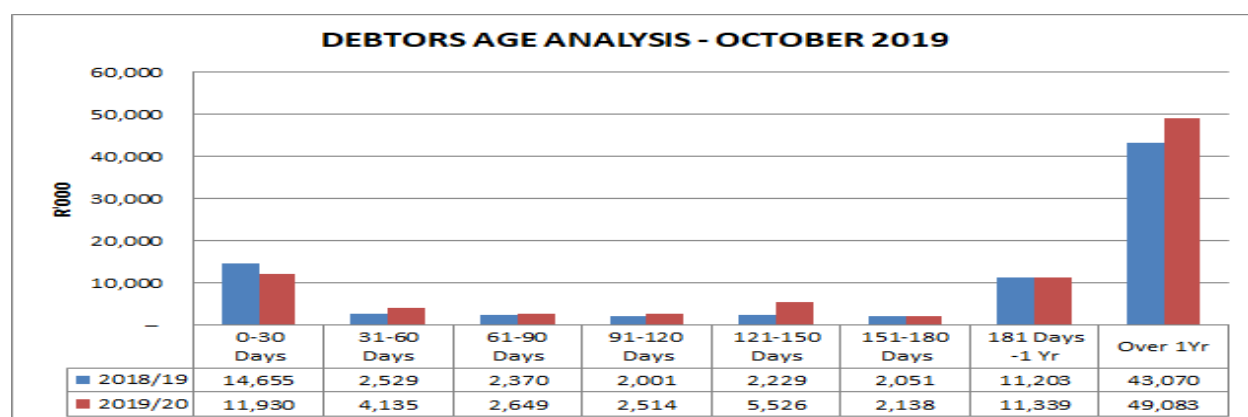
Description	Budget Year 2019/20											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off	Impairment Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6,545	1,256	267	107	53	69	311	2,803	11,411	3,342		
Receivables from Non-exchange Transactions - Property Rates	2,984	1,454	1,121	1,071	4,193	833	4,585	21,954	38,194	32,635		
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	702	457	384	394	347	403	1,995	6,991	11,674	10,131		
Receivables from Exchange Transactions - Property Rental Debtors	45	8	9	64	59	4	72	808	1,070	1,007		
Interest on Arrear Debtor Accounts	952	922	885	856	792	808	4,176	16,532	25,922	23,163		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-		
Other	701	38	(17)	22	83	21	200	(5)	1,043	322		
<b>Total By Income Source</b>	<b>11,930</b>	<b>4,135</b>	<b>2,649</b>	<b>2,514</b>	<b>5,526</b>	<b>2,138</b>	<b>11,339</b>	<b>49,083</b>	<b>89,315</b>	<b>70,600</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	1,577	723	749	592	1,172	450	2,394	10,771	18,428	15,379		
Commercial	5,974	1,095	315	332	476	345	1,063	7,370	16,970	9,586		
Households	3,604	1,636	1,078	1,024	1,453	936	5,531	19,631	34,893	28,575		
Other	775	681	508	566	2,426	407	2,350	11,312	19,024	17,060		
<b>Total By Customer Group</b>	<b>11,930</b>	<b>4,135</b>	<b>2,649</b>	<b>2,514</b>	<b>5,526</b>	<b>2,138</b>	<b>11,339</b>	<b>49,083</b>	<b>89,315</b>	<b>70,600</b>	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of October amount to R89, 315 million. The debtors' book is made up as follows:

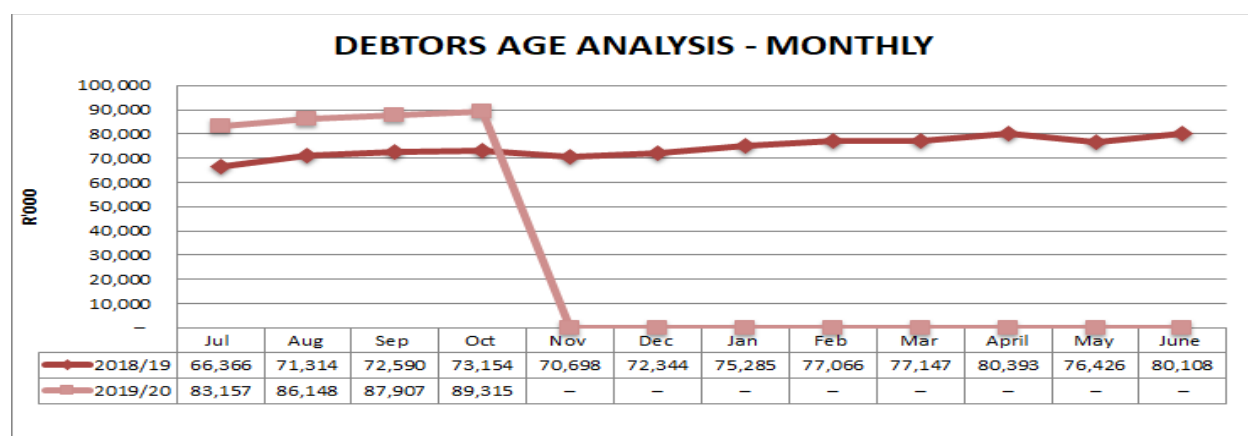
- Rates 43%
- Electricity 13%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 29%
- Other 1%

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 October 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
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,422,615.59
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	925,046.34
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	517,039.50
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	317,028.00
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	257,257.17
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	255,061.02
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	237,492.96
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	232,682.15
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	226,234.91
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	223,508.37
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	214,263.57
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	206,834.03
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	191,416.45
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	186,230.11
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	179,570.10
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	173,817.79
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	172,437.09
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	168,166.69
918203	MOKHABELA QE(A/S1187	ACTIVE	OWNER	167,805.16
9001101	BLUE MAGNOLIA TRADING 507 CC	ACTIVE	OWNER	166,558.27
<b>TOTAL</b>				<b>6,441,065.27</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
80660	PERPETA INVESTMENT HOLDINGS	506,000.00
41095	REAKGONA TRAVEL SERVICES	292,198.00
80953	RAMOTALANE (PTY) LTD	173,600.00
80904	RANMO HOLDINGS	171,999.94
80366	ASHCOR TRAVELS ( PTY) LTD	156,157.24
80653	BABIRWA TRAVEL	155,304.70
31335	247 TRAVEL AND TOURISM	129,000.00
504	SEKHOPA PROJECTS	63,995.00
80957	SEDIKANE INVESTMENTS	28,600.00
80955	LEHLAGARE PROJECTS	28,100.00
80110	KOBOTSE (PTY)LTD	27,950.00
80870	CHARTZ HOLDINGS	27,697.75
41023	SHAMMAH INDUSTRIAL	27,500.00
80884	TLOU TT	27,200.00
80495	BLUE DIC E PTY LTD	26,000.00
80908	AB AND SONS GENERAL TRADING	22,425.00
80959	MINATLOU TRADING	22,200.00
80956	MAKITLA SOLUTION	19,500.00
80911	SESONKE SUPPLIERS (PTY) LTD	18,600.00
80958	POKOLOKO (PTY) LTD	11,322.00
<b>TOTAL</b>		<b>1,935,349.63</b>

The above table presents the top creditors paid during the month of October 2019 and an amount of R1, 935 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 <sup>3</sup>	Expiry date of investme	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Municipality									
Nedbank 03/7881068264/0037	1 Month	Current Investment	5.20%	31-Oct-19	-	41,099	(22,191,115)	22,191,115	41,099
Nedbank 03/7881068264/0055	1 Month	Current Investment	7.74%	8-Oct-19	22,158,798	32,317	(22,191,115)	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>22,158,798</b>		<b>(44,382,229)</b>	<b>22,191,115</b>	<b>41,099</b>

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R22, 158 million and this has yielded interests amounting to R73 thousand, withdrew R22, 191 million and reinvested and closing balance of R41 thousands.

## 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>35,900</b>	<b>(4,933)</b>	<b>-14%</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	10,900	(1,900)	-17%	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>35,900</b>	<b>(4,933)</b>	<b>-14%</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>137,546</b>	<b>8,193</b>	<b>6%</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.

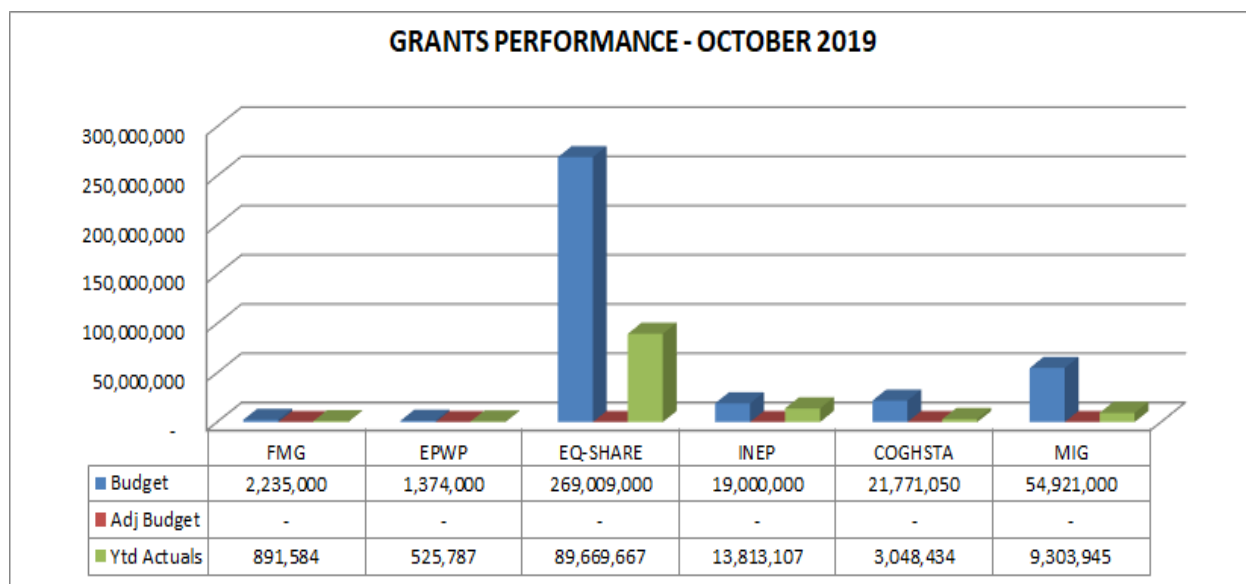


## Supporting Table: SC 7 Transfers and grants – Expenditure

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>22,737</b>	<b>91,087</b>	<b>101,646</b>	<b>(10,559)</b>	<b>-10%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		22,417	89,670	98,961	(9,291)	-9%	269,009
Finance Management	1,770	2,235		174	892	2,235	(1,343)	-60%	2,235
EPWP Incentive	1,002	1,374		145	526	450	76	17%	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>22,737</b>	<b>91,087</b>	<b>101,646</b>	<b>(10,559)</b>	<b>-10%</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>9,083</b>	<b>23,117</b>	<b>35,900</b>	<b>(12,783)</b>	<b>-36%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		1,739	9,304	25,000	(15,696)	-63%	54,921
Intergrated National Electrification Grant	10,009	19,000		7,344	13,813	10,900	2,913	27%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>21,771</b>	<b>-</b>	<b>932</b>	<b>3,048</b>	<b>4,256</b>	<b>(1,208)</b>	<b>-28%</b>	<b>21,771</b>
Coghsta - Development	21,771	21,771		932	3,048	4,256	(1,208)	-28%	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>10,015</b>	<b>26,165</b>	<b>40,156</b>	<b>(13,991)</b>	<b>-35%</b>	<b>95,692</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>339,328</b>	<b>368,310</b>	<b>-</b>	<b>32,751</b>	<b>117,253</b>	<b>141,802</b>	<b>(24,550)</b>	<b>-17%</b>	<b>368,310</b>

An amount of R32, 751 million has been spent on grants during the month of October 2019 and the year to date actuals is 117, 253 million whilst the year to date budget amounts to R141, 802 million and this results in underspending variance of R24, 550 million that translates to negative 17%. Of the total spending amounting to R32, 751 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 October 2019. The grants expenditure are shown below in percentages:

- Financial Management Grant 39.89%
- Expanded Public Work Programme 38.27%
- Equitable Share 33.33%
- Integrated National Electrification Grant 72.70%
- COGHSTA – Masakaneng Development 14.00%
- Municipal Infrastructure Grant 16.94%

## 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 amounted to R1, 500 million which relate to MIG and will be implemented during the adjustment budget.

## 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		1,420	4,922	5,067	(145)	-3%	15,201
Pension and UIF Contributions	1,657	1,744		133	545	581	(37)	-6%	1,744
Medical Aid Contributions	351	369		27	110	123	(13)	-11%	369
Motor Vehicle Allowance	5,334	5,611		414	1,635	1,870	(235)	-13%	5,611
Cellphone Allowance	2,499	2,629		226	895	876	19	2%	2,629
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-		18	72		72	0%	-
<b>Sub Total - Councillors</b>	<b>24,291</b>	<b>25,554</b>	<b>-</b>	<b>2,238</b>	<b>8,179</b>	<b>6,389</b>	<b>1,790</b>	<b>28%</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	1,435	1,717	(282)	-16%	5,150
Pension and UIF Contributions	245	172		13	54	57	(3)	-6%	172
Medical Aid Contributions	102	64		7	26	21	5	23%	64
Overtime	-	-					-		-
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	760	918		55	219	306	(87)	-28%	918
Cellphone Allowance	141	188		14	57	63	(6)	-10%	188
Housing Allowances	-	-					-		-
Other benefits and allowances	528	331		18	71	11	59	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>1,861</b>	<b>2,175</b>	<b>(315)</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		8,316	30,326	30,446	(120)	0%	91,339
Pension and UIF Contributions	16,141	18,714		1,496	5,952	6,238	(286)	-5%	18,714
Medical Aid Contributions	4,726	4,761		449	1,783	1,587	196	12%	4,761
Overtime	2,108	1,948		99	432	649	(218)	-34%	1,948
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	10,043	11,571		926	3,702	3,857	(155)	-4%	11,571
Cellphone Allowance	1,147	1,171		150	597	390	206	53%	1,171
Housing Allowances	160	437		15	58	631	(573)	-91%	437
Other benefits and allowances	8,638	8,329		110	442	264	177	67%	8,329
Payments in lieu of leave	1,173	1,951		20	231	650	(419)	-64%	1,951
Long service awards	578	486		-	97	135	(38)	-28%	486
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Other Municipal Staff</b>	<b>124,165</b>	<b>140,707</b>	<b>-</b>	<b>11,580</b>	<b>43,620</b>	<b>44,849</b>	<b>(1,229)</b>	<b>-3%</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>14,283</b>	<b>53,659</b>	<b>55,542</b>	<b>(1,883)</b>	<b>-3%</b>	<b>173,085</b>
<b>% increase</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>14,283</b>	<b>53,659</b>	<b>55,542</b>	<b>(1,883)</b>	<b>-3%</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>12,045</b>	<b>45,480</b>	<b>47,024</b>	<b>(1,544)</b>	<b>-3%</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 October 2019 amounts to R53, 659 million and the year to date budget is R55, 542 million and the expenditure for remuneration of councilors amounts to R8, 179 million while the year to date budget is R6, 389 million. The year to date actual expenditure for senior managers is R1, 861 million and the year to date budget thereof is R2, 175 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 R43, 620 million and the year to date budget is R44, 849 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	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2
<b>Cash Receipts By Source</b>															
Property rates	2,340	2,014	2,246	2,012	1,823	1,823	1,823	1,823	1,823	1,823	1,823	503	21,878	27,452	28,934
Service charges - electricity revenue	5,598	6,336	6,911	7,093	6,741	6,741	6,741	6,741	6,741	6,741	6,741	14,258	87,380	86,220	90,876
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse	428	406	338	342	335	335	335	335	335	335	335	161	4,018	4,596	4,844
Rental of facilities and equipment	17	188	59	24	59	59	59	59	59	59	59	5	705	721	760
Interest earned - external investments	425	456	233	41	245	245	245	245	245	245	245	73	2,946	3,105	3,272
Interest earned - outstanding debtors	150	133	127	102	76	76	76	76	76	76	76	(130)	915	1,484	1,564
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	800	800	800	800	800	800	800	4,001	9,602	10,120	10,667
Licences and permits	475	481	456	521	456	456	456	456	456	456	456	347	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	(3,992)	272,618	291,737	314,255
Other revenue	1,285	1,215	2,271	1,371	139	139	139	139	139	139	139	(5,449)	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>11,507</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>9,776</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	(167)	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)								(515)	(400)	(350)	(300)
Receipt of non-current debtors			4,651	2,585								(7,236)			
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>13,977</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>1,858</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	12,045	12,609	12,609	12,609	12,609	12,609	12,609	12,609	13,789	147,530	157,231	165,564
Remuneration of councillors	1,936	1,903	2,102	2,238	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,469	25,554	27,266	28,093
Interest paid	255	-	-	731	207	207	207	207	207	207	207	67	2,505	1,141	53
Bulk purchases - Electricity	85	8,918	9,123	7,369	6,382	6,382	6,382	6,382	6,382	6,382	6,382	10,769	80,941	93,406	107,884
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	289	598	990	1,306	773	773	773	773	773	773	773	524	9,120	9,612	9,831
Contracted services	7,339	3,265	7,503	8,035	4,990	4,990	4,990	4,990	4,990	4,990	4,990	(4,806)	56,268	58,464	61,929
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	3,740	3,740	3,942	4,155
Grants and subsidies paid - other	217	228	142	209	312	312	312	312	312	312	312	(2,977)			
General expenses	6,799	3,168	4,748	5,317	4,247	4,247	4,247	4,247	4,247	4,247	4,247	(7,206)	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>37,250</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>16,369</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	12,834	6,452	6,452	6,452	6,452	6,452	6,452	6,452	13,852	88,001	89,158	88,783
Repayment of borrowing	754	763	771	781	807	807	807	807	807	807	807	966	9,686	11,050	2,504
Other Cash Flows/Payments	38,713	6,411	-	9,746	838	838	838	838	838	838	838	(50,680)	10,055	13,000	15,000
<b>Total Cash Payments by Type</b>	<b>69,053</b>	<b>45,525</b>	<b>42,028</b>	<b>60,612</b>	<b>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>(19,493)</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>(46,635)</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>21,352</b>	<b>4,764</b>	<b>2,283</b>
Cash/cash equivalents at the month/year beginning:	24,177	109,296	77,348	52,671	6,036	6,258	6,480	6,702	6,924	7,145	7,367	7,589	24,177	28,941	31,224
Cash/cash equivalents at the month/year end:	109,296	77,348	52,671	6,036	6,258	6,480	6,702	6,924	7,145	7,367	7,589	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 R13, 977 million and the total cash payment for the month were R60, 612 million and this resulted in net decrease in cash held amounting to R46, 635 million. With cash and cash equivalent of R52, 671 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R6, 036 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		12,834	26,006	35,603	9,597	27%	27%
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>26,006</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 October amounts to R12, 834 million. The year to date actual expenditure incurred is R26, 006 million whilst the year to date budget is R35, 603 million that gives rise to under spending variance of R9, 597 million that translate to 27%.



## 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	-	6,527	16,263	18,849	2,585	14%	53,043
<b>Roads Infrastructure</b>	34,057	33,521	-	316	4,449	11,156	6,707	60%	33,521
Roads	34,057	33,521		316	4,449	11,156	6,707	60%	33,521
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	13,487	19,522	-	6,211	11,814	7,693	(4,122)	-54%	19,522
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,487	19,522		6,211	11,814	7,693	(4,122)	-54%	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		-	-	533	533	100%	900
Operational Buildings	4,947	900	-	-	-	533	533	100%	900
Municipal Offices	4,947	900	-	-	-	533	533	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	-	107	293	1,431	1,138	80%	2,326
Machinery and Equipment	300	2,326		107	293	1,431	1,138	80%	2,326
<b>Transport Assets</b>									
Transport Assets	-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on new assets</b>	54,192	57,169	-	6,634	16,557	21,339	4,783	22%	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/Sub-class</b>									
<b>Infrastructure</b>	40,944	21,663	-	4,662	5,032	8,587	3,555	41%	21,663
<b>Roads Infrastructure</b>	40,944	21,663	-	4,662	5,032	8,587	3,555	41%	21,663
Roads	40,944	21,663		4,662	5,032	8,587	3,555	41%	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>4,662</b>	<b>5,032</b>	<b>8,587</b>	<b>3,555</b>	<b>41.4%</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/Sub-class</b>									
<b>Infrastructure</b>	6,704	6,756	-	177	1,197	2,848	1,651	58%	6,756
<b>Roads Infrastructure</b>	2,000	2,000	-	-	107	1,000	893	89%	2,000
Roads	2,000	2,000		-	107	1,000	893	89%	2,000
Road Structures							-		
Road Furniture							-		
<b>Electrical Infrastructure</b>	1,000	1,052	-	177	459	614	155	25%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		177	459	614	155	25%	1,052
<b>Solid Waste Infrastructure</b>	3,704	3,704	-	-	632	1,235	603	49%	3,704
Landfill Sites	3,704	3,704		-	632	1,235	603	49%	3,704
Waste Transfer Stations							-		
<b>Other assets</b>	1,000	1,052	-	34	320	614	294	48%	1,052
Operational Buildings	1,000	1,052	-	34	320	614	294	48%	1,052
Municipal Offices	1,000	1,052		34	320	614	294	48%	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	-	113	648	907	259	29%	1,757
Machinery and Equipment	1,670	1,757		113	648	907	259	29%	1,757
<b>Transport Assets</b>	1,000	1,052	-	608	615	614	(1)	0%	1,052
Transport Assets	1,000	1,052		608	615	614	(1)	0%	1,052
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,374</b>	<b>10,617</b>	<b>-</b>	<b>933</b>	<b>2,780</b>	<b>4,983</b>	<b>2,203</b>	<b>44%</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
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/Sub-class</b>									
<b>Infrastructure</b>	1,600	14,346	-	1,408	5,112	4,417	(695)	-16%	14,346
<b>Roads Infrastructure</b>	-	14,346	-	1,408	5,112	4,417	(695)	-16%	14,346
Roads		14,346		1,408	5,112	4,417	(695)	-16%	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	-	130	130	1,260	1,130	0	2,476
Operational Buildings	-	2,476	-	130	130	1,260	1,130	90%	2,476
Municipal Offices	-	2,476		130	130	1,260	1,130	90%	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	-	1,538	5,242	5,676	435	8%	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 R16, 557 million and the year to date budget is R21, 339 million that reflects under spending variance of R4, 783 million that translates to 22% variance.

The year to date actuals on renewal of existing assets amounts R5, 032 million, and with the year to date budget of R8, 587 million and this reflects under spending variance of R3, 555 that translates to 41.4% variance.

The year to date actual expenditure on repairs and maintenance is R2, 780 million and the year to date budget is R4, 983 million, reflecting under spending variance of R2, 203 million that translates to 44%.

The year to date actual expenditure on upgrading of existing assets is R5, 242 million and the year to date budget is R5, 676 million, reflecting over spending variance of R435 thousand that translates to 8%.

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	2,082	9%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	21,771	2,679	12%
Technical Services	Groblerdsdal Landfill site	Upgrade	Community assets	Waste Management	13,000	5,112	39%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	8,718	71%
Technical Services	Groblerdsdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	3,451	40%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	1,581	19%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	526	7%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	3,097	80%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	–	0%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	130	5%
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	Upgrading of Dipakapakeng 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	293	59%
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	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 October 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 14/11/2019 \_\_\_\_\_

