

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**SEPTEMBER 2020**

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## **PART 1: IN - YEAR REPORT**

### **PURPOSE**

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

### **EXECUTIVE SUMMARY**

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the September or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2020-21 financial year amounts are not yet audited.

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

DESCRIPTION	2020/21			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	531,567,983	-	169,518,702	32%
		-		
OPERATING EXPENDITURE	512,448,796	-	89,992,264	18%
		-		
TRANSFER - CAPITAL	74,561,000	-	11,889,927	16%
SURPLUS/(DEFICIT)	93,680,187	-	91,416,365	98%
CAPITAL EXPENDITURE	89,279,520	-	18,111,494	20%

**Table C1 – Budget Statement Summary**

Description	2019/20	Budget Year 2020/21							
	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	35,773	38,345	-	3,265	9,825	9,586	239	2%	38,345
Service charges	91,506	110,873	-	7,635	22,948	27,718	(4,770)	-17%	110,873
Investment revenue	1,368	3,042	-	83	83	1,085	(1,002)	-92%	3,042
Transfers and subsidies	272,622	293,916	-	12,854	130,625	44,851	85,774	191%	293,916
Other own revenue	21,560	85,393	-	(10,145)	6,038	15,976	(9,938)	-62%	85,393
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>13,694</b>	<b>169,519</b>	<b>99,216</b>	<b>70,303</b>	<b>71%</b>	<b>531,568</b>
Employee costs	142,262	169,749	-	11,686	35,590	40,314	(4,723)	-12%	169,749
Remuneration of Councilors	24,574	26,525	-	2,020	6,061	6,631	(571)	-9%	26,525
Depreciation & asset impairment	273	55,163	-	-	-	13,791	(13,791)	-100%	55,163
Finance charges	2,345	1,184	-	1,185	1,300	624	676	108%	1,184
Materials and bulk purchases	78,477	111,976	-	18,752	29,419	25,132	4,287	17%	111,976
Transfers and subsidies	2,632	3,468	-	358	794	792	2	0%	3,468
Other expenditure	118,175	144,385	-	5,907	16,828	47,918	(31,090)	-65%	144,385
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>39,909</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>(26,215)</b>	<b>79,526</b>	<b>(35,985)</b>	<b>115,512</b>	<b>-321%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561	-	6,278	11,890	30,968	(19,078)	-62%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>10,619</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
Capital transfers recognised	70,327	74,561	-	8,281	13,125	13,818	(693)	-5%	74,561
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,975	14,719	-	2,338	4,986	2,440	2,546	104%	14,719
<b>Total sources of capital funds</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>10,619</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
<b>Financial position</b>									
Total current assets	132,048	134,416	-	-	208,449	-	-	-	134,416
Total non current assets	1,149,795	1,286,031	-	-	1,117,381	-	-	-	1,286,031
Total current liabilities	109,500	93,706	-	-	121,944	-	-	-	93,706
Total non current liabilities	102,417	94,548	-	-	87,505	-	-	-	94,548
Community wealth/Equity	1,069,926	1,232,193	-	-	1,116,381	-	-	-	1,232,193
<b>Cash flows</b>									
Net cash from (used) operating	25,884	108,434	-	(19,579)	50,939	86,057	35,117	41%	108,434
Net cash from (used) investing	(85,303)	(87,593)	-	(10,619)	(18,111)	(18,256)	(145)	1%	(87,593)
Net cash from (used) financing	(9,474)	(11,480)	-	(888)	(2,642)	(2,488)	154	-6%	(11,480)
<b>Cash/cash equivalents at the month/year end</b>	<b>(43,911)</b>	<b>20,356</b>	<b>-</b>	<b>-</b>	<b>32,644</b>	<b>76,307</b>	<b>43,663</b>	<b>57%</b>	<b>11,819</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	12,791	4,866	1,580	3,086	2,787	2,661	14,444	75,091	117,306
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

**The above C1 Sum table summarizes the following activities: -**

**Revenue:**

The actual year to date operational revenue as at end of September is R169, 519 million and the year to date budget of R99, 216 million and this reflects a positive variance of R70, 303 million which is mostly attributable to equitable shares received amounting to R130, 068 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 92% unfavorable variance,
- Interest earned – outstanding debtors: 213% favorable variance,
- Rental on Facilities and Equipment: 55% unfavorable variance,
- Fines, penalties and forfeits: 99% unfavorable variance
- Services Charges – electricity revenue: 19% unfavorable variance
- Services Charges – refuse revenue: 1% unfavorable variance
- Licenses and permits: 24% unfavorable variance
- Property rates: 2% favorable variance
- Other revenue: 27% unfavorable
- Transfer and subsidies: 191% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of September amounts to R89, 992 million and the year to date budget is R135, 201 million. This reflects underspending variance of R45, 209 million that translates to 33% 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:

- Employee related costs: 12% under performance
- Bulk Purchase: 39% over performance
- Other Materials: 51% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 100% under performance
- Contracted services: 49% under performance
- Other expenditure: 64% under performance
- Finance charges: 108% over performance

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

## **Capital Expenditure**

The year to date actual capital expenditure as at end of September 2020 amounts to R18, 111 million and the year to date budget amounts to R16, 258 million and this gives rise to R1, 853 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of September is R91, 416 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 September amounts to R117, 306 million and this shows an increase of R9, 067 million as compared to R108, 238 million as at end of 2019/20 financial year.

Consumer debtors is made up of service charges and property rates that amount to R77, 910 million and other debtors amounting to R39, 395 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, the do not form part of consumer debtors.

## **Creditors**

All creditors are paid within 30 days of receipt of invoice in the month of September as required by MFMA and as a result.

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

Description	2019/20	Budget Year 2020/21							
	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>223,172</b>	<b>228,630</b>	<b>-</b>	<b>4,598</b>	<b>102,787</b>	<b>37,983</b>	<b>64,804</b>	<b>171%</b>	<b>228,630</b>
Executive and council	46,559	49,315	-	-	27,078	2,690	24,388	907%	49,315
Finance and administration	167,663	169,450	-	4,598	74,066	33,649	40,416	120%	169,450
Internal audit	8,950	9,864	-	-	1,644	1,644	(0)	0%	9,864
<b>Community and public safety</b>	<b>24,327</b>	<b>94,154</b>	<b>-</b>	<b>12,630</b>	<b>4,004</b>	<b>16,919</b>	<b>(12,916)</b>	<b>-76%</b>	<b>94,154</b>
Community and social services	9,037	10,636	-	3	1,680	2,274	(594)	-26%	10,636
Sport and recreation	12,104	13,344	-	-	2,219	2,238	(20)	-1%	13,344
Public safety	3,186	70,174	-	12,627	104	12,407	(12,302)	-99%	70,174
<b>Economic and environmental services</b>	<b>123,212</b>	<b>121,857</b>	<b>-</b>	<b>3,968</b>	<b>34,318</b>	<b>34,690</b>	<b>(372)</b>	<b>-1%</b>	<b>121,857</b>
Planning and development	21,248	23,604	-	199	4,169	4,074	95	2%	23,604
Road transport	100,811	96,853	-	3,769	29,098	30,616	(1,518)	-5%	96,853
Environmental protection	1,153	1,400	-	-	1,050	-	1,050		1,400
<b>Trading services</b>	<b>132,355</b>	<b>161,488</b>	<b>-</b>	<b>24,030</b>	<b>40,300</b>	<b>40,592</b>	<b>(292)</b>	<b>-1%</b>	<b>161,488</b>
Energy sources	104,223	130,709	-	10,638	25,430	34,701	(9,270)	-27%	130,709
Waste management	28,132	30,779	-	13,392	14,870	5,891	8,979	152%	30,779
<b>Total Revenue - Functional</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>45,226</b>	<b>181,409</b>	<b>130,184</b>	<b>51,225</b>	<b>39%</b>	<b>606,129</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>195,732</b>	<b>216,242</b>	<b>-</b>	<b>14,817</b>	<b>39,816</b>	<b>65,233</b>	<b>(25,418)</b>	<b>-39%</b>	<b>216,242</b>
Executive and council	49,343	49,314	-	3,044	10,002	12,905	(2,903)	-22%	49,314
Finance and administration	140,290	158,383	-	11,614	29,446	49,035	(19,588)	-40%	158,383
Internal audit	6,099	8,545	-	160	368	3,294	(2,926)	-89%	8,545
<b>Community and public safety</b>	<b>25,616</b>	<b>61,707</b>	<b>-</b>	<b>2,242</b>	<b>6,698</b>	<b>15,224</b>	<b>(8,526)</b>	<b>-56%</b>	<b>61,707</b>
Community and social services	5,068	8,269	-	460	1,429	1,990	(561)	-28%	8,269
Sport and recreation	5,514	10,698	-	585	1,653	2,553	(900)	-35%	10,698
Public safety	15,034	42,740	-	1,197	3,616	10,680	(7,064)	-66%	42,740
<b>Economic and environmental services</b>	<b>45,576</b>	<b>97,667</b>	<b>-</b>	<b>3,118</b>	<b>9,329</b>	<b>24,944</b>	<b>(15,615)</b>	<b>-63%</b>	<b>97,667</b>
Planning and development	14,737	16,561	-	937	2,665	4,244	(1,579)	-37%	16,561
Road transport	30,241	80,487	-	2,132	6,519	20,556	(14,037)	-68%	80,487
Environmental protection	598	619	-	48	145	144	1	1%	619
<b>Trading services</b>	<b>101,814</b>	<b>136,832</b>	<b>-</b>	<b>19,732</b>	<b>34,149</b>	<b>29,800</b>	<b>4,349</b>	<b>15%</b>	<b>136,832</b>
Energy sources	75,508	111,667	-	17,483	27,639	23,742	3,898	16%	111,667
Waste management	26,306	25,165	-	2,248	6,510	6,058	451	7%	25,165
<b>Total Expenditure - Functional</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>39,909</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>5,317</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</b>

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

Vote Description	2019/20	Budget Year 2020/21							
	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	41,231	43,443	-	-	26,099	1,711	24,388	1425%	43,443
Vote 2 - Municipal Manager	35,643	39,284	-	-	12,978	6,547	6,430	98%	39,284
Vote 3 - Budget & Treasury	72,458	66,279	-	4,598	18,428	17,134	1,294	8%	66,279
Vote 4 - Corporate Services	40,493	44,328	-	0	22,704	7,389	15,315	207%	44,328
Vote 5 - Community Services	57,897	135,511	-	1,236	21,106	24,837	(3,731)	-15%	135,511
Vote 6 - Technical Services	222,464	241,319	-	13,938	65,004	67,112	(2,109)	-3%	241,319
Vote 7 - Developmental Planning	14,650	16,332	-	199	2,957	2,862	95	3%	16,332
Vote 8 - Executive Support	18,229	19,633	-	-	12,133	2,592	9,541	368%	19,633
<b>Total Revenue by Vote</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>19,971</b>	<b>181,409</b>	<b>130,184</b>	<b>51,225</b>	<b>39%</b>	<b>606,129</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	41,936	41,788	-	2,579	8,825	11,068	(2,243)	-20%	41,788
Vote 2 - Municipal Manager	46,489	39,198	-	3,773	8,235	11,318	(3,083)	-27%	39,198
Vote 3 - Budget & Treasury	54,686	62,769	-	3,743	9,958	22,826	(12,868)	-56%	62,769
Vote 4 - Corporate Services	21,101	36,795	-	1,046	4,100	11,104	(7,004)	-63%	36,795
Vote 5 - Community Services	59,595	96,097	-	5,123	15,202	23,458	(8,255)	-35%	96,097
Vote 6 - Technical Services	115,674	207,387	-	21,564	36,955	48,851	(11,896)	-24%	207,387
Vote 7 - Developmental Planning	8,756	11,455	-	526	1,536	2,862	(1,326)	-46%	11,455
Vote 8 - Executive Support	20,146	16,960	-	1,554	5,180	3,715	1,465	39%	16,960
<b>Total Expenditure by Vote</b>	<b>368,383</b>	<b>512,449</b>	<b>-</b>	<b>39,909</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,682</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>	<b>96,433</b>	<b>-1922%</b>	<b>93,680</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	2019/20	Budget Year 2020/21							
	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	35,773	38,345		3,265	9,825	9,586	239	2%	38,345
Service charges - electricity revenue	83,075	101,945		6,910	20,744	25,486	(4,742)	-19%	101,945
Service charges - refuse revenue	8,431	8,928		726	2,204	2,232	(28)	-1%	8,928
Rental of facilities and equipment	702	1,220		45	136	305	(169)	-55%	1,220
Interest earned - external investments	1,368	3,042		83	83	1,085	(1,002)	-92%	3,042
Interest earned - outstanding debtors	12,170	6,656		1,948	4,401	1,408	2,993	213%	6,656
Fines, penalties and forfeits	3,236	70,242		(12,627)	113	12,424	(12,311)	-99%	70,242
Licences and permits	4,240	6,344		469	1,182	1,557	(374)	-24%	6,344
Transfers and subsidies	272,622	293,916		12,854	130,625	44,851	85,774	191%	293,916
Other revenue	1,211	931		21	206	282	(76)	-27%	931
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>13,694</b>	<b>169,519</b>	<b>99,216</b>	<b>70,303</b>	<b>71%</b>	<b>531,568</b>
<b>Expenditure By Type</b>									
Employee related costs	142,262	169,749		11,686	35,590	40,314	(4,723)	-12%	169,749
Remuneration of councillors	24,574	26,525		2,020	6,061	6,631	(571)	-9%	26,525
Debt impairment	-	42,658		-	-	10,664	(10,664)	-100%	42,658
Depreciation & asset impairment	273	55,163		-	-	13,791	(13,791)	-100%	55,163
Finance charges	2,345	1,184		1,185	1,300	624	676	108%	1,184
Bulk purchases	68,417	94,047		16,974	26,446	19,036	7,410	39%	94,047
Other materials	10,059	17,929		1,779	2,973	6,096	(3,122)	-51%	17,929
Contracted services	74,997	60,660		4,351	11,590	22,841	(11,251)	-49%	60,660
Transfers and subsidies	2,632	3,468		358	794	792	2	0%	3,468
Other expenditure	43,178	41,067		1,556	5,238	14,412	(9,174)	-64%	41,067
Losses	-	-		-	-	-	-		-
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>39,909</b>	<b>89,992</b>	<b>135,201</b>	<b>(45,209)</b>	<b>-33%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>(26,215)</b>	<b>79,526</b>	<b>(36,985)</b>	<b>115,512</b>	<b>-321%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561		6,278	11,890	30,968	(19,078)	-62%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-		-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</b>
<b>Share of surplus/ (deficit) of associate</b>									
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(19,938)</b>	<b>91,416</b>	<b>(5,017)</b>			<b>93,680</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**

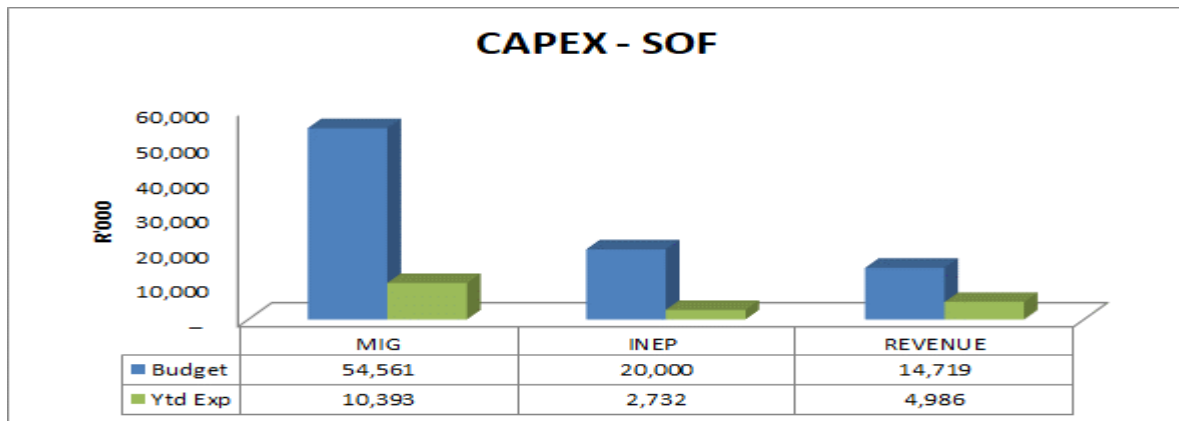
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	633	1,900	-	116	116	751	(635)	-85%	1,900
Executive and council							-		
Finance and administration	633	1,900		116	116	751	(635)	-85%	1,900
Internal audit							-		
<b>Community and public safety</b>	-	2,200	-	-	-	150	(150)	-100%	2,200
Community and social services		600		-	-	150	(150)	-100%	600
Sport and recreation		1,000		-	-	-	-		1,000
Public safety		600		-	-	-	-		600
Housing							-		
Health							-		
<b>Economic and environmental services</b>	66,134	64,830	-	7,916	15,264	11,946	3,317	28%	64,830
Planning and development							-		
Road transport	66,134	64,830		7,916	15,264	11,946	3,317	28%	64,830
Environmental protection							-		
<b>Trading services</b>	17,535	20,350	-	2,588	2,732	3,411	(679)	-20%	20,350
Energy sources	16,111	20,350		2,588	2,732	3,411	(679)	-20%	20,350
Waste management	1,424	-					-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>10,619</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>
<b>Funded by:</b>									
National Government	54,628	74,561		8,281	13,125	13,818	(693)	-5%	74,561
Provincial Government	15,699	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>70,327</b>	<b>74,561</b>	<b>-</b>	<b>8,281</b>	<b>13,125</b>	<b>13,818</b>	<b>(693)</b>	<b>-5%</b>	<b>74,561</b>
Borrowing							-		
Internally generated funds	13,975	14,719		2,338	4,986	2,440	2,546	104%	14,719
<b>Total Capital Funding</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>10,619</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>

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

Vote Description	2019/20	Budget Year 2020/21							
	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	-	1,050	-	116	116	400	(284)	-71%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	43,961	13,240	-	2,222	3,827	2,570	1,257	49%	13,240
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>43,961</b>	<b>14,290</b>	<b>-</b>	<b>2,338</b>	<b>3,943</b>	<b>2,970</b>	<b>973</b>	<b>33%</b>	<b>14,290</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	-	-	-	150	(150)	-100%	350
Vote 4 - Corporate Services	633	500	-	-	-	201	(201)	-100%	500
Vote 5 - Community Services	1,424	2,200	-	-	-	150	(150)	-100%	2,200
Vote 6 - Technical Services	38,284	71,939	-	8,281	14,169	12,787	1,382	11%	71,939
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>40,341</b>	<b>74,989</b>	<b>-</b>	<b>8,281</b>	<b>14,169</b>	<b>13,288</b>	<b>881</b>	<b>7%</b>	<b>74,989</b>
<b>Total Capital Expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>10,619</b>	<b>18,111</b>	<b>16,258</b>	<b>1,853</b>	<b>11%</b>	<b>89,280</b>

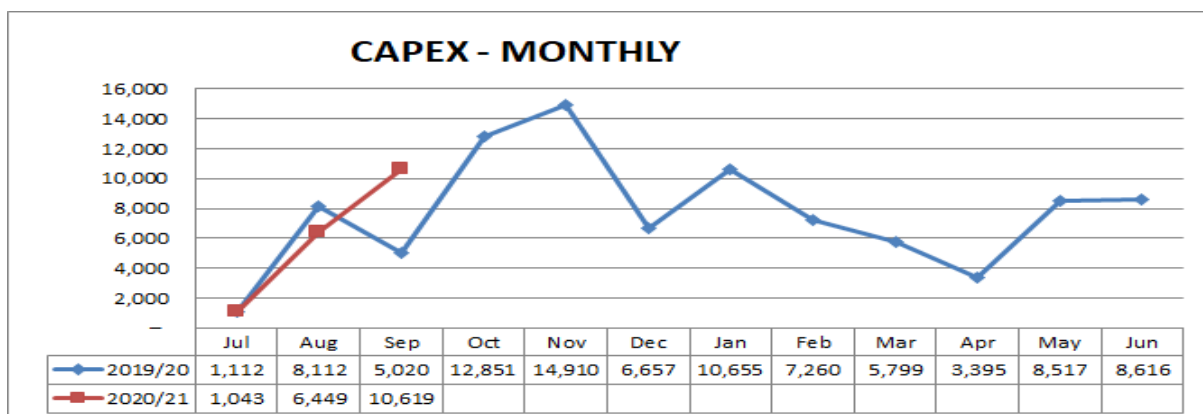
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of September 2020, R10, 619 million spending is incurred and that increased the year to date expenditure to R18, 111 million whilst the year to date budget is R16, 258 million and this gave rise to under spending variance of R1, 853 million that translates to 11%.

**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 R89, 280 million, R54, 561 million is funded from Municipal Infrastructure grant, R20, 000 million from Integrated National Electrification Programme and R14, 719 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 2019/20 and 2020/21 monthly capital expenditure performance.

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

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2,458	12,300		2,579	12,300
Call investment deposits	–	8,056		30,065	8,056
Consumer debtors	64,133	54,594		77,614	54,594
Other debtors	57,019	53,957		89,773	53,957
Current portion of long-term receivables	–			–	
Inventory	8,438	5,510		8,417	5,510
<b>Total current assets</b>	<b>132,048</b>	<b>134,416</b>	<b>–</b>	<b>208,449</b>	<b>134,416</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	774	–		–	–
Investment property	60,900	48,000		60,112	48,000
Investments in Associate					
Property, plant and equipment	1,085,676	1,223,249		1,055,310	1,223,249
Biological				–	
Intangible	1,207	30		31	30
Other non-current assets	1,237	14,752		1,928	14,752
<b>Total non current assets</b>	<b>1,149,795</b>	<b>1,286,031</b>	<b>–</b>	<b>1,117,381</b>	<b>1,286,031</b>
<b>TOTAL ASSETS</b>	<b>1,281,843</b>	<b>1,420,447</b>	<b>–</b>	<b>1,325,830</b>	<b>1,420,447</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	2,248	10,980		12,926	10,980
Consumer deposits	5,581	5,701		5,691	5,701
Trade and other payables	90,313	71,167		100,407	71,167
Provisions	11,358	5,857		2,920	5,857
<b>Total current liabilities</b>	<b>109,500</b>	<b>93,706</b>	<b>–</b>	<b>121,944</b>	<b>93,706</b>
<b>Non current liabilities</b>					
Borrowing	17,328	–			–
Provisions	85,088	94,548		87,505	94,548
<b>Total non current liabilities</b>	<b>102,417</b>	<b>94,548</b>	<b>–</b>	<b>87,505</b>	<b>94,548</b>
<b>TOTAL LIABILITIES</b>	<b>211,917</b>	<b>188,254</b>	<b>–</b>	<b>209,449</b>	<b>188,254</b>
<b>NET ASSETS</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,116,381</b>	<b>1,232,193</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,069,926</b>	<b>1,232,193</b>		<b>1,116,381</b>	<b>1,232,193</b>
<b>Reserves</b>					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,116,381</b>	<b>1,232,193</b>

The above table shows that community wealth amounts to R1, 116 billion, total liabilities R209, 449 million and the total assets R1, 325 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 1.7:1 that is below 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	2019/20	Budget Year 2020/21							
	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	24,332	26,841		2,294	6,277	6,769	(492)	-7%	26,841
Service charges	83,646	94,138		7,513	19,797	23,395	(3,598)	-15%	94,138
Other revenue	21,376	20,268		1,923	5,725	4,633	1,092	24%	20,268
Transfers and Subsidies - Operational	273,214	293,916		-	133,089	124,689	8,400	7%	293,916
Transfers and Subsidies - Capital	73,921	74,561		-	21,470	31,301	(9,831)	-31%	74,561
Interest	2,405	4,373		242	413	1,424	(1,011)	-71%	4,373
<b>Payments</b>									
Suppliers and employees	(447,788)	(401,012)		(30,008)	(133,737)	(104,739)	28,998	-28%	(401,012)
Finance charges	(2,592)	(1,184)		(1,185)	(1,300)	(624)	676	-108%	(1,184)
Transfers and Grants	(2,632)	(3,468)		(358)	(794)	(792)	2	0%	(3,468)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25,884</b>	<b>108,434</b>	<b>-</b>	<b>(19,579)</b>	<b>50,939</b>	<b>86,057</b>	<b>35,117</b>	<b>41%</b>	<b>108,434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
<b>Payments</b>									
Capital assets	(85,303)	(87,593)		(10,619)	(18,111)	(18,256)	(145)	1%	(87,593)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(85,303)</b>	<b>(87,593)</b>	<b>-</b>	<b>(10,619)</b>	<b>(18,111)</b>	<b>(18,256)</b>	<b>(145)</b>	<b>1%</b>	<b>(87,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	(500)				125	(125)	-100%	(500)
Increase (decrease) in consumer deposits	196	-					-		-
<b>Payments</b>									
Repayment of borrowing	(9,670)	(10,980)		(888)	(2,642)	(2,613)	29	-1%	(10,980)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,474)</b>	<b>(11,480)</b>	<b>-</b>	<b>(888)</b>	<b>(2,642)</b>	<b>(2,488)</b>	<b>154</b>	<b>-6%</b>	<b>(11,480)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(68,893)</b>	<b>9,361</b>	<b>-</b>	<b>(31,087)</b>	<b>30,186</b>	<b>65,312</b>			<b>9,361</b>
Cash/cash equivalents at beginning:	24,982	10,995			2,458	10,995			2,458
Cash/cash equivalents at month/year end:	(43,911)	20,356	-		32,644	76,307			11,819

Table C7 presents details pertaining to cash flow performance. As at end of September 2020, the net cash inflow from operating activities is R50, 939 million whilst net cash outflow from investing activities is R18, 111 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 642 million. The cash and cash equivalent held at end of September 2020 amounted to R32, 644 million and the net effect of the above cash flows is cash outflow movement of R30, 186 million. The cash and cash equivalent at end of the reporting period of R32, 644 million, is mainly made up of cash in the primary bank account amounting to R2, 579 million and short-term investment amounting to R30, 065.

## 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	No remedial action is needed since the variance is immaterial.
Service charges - electricity revenue	-19%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed since it the early months of the new year. And again it could be due to corona virus pandemic since the government has requested municipalities not switch off overdue accounts
Service charges - refuse revenue	-1%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-55%	The actual revenue generated is lower than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	-92%	The municipality has a short term investment with standard bank	The municipality should draft cash flow projections pain which will assist if there is a need to invest
Interest earned - outstanding debtors	213%	The projected interest seems to be underprojected considering the interest earned	This could be as the result of lockdown due to COVID 19 as most of the customers accounts were overdue and now customers are settling their accounts.
Fines, penalties and forfeits	-99%	The contract of the speed fine cameras has been appointed however there is still challenges on revenue collection. The reversal was made on the wrong capturing of the portion of equitable share captured under fines	No remedial action is needed
Licences and permits	-24%	The actual revenue generated is lower than the projected monthly revenue	No remedial action is needed
Transfers and subsidies	191%	The first tranche of equitable share was higher than the projection thereof	An upward projections could be needed during budget adjustments, however it is still early
Other revenue	-27%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed as the variance is immaterial
<b>Expenditure By Type</b>			
Employee related costs	-12%	The actual expenditure incurred on employee related costs are less than the projections thereof	The expenditure should improve as soon as the appoint of vacant positions are filled
Remuneration of councillors	-9%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed as the variance is immaterial
Debt impairment	-100%	Debt impairment is still calculated at year end	The municipality should do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	The municipality should do away with this approach as it not viable
Finance charges	108%	Finance charges is mainly for finance lease and the leased invoices are not captured before System closure	The expenditure unit should priorities the capturing of invoice prior to month end closure
Bulk purchases	39%	The municipal licenced electrification areas have increased and the projections are lower that the actual expenditure thereof.	No remedial action is needed for now. This should be monitoted so that an upward adjustment will be considered should this continues
Other materials	-51%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials as the results of lockdown since the fewer material is consumed.	No remedial action is needed
Contracted services	-49%	The actual expenditure incurred is less than the projected monthly expenditure	Major contracted payments should be captured immediatly when they are paid to minimize the difference between the actual and projected.
Transfers and subsidies	0%	The actual expenditure incurred is slightly more than the projected monthly expenditure	No remedial action is needed
Other expenditure	-64%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed for now. This should be monitoted so that an upward adjustment will be considered should this continues

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-5%	The projections on capital grants is more than the spending thereof	No remedial action is needed
Provincial Government	0%		
Internally generated funds	104%	The actual spending of internally generated funds are under projected	The should be upwards projects during the main budget adjustment
<b>Cash Flow</b>			
Property rates	-7%	The actual collection rate on property rates is less than the projected rate	No remedial action is needed
Service charges	-15%	The collection rate on service charges is below the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	24%	The collection rate on leased assets are more than the projections	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	7%	All grants have been received to this date and the projections are not in line with payment schedule.	The national treasury has uploaded payment schedule late and final budget was already submitted. No remedial action is needed
Interest	-71%	Interest on on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-28%	The actual costs incurred is way above the projected costs	This is the results of accruals paid during the current financial year
Finance charges	-108%	The finance charges have been under projected.	There should be a short tern investment so the capital could earn interest
Capital assets	1%	The projected capital expenditure on capex is slightly higher than the actual spending thereof.	All the expected first trench of the grants have been received in line with their payment schedule except the second trench of MIG
Transfers and Grants	0%	The payments relating to this account are slightly higher than the projections thereof	No remedial action is needed
Increase (decrease) in consumer deposits	0%	Consumer deposits were significantly more than the projection thereof	
Repayment of borrowing	-1%	Projected repayments is lower than the actual Payment	No remedial action is needed



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

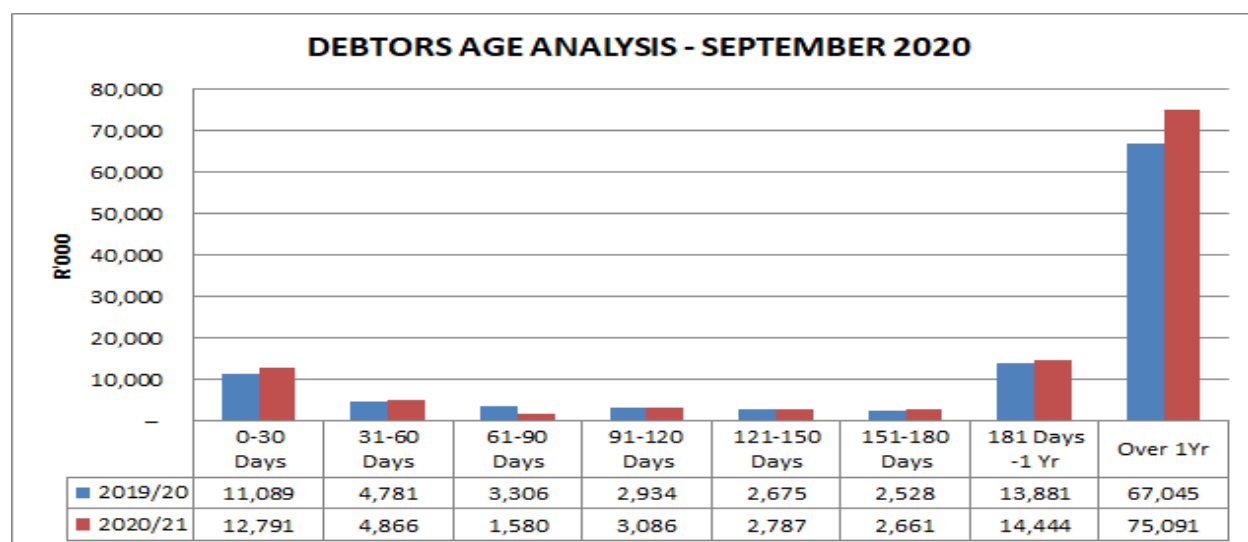
Description	Budget Year 2020/21										Bad Debts Written Off	Impairment - Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water										-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6,761	1,277	329	306	174	155	418	3,089	12,509	4,142			
Receivables from Non-exchange Transactions - Property Rates	3,279	1,711	1,258	1,188	1,065	1,027	5,867	33,272	48,668	42,420			
Receivables from Exchange Transactions - Waste Management	741	507	440	391	379	374	2,181	10,614	15,626	13,938			
Receivables from Exchange Transactions - Property Rental Debtors	45	6	8	6	6	9	50	979	1,107	1,048			
Interest on Arrear Debtor Accounts	1,270	1,237	1,182	1,149	1,116	1,078	5,833	24,377	37,243	33,554			
Other	695	128	(1,636)	46	47	18	94	2,760	2,153	2,966			
<b>Total By Income Source</b>	<b>12,791</b>	<b>4,866</b>	<b>1,580</b>	<b>3,086</b>	<b>2,787</b>	<b>2,661</b>	<b>14,444</b>	<b>75,091</b>	<b>117,306</b>	<b>98,069</b>	<b>-</b>	<b>-</b>	
<b>2019/20 - totals only</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>			
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	1,874	813	(813)	624	590	582	3,178	17,714	24,563	22,689			
Commercial	5,933	1,118	406	500	388	347	1,872	9,945	20,509	13,053			
Households	4,112	2,218	1,513	1,396	1,259	1,189	6,351	29,664	47,702	39,859			
Other	873	717	474	565	550	543	3,043	17,768	24,532	22,468			
<b>Total By Customer Group</b>	<b>12,791</b>	<b>4,866</b>	<b>1,580</b>	<b>3,086</b>	<b>2,787</b>	<b>2,661</b>	<b>14,444</b>	<b>75,091</b>	<b>117,306</b>	<b>98,069</b>	<b>-</b>	<b>-</b>	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of September amount to R117, 306 million. The debtors' book is made up as follows:

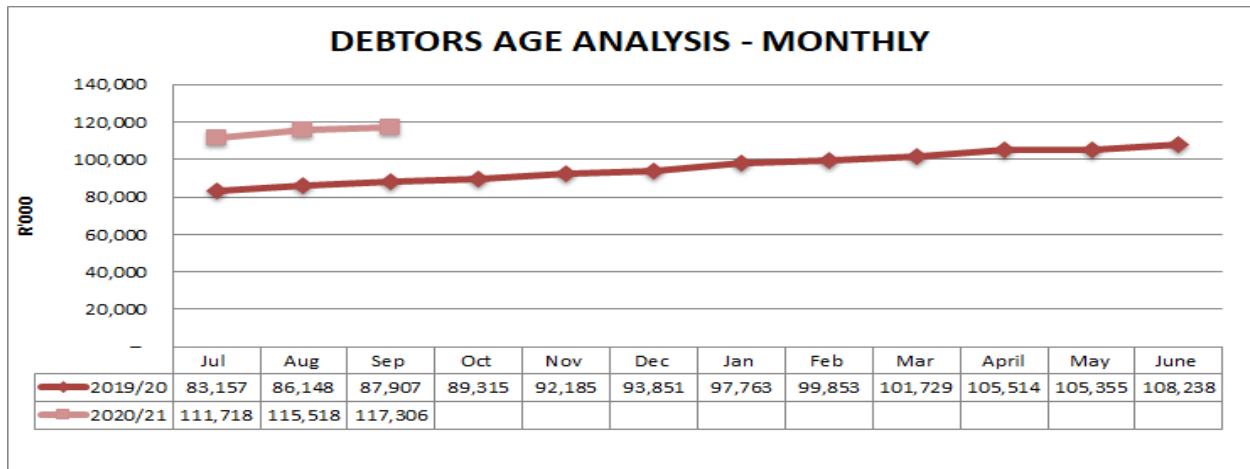
- Rates 41%
- Electricity 11%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 32%
- Other 2%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



The initial graph compares debtors' age analysis for 2019/20 financial year and 2020/21 (as at end of September 2020) whilst the latter shows monthly movement of debtors for both the current financial year and the 2019/20 financial year. The debtors book is materially less than the 2020/21 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

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

## TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,350,184.91
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,055,570.48
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	683,742.28
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	530,277.06
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	491,582.03
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	374,079.62
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	305,402.34
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	302,348.30
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	280,291.92
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	266,113.51
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	258,210.58
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	233,607.40
20494	BREAKAWAY TRUST	ACTIVE	OWNER	231,447.68
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	230,795.76
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	229,742.07
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	228,087.70
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	226,338.22
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	223,689.87
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	222,328.99
9001712	20	ACTIVE	OWNER	204,109.42
<b>TOTAL</b>				<b>7,927,950.14</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2020/21									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 to be paid through order system payments and that should 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

The Municipality had an amount of R855, 638.90 as outstanding creditors by the end of the month of SEPTEMBER 2020.

CODE	CREDITOR NAME	AMOUNT
81037	MOLELEKI A TLALA JV SDVK	3,308,125.85
80984	GUBIS 85 SOLUTION	1,983,958.82
81039	LEPHATA LA BASHA TRADING AND P	1,681,875.00
80622	SIHLE CIVILS AND PROJECTS	1,500,459.64
81001	JUST-BREEZE JV TLOU YA HLAKA	625,000.00
41009	TSHASHU CONSULTING AND PROJECT	463,022.18
81002	SELEMA PLANT HIRE	286,816.90
429	NJ NKOSANA BUSINESS ENTERPRISE	243,727.58
32604	SEGOKGOME TRADING AND PROJECTS	197,600.00
80956	MAKITLA SOLUTION	185,000.00
81032	LEENOVATIONS BUSINESS ENTERPRI	135,600.00
81040	MEDUPI ENERGY RESOURCES	124,582.38
80900	MARKET DEMAND TRADING 773	123,569.80
80919	LULAMA AMO TRADING ENTERPRISE	116,000.00
81025	STOP AND GO PROPERTIES	83,333.33
37581	PHELADI NOKO B1 FUNERAL	70,380.00
80889	FLEET HORIZON SOLUTIONS	35,919.26
81033	MULINDA ENVIRONMENTAL CONSULTI	33,003.82
81024	TAU LUCID	28,612.00
81021	NTSIMELELO HOLDINGS	28,500.00
<b>TOTAL</b>		<b>11,255,086.56</b>

## Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK (038823527004)	1 Month	Current Investment	3.8%		22-Sep-20	-	18,493	(15,018,493)	15,000,000	-
STANDARD BANK (038823527005)	1 Month	Current Investment	4.0%		11-Oct-20	-	64,932		30,000,000	30,064,932
<b>TOTAL INVESTMENTS AND INTEREST</b>						-		(15,018,493)	45,000,000	30,064,932

The Municipality's current investment portfolio during the month September started with an amount of R45 000 million, withdrew R15, 018 million, earned an interest of R83 thousand and closing balance of R30, 064 million.

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

Description	2019/20	Budget Year 2020/21							
	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>273,214</b>	<b>293,320</b>	<b>-</b>	<b>-</b>	<b>133,089</b>	<b>44,255</b>	<b>88,834</b>	<b>201%</b>	<b>293,320</b>
Local Government Equitable Share	269,009	289,039		-	130,068	41,311	88,757	215%	289,039
Finance Management	2,235	2,600		-	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681		-	421	344	77	22%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-		-	-	-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Operating Transfers and Grants</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>-</b>	<b>133,089</b>	<b>44,255</b>	<b>88,834</b>	<b>201%</b>	<b>293,320</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>-</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		-	16,470	22,968	(6,498)	-28%	54,561
Integrated National Electrification Grant	19,000	20,000		-	5,000	8,000			20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</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>	<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>-</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>368,906</b>	<b>367,881</b>	<b>-</b>	<b>-</b>	<b>154,559</b>	<b>75,223</b>	<b>82,336</b>	<b>109%</b>	<b>367,881</b>

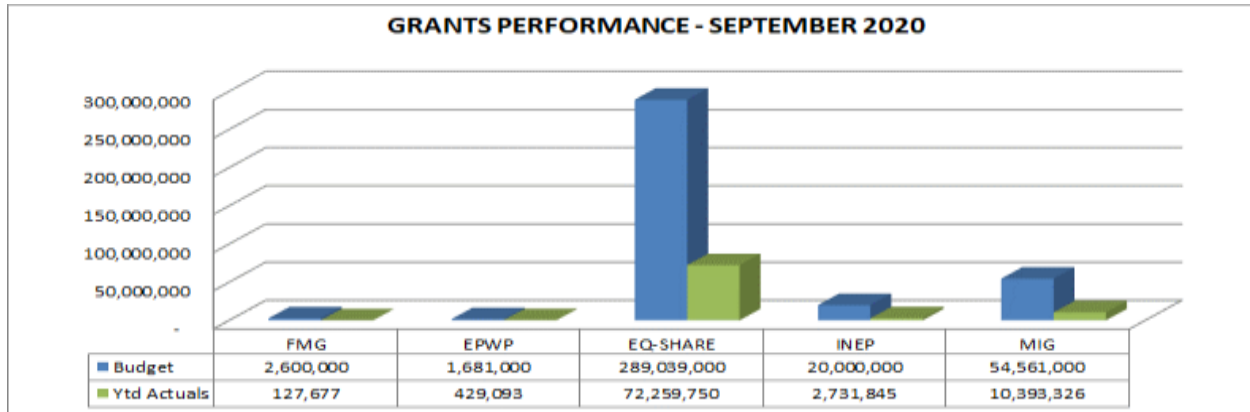
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R155, 155 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R130, 068 million; Municipal Infrastructure Grant amounting to R16, 470 million; Integrated National Energy Grant R5, 000 million, Financial Management Grant R2, 600 million and Expanded Public Works Programme R273 thousands were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule except for the second trench of equitable share.

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

Description	2019/20	Budget Year 2020/21							
	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>273,214</b>	<b>293,320</b>	<b>-</b>	<b>24,275</b>	<b>72,817</b>	<b>44,255</b>	<b>28,562</b>	<b>65%</b>	<b>293,320</b>
Local Government Equitable Share	269,009	289,039		24,087	72,260	41,311	30,949	75%	289,039
Finance Management	2,235	2,600		43	128	2,600	(2,472)	-95%	2,600
EPWP Incentive	1,374	1,681		146	429	344	85	25%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-		-	-	-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>273,214</b>	<b>293,320</b>	<b>-</b>	<b>24,275</b>	<b>72,817</b>	<b>44,255</b>	<b>28,562</b>	<b>65%</b>	<b>293,320</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>6,278</b>	<b>11,890</b>	<b>30,968</b>	<b>(19,078)</b>	<b>-62%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		3,240	8,686	22,968	(14,282)	-62%	54,561
Integrated National Electrification Grant	19,000	20,000		3,038	3,204	8,000	(4,796)	-60%	20,000
<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 expenditure of Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>6,278</b>	<b>11,890</b>	<b>30,968</b>	<b>(19,078)</b>	<b>-62%</b>	<b>74,561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>368,906</b>	<b>367,881</b>	<b>-</b>	<b>30,553</b>	<b>84,706</b>	<b>75,223</b>	<b>9,484</b>	<b>13%</b>	<b>367,881</b>

An amount of R30, 553 million has been spent on grants during the month of September 2020 and the year to date actuals is R84, 706 million whilst the year to date budget amounts to R75, 223 million and this results in underspending variance of R9, 484 million that translates to positive 13%. Of the total spending amounting to R30, 553 million, R24, 275 million is spent on operational grants whilst capital grants amounts to R6, 278 million.

**Figure 5: Grants performance**



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of September 2020. The grants expenditure are shown below in percentages:

- Financial Management Grant 4.91%
- Expanded Public Work Programme 25.53%
- Equitable Share 25.00%
- Integrated National Electrification Grant 13.66%
- Municipal Infrastructure Grant 19.05%



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

Summary of Employee and Councilor remuneration	2019/20	Budget Year 2020/21							
	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	14,458	15,092		1,178	3,535	3,923	(388)	-10%	15,692
Pension and UIF Contributions	1,712	1,761		135	405	462	(57)	-12%	1,761
Medical Aid Contributions	319	340		32	95	63	33	52%	340
Motor Vehicle Allowance	5,149	5,622		431	1,292	1,405	(114)	-8%	5,622
Cellphone Allowance	2,701	2,877		226	677	719	(42)	-6%	2,877
Housing Allowances	-	-					-		-
Other benefits and allowances	235	234		19	56	58	(3)	-4%	234
<b>Sub Total - Councillors</b>	<b>24,574</b>	<b>26,525</b>	<b>-</b>	<b>2,020</b>	<b>6,061</b>	<b>6,631</b>	<b>(571)</b>	<b>-9%</b>	<b>26,525</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,938	6,540		307	1,183	1,635	(452)	-28%	6,540
Pension and UIF Contributions	178	202		11	46	54	(8)	-14%	202
Medical Aid Contributions	82	85		7	21	21	-		85
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance	661	791		36	138	198	(60)	-30%	791
Cellphone Allowance	168	-		9	35	28	7	26%	-
Housing Allowances							-		
Other benefits and allowances	446	376		8	88	15	73	487%	376
Payments in lieu of leave	18	-				-	-		-
Long service awards							-		
Post-retirement benefit obligations							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,491</b>	<b>7,993</b>	<b>-</b>	<b>378</b>	<b>1,511</b>	<b>1,950</b>	<b>(440)</b>	<b>-23%</b>	<b>7,993</b>
<b>% increase</b>		<b>23%</b>							<b>23%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	88,856	99,984		7,863	23,381	24,996	(1,615)	-6%	99,984
Pension and UIF Contributions	17,801	26,133		1,590	4,734	6,533	(1,800)	-28%	26,133
Medical Aid Contributions	5,555	8,477		428	1,298	2,119	(821)	-39%	8,477
Overtime	1,443	974		102	286	244	43	18%	974
Motor Vehicle Allowance	11,056	12,848		1,004	2,951	3,212	(261)	-8%	12,848
Cellphone Allowance	1,786	102		158	463	25	438	1717%	102
Housing Allowances	179	17		16	49	4	45	1056%	17
Other benefits and allowances	8,248	12,488		144	405	1,074	(670)	-62%	12,488
Payments in lieu of leave	407	-		3	85	85	0	0%	-
Long service awards	439	733		-	427	183	244	133%	733
Post-retirement benefit obligations							-		
<b>Sub Total - Other Municipal Staff</b>	<b>135,771</b>	<b>161,756</b>	<b>-</b>	<b>11,309</b>	<b>34,080</b>	<b>38,476</b>	<b>(4,396)</b>	<b>-11%</b>	<b>161,756</b>
<b>% increase</b>		<b>19%</b>							<b>19%</b>
<b>Total Parent Municipality</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>13,707</b>	<b>41,651</b>	<b>47,057</b>	<b>(5,406)</b>	<b>-11%</b>	<b>196,274</b>
		<b>18%</b>							<b>18%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>13,707</b>	<b>41,651</b>	<b>47,057</b>	<b>(5,406)</b>	<b>-11%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>142,262</b>	<b>169,749</b>	<b>-</b>	<b>11,686</b>	<b>35,590</b>	<b>40,426</b>	<b>(4,836)</b>	<b>-12%</b>	<b>169,749</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of September 2020 amounts to R41, 651 million and the year to date budget is R47, 057 million and the expenditure for remuneration of councilors amounts to R6, 061 million while the year to date budget is R6, 631 million. The year to date actual expenditure for senior managers is R1, 511 million and the year to date budget thereof is R1, 590 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 R34, 080 million and the year to date budget is R38, 476 million. The remuneration of councilors and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position in the new financial year 2020/21.

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

Description	Budget Year 2020/21												2020/21 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
<b>Cash Receipts By Source</b>															
Property rates	2,023	1,960	2,294	2,237	2,234	2,239	2,246	2,260	2,216	2,237	2,224	2,673	26,841	28,076	29,367
Service charges - electricity revenue	5,482	6,173	7,122	7,251	7,561	7,681	7,131	7,021	7,391	7,591	7,389	10,900	88,692	92,772	97,039
Service charges - refuse	339	290	392	458	459	470	490	460	459	484	464	683	5,446	5,697	5,959
Rental of facilities and equipment	38	58	41	71	73	73	72	71	72	71	72	148	860	899	941
Interest earned - external investments	-	-	83	389	-	343	111	-	392	-	722	1,002	3,042	3,182	3,328
Interest earned - outstanding debtors	80	91	158	80	111	159	81	70	82	60	210	149	1,331	1,392	1,457
Fines, penalties and forfeits	39	35	39	1,061	1,061	1,181	1,298	981	821	931	991	3,695	12,134	12,554	12,994
Licences and permits	367	347	469	1,016	932	1,061	271	56	86	79	1,135	526	6,344	6,635	6,941
Transfers and Subsidies - Operational	130,489	2,600	-	-	543	89,999	-	1,549	77,136	-	-	(8,400)	293,916	314,089	333,501
Other revenue	1,735	1,183	1,374	65	81	74	60	76	90	62	100	(3,967)	931	974	1,018
<b>Cash Receipts by Source</b>	<b>140,592</b>	<b>12,737</b>	<b>11,972</b>	<b>12,627</b>	<b>13,054</b>	<b>103,280</b>	<b>11,759</b>	<b>12,543</b>	<b>88,744</b>	<b>11,514</b>	<b>13,306</b>	<b>7,409</b>	<b>439,537</b>	<b>466,270</b>	<b>492,544</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations)	16,470	5,000	-	-	6,263	17,355	-	4,263	15,378	-	-	9,831	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)															
Proceeds on Disposal of Fixed and Intangible Assets				236		190		126		236		(787)	-	-	-
Short term loans															
Borrowing long term/refinancing				(59)	(97)		(45)		(62)		(39)	(198)	(500)	(480)	(520)
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>157,062</b>	<b>17,737</b>	<b>11,972</b>	<b>12,804</b>	<b>19,221</b>	<b>120,825</b>	<b>11,714</b>	<b>16,932</b>	<b>104,060</b>	<b>11,750</b>	<b>13,268</b>	<b>16,255</b>	<b>513,598</b>	<b>542,997</b>	<b>564,630</b>
<b>Cash Payments by Type</b>															
Employee related costs	12,071	11,833	11,686	13,242	13,242	24,082	13,242	13,242	13,242	13,242	13,242	17,379	169,749	177,557	185,725
Remuneration of councillors	2,020	2,020	2,020	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	3,000	26,525	27,745	29,021
Interest paid	-	115	1,185	170	140	130	50	40	30			(676)	1,184	83	15
Bulk purchases - Electricity	22,318	9,105	8,055	7,110	8,060	8,012	8,300	8,559	8,410	8,760	8,800	(11,441)	94,047	98,937	107,743
Other materials	178	1,016	1,779	597	621	866	953	756	926	757	966	(449)	8,964	12,707	13,522
Contracted services	33,935	2,528	4,351	3,526	2,833	8,207	3,783	4,177	3,045	3,572	3,850	(13,147)	60,660	57,320	59,107
Grants and subsidies paid - other	244	192	358	267	247	247	577	347	247	247	247	245	3,468	3,605	3,747
General expenses	1,676	5,029	2,117	2,202	2,830	3,077	2,838	2,407	4,361	3,036	3,025	8,468	41,067	39,436	41,140
<b>Cash Payments by Type</b>	<b>72,443</b>	<b>31,838</b>	<b>31,551</b>	<b>29,298</b>	<b>30,157</b>	<b>46,804</b>	<b>31,926</b>	<b>31,713</b>	<b>32,444</b>	<b>31,798</b>	<b>32,314</b>	<b>3,380</b>	<b>405,664</b>	<b>417,391</b>	<b>440,021</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	1,043	6,449	10,619	6,985	8,799	7,549	8,127	6,265	7,965	6,846	7,987	8,959	87,593	93,994	94,483
Repayment of borrowing	872	881	888	890	899	909	918	928	938	948	958	951	10,980	2,489	-
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	<b>74,358</b>	<b>39,168</b>	<b>43,059</b>	<b>37,173</b>	<b>39,855</b>	<b>55,261</b>	<b>40,971</b>	<b>38,906</b>	<b>41,347</b>	<b>39,591</b>	<b>41,258</b>	<b>13,289</b>	<b>504,236</b>	<b>513,874</b>	<b>534,504</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>82,703</b>	<b>(21,430)</b>	<b>(31,087)</b>	<b>(24,369)</b>	<b>(20,634)</b>	<b>65,563</b>	<b>(29,267)</b>	<b>(21,975)</b>	<b>62,712</b>	<b>(27,842)</b>	<b>(27,990)</b>	<b>2,967</b>	<b>9,361</b>	<b>29,123</b>	<b>30,126</b>
Cash/cash equivalents at the month/year beginning:	2,458	85,161	63,731	32,644	8,275	(12,359)	53,204	23,947	1,973	64,685	36,843	8,853	2,458	11,819	40,943
Cash/cash equivalents at the month/year end:	85,161	63,731	32,644	8,275	(12,359)	53,204	23,947	1,973	64,685	36,843	8,853	11,819	11,819	40,943	71,069

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 R11, 737 million and the total cash payment for the month were R43, 059 million and this resulted in net decrease in cash held amounting to 31, 087 million. With cash and cash equivalent of R63, 731 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R32, 644 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2019/20	Budget Year 2020/21							
	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	9,424	6,438	–	1,043	1,043	6,438	5,394	84%	1%
August	3,576	4,370	–	6,449	7,492	10,808	3,316	31%	8%
September	13,926	8,862	–	10,619	18,111	19,670	1,558	8%	20%
October	8,822	6,303	–			25,973	–		
November	8,687	8,248	–			34,221	–		
December	9,913	9,508	–			43,729	–		
January	8,221	3,141	–			46,870	–		
February	8,162	6,205	–			53,075	–		
March	13,753	5,653	–			58,728	–		
April	8,363	8,602	–			67,330	–		
May	8,683	11,684	–			79,014	–		
June	11,573	10,265	–			89,280	–		
<b>Total Capital expenditure</b>	<b>113,103</b>	<b>89,280</b>	<b>–</b>	<b>18,111</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of September amounts to R10, 619 million. The year to date actual expenditure incurred is R18, 111 million whilst the year to date budget is R19, 670 million that gives rise to under spending variance of R1, 558 million that translate to 8%.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	58,011	20,000	-	2,588	2,732	3,201	469	15%	20,000
<b>Roads Infrastructure</b>	41,899	-	-	-	-	-	-	-	-
Roads	41,899	-					-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	16,111	20,000	-	2,588	2,732	3,201	469	15%	20,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000		2,588	2,732	3,201	469	15%	20,000
<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>	-	2,339	-	-	1,043	-	(1,043)	0%	2,339
Municipal Offices		600				-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739		-	1,043	-	(1,043)	#DIV/0!	1,739
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	38	250	-	-	-	100	100	100%	250
Computer Equipment	38	250				100	100	100%	250
<b>Furniture and Office Equipment</b>	526	800	-	116	116	300	184	61%	800
Furniture and Office Equipment	526	800		116	116	300	184	61%	800
<b>Machinery and Equipment</b>	1,492	1,200	-	-	-	561	561	100%	1,200
Machinery and Equipment	1,492	1,200				561	561	100%	1,200
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	60,068	24,589	-	2,704	3,891	4,162	271	7%	24,589

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	13,885	46,940	-	7,916	14,220	10,441	(3,779)	-36%	46,940
<b>Roads Infrastructure</b>	13,885	39,222	-	7,916	14,220	8,941	(5,279)	-59%	39,222
Roads	13,885	39,222		7,916	14,220	8,941	(5,279)	-59%	39,222
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>	-	7,719	-	-	-	1,500	1,500	100%	7,719
Landfill Sites		7,719				1,500	1,500	100%	7,719
Waste Transfer Stations							-		
<b>Community Assets</b>	-	600	-	-	-	150	150	100%	600
Community Facilities	-	600	-	-	-	150	150	100%	600
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	13,885	47,540	-	7,916	14,220	10,591	(3,629)	-34.3%	47,540

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	5,119	8,729	-	386	713	3,158	2,444	77%	8,729
<b>Roads Infrastructure</b>	161	2,892	-	-	78	1,335	1,257	94%	2,892
Roads	161	2,892		-	78	1,335	1,257	94%	2,892
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,180	2,845	-	1	1	1,075	1,074	100%	2,845
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	2,845		1	1	1,075	1,074	100%	2,845
<b>Solid Waste Infrastructure</b>	2,778	2,993	-	385	634	748	114	15%	2,993
Landfill Sites	2,778	2,993		385	634	748	114	15%	2,993
Waste Transfer Stations							-		
<b>Community Assets</b>	-	306	-	26	26	82	55	68%	306
Community Facilities	-	306	-	26	26	82	55	68%	306
Libraries							-		
Parks		306		26	26	82	55	68%	306
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,497	1,845	-	92	99	612	514	84%	1,845
Operational Buildings	1,497	1,845	-	92	99	612	514	84%	1,845
Workshops							-		
<b>Intangible Assets</b>	-	425	-	-	-	174	174	100%	425
Servitudes							-		
Licences and Rights		425				174	174	100%	425
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,306	1,214	-	0	153	445	291	66%	1,214
Machinery and Equipment	1,306	1,214		0	153	445	291	66%	1,214
<b>Transport Assets</b>	2,727	1,854	-	1,123	1,557	344	(1,213)	-353%	1,854
Transport Assets	2,727	1,854		1,123	1,557	344	(1,213)	-353%	1,854
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,649</b>	<b>14,373</b>	<b>-</b>	<b>1,627</b>	<b>2,549</b>	<b>4,814</b>	<b>2,266</b>	<b>47.1%</b>	<b>14,373</b>

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class</b>									
<b>Infrastructure</b>	-	40,414	-	-	-	10,104	10,104	100%	40,414
<b>Roads Infrastructure</b>	-	35,538	-	-	-	8,884	8,884	100%	35,538
Roads		35,538				8,884	8,884	100%	35,538
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	384	-	-	-	96	96	100%	384
Attenuation							-		
<b>Electrical Infrastructure</b>	-	3,806	-	-	-	951	951	100%	3,806
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks		3,806				951	951	100%	3,806
<b>Solid Waste Infrastructure</b>	-	687	-	-	-	172	172	100%	687
Landfill Sites		687				172	172	100%	687
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,190	-	-	-	298	298	100%	1,190
Cemeteries/Crematoria		5				1	1	100%	5
Public Open Space		1,185				296	296	0	1,185
<b>Other assets</b>	-	3,985	-	-	-	996	996	0	3,985
Operational Buildings	-	3,985	-	-	-	996	996	100%	3,985
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes							-		
Computer Software and Applications		-					-		-
<b>Computer Equipment</b>	-	666	-	-	-	167	167	100%	666
Computer Equipment		666				167	167	100%	666
<b>Furniture and Office Equipment</b>	-	567	-	-	-	142	142	100%	567
Furniture and Office Equipment		567				142	142	100%	567
<b>Machinery and Equipment</b>	-	649	-	-	-	689	689	100%	649
Machinery and Equipment		649				689	689	100%	649
<b>Transport Assets</b>	273	5,535	-	-	-	1,384	1,384	100%	5,535
Transport Assets	273	5,535				1,384	1,384	100%	5,535
<b>Total Depreciation</b>	273	53,007	-	-	-	13,779	13,779	100%	53,007

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	9,050	16,150	-	-	-	1,505	1,505	100%	16,150
<b>Roads Infrastructure</b>	9,050	16,150	-	-	-	1,505	1,505	100%	16,150
Roads	9,050	16,150				1,505	1,505	100%	16,150
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,000	-	-	-	-	-		1,000
Community Facilities	-	1,000	-	-	-	-	-		1,000
Libraries							-		
Cemeteries/Crematoria							-		
Parks		1,000					-		1,000
<b>Other assets</b>	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
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>	10,349	17,150	-	-	-	1,505	1,505	100%	17,150



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 R2, 704 million and the year to date budget is R4, 162 million that reflects under spending variance of R271 thousand that translates to 7% variance.

The year to date actuals on renewal of existing assets amounts R14, 220 million and with the year to date budget of R10, 591 million and this reflects over spending variance of R3, 629 million that translates to 34.3% variance.

The year to date actual expenditure on repairs and maintenance is R2, 549 million, and the year to date budget is R4, 814 million, reflecting under spending variance of R2, 266 million that translates to 47.1%.

The year to date actual expenditure on upgrading of existing assets is R0, and the year to date budget is R1, 505 million, reflecting under spending variance of R1, 505 million that translates to 100%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R13, 779 million, reflecting spending variance of R13, 779 million, 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 partially complying with some of mSCOA requirements.

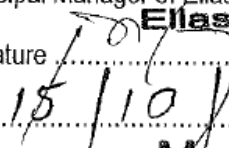
## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework Budget Year 2020/21		
					Original Budget	YTD Actuals	Percentage
					<b>Parent municipality:</b>		
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	–	0%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	1,017	10%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	4,084	43%
Technical Services	Grobiersdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	3,827	50%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	6,309	115%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	0%
Technical Services	Electrification of Ntswelemotse	New	Infrastructure	Electrical Infrastructure	2,430	1,715	71%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	–	0%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,043	60%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	–	0%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	116	15%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	–	0%
Community Services	Mobile Offices	New	Community assets	Operational building	600	–	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	–	0%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	–	0%
Finance	Machinery and Equipment: Forklift	New	Machinery and Equipment	Machinery and Equipment	350	–	0%
Technical Services	Aircons Conditioner	New	Infrastructure	Machinery and Equipment	350	–	0%
Corporate Services	Computer Equipment	New	Equipment	Machinery and Equipment	250	–	0%

# Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of September 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 ..... ~~Elias Motsoaledi Local Municipality~~

Date 15/10/2020 2020

Municipal Manager