

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

DECEMBER 2019

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A. Introduction

Elias Motsoaledi local municipality is hereby reporting on for the institutional performance relating to 2019/2020 financial year. This reporting is required through the Local Government: Municipal Systems Act, Act No. 32 of 2000 as amended (referred to herein as MSA) and Local Government: Municipal Financial Management Act, Act No 56 of 2003 (referred to herein as MFMA). In terms of section 72 of the MFMA ***the accounting officer of a municipality must by 25 January of every year assess the performance of the municipality during the first half of the financial year.***

B. Purpose

The purpose of the report is to account to the public on the 2019/2020 mid-year institutional performance of Elias Motsoaledi local municipality.

This report contains information which is based on the Service Delivery and Budget Implementation Plan (SDBIP) formulated for the financial year 2019/2020 and focuses on both the **financial** and service delivery performance (**non-financial**) assessment. The report was compiled using first and second quarter performance information.

C. Challenges and Progress

MFMA section 72(1)(a)(iii) require the accounting officer to assess the performance of a municipality during the first half of the financial year, taking into account the past year's annual report and progress on resolving problems identified in the annual report. Reflected here under, are performance of the municipality for the first half of the financial year and challenges / problems identified on the 2018/2019 annual report and progress on resolving the challenges/problems (AR).

1. Performance Service delivery

The report is based on analyzed and evaluated information through a process whereby information of the KPA's, objectives, KPI's and programmes/ projects reflected in the IDP objectives of the municipality. The information is based on the institutional IDP scorecard.

KPA 1: BASIC SERVICE DELIVERY							
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions		
% of households with access to a minimum level of basic waste removal by 30 June 2020 (once per week GKPI)	9%	9%	9%	Not achieved	To adjust the percentage during the adjustment		
Number of initiatives held to promote library facilities by 30 June 2020	4	1	2	Achieved	None		
Number of environmental awareness conducted by 30 June 2020	4	1	2	Achieved	None		
Number of disaster awareness campaigns conducted by 30 June 2020	4	1	2	Achieved	None		
Number of community safety forum meetings held by 30 June 2020	4	1	2	Achieved	None		
% of registered indigents who receives free basic electricity by 30 June 2020 (GKPI)	2.5%	2.5%	2.5%	Achieved	None		
Number of transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS,	5	1	3	Achieved	None		

KPA 1: BASIC SERVICE DELIVERY						
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions	
gender, disabled, woman and children rights, elderly and moral re-generation by 30 June 2020						
Kilometres of gravelled roads re-graveled	70km	20km	30km	Achieved	None	
Kilometres of gravelled roads bladed	350km	70km	120km	Achieved	None	
CAPITAL PROJECTS						
% procurement of mobile offices traffic	100%	25%	n/a	Not achieved	Specification committee to take place in October	
% procurement of lawn mower and other equipment	100%	25%	n/a	Not achieved	Specification committee to take place in October	
% procurement of trailers	100%	25%	n/a	Not achieved	Specification committee to take place in October	
% procurement of tractor, tractor trailer and slasher	100%	25%	n/a	Not achieved	Specification committee to take place in October	
Number of skip bins to be procured	20	procurement	Appointment letter	Not achieved	Specification committee to take place in October	
% procurement of Bin lifters	100%	25%	n/a	Not achieved	Specification committee to take place in October	

KPA 1: BASIC SERVICE DELIVERY

Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions
% processing of procurement request submitted	100%	100%	100%	Achieved	None
Groblersdal landfill site	100%	30%	50%	Achieved	
Number of stands reticulated with electrical infrastructure at Makaepea/ Mashemong village	300	Designs	Appointment of contractor	Not achieved	Consultant appointed and busy with designs
Number of stands reticulated with electrical infrastructure at New Town village (Thambo)	975	construction	construction	Achieved	None
Number of stands reticulated with electrical infrastructure at Masakaneng	298	construction	construction	Achieved	None
Number of stands reticulated with electrical infrastructure at Ntswelemoise	319	Designs	Appointment of contractor	Not achieved	Eskom has confirmed capacity for the planned connections
Number of High mast lights to be installed	2	Project assessment	Construction	Achieved	None
% development of designs for Upgrading of Bloemfontein to Uitspanning access road.	100%	25%	50%	Achieved	None
% Upgrading of Dipakapakeng access road	100%	25%	50%	Achieved	None
% construction of Kgaphamadi road 5.2km	100%	25%	50%	Not achieved	Contractor to fastrack progress

KPA 1: BASIC SERVICE DELIVERY							
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions		
% rehabilitation of Groblersdal roads and streets	100%	25%	50%	Achieved	None		
% upgrading of Tafelkop stadium access road	100%	25%	50%	Achieved	None		
% construction of Tambo road 3.2km	100%	25%	50%	Not achieved	Steps are taken to protect the works by opening channels and installing temporary Stormwater pipes		
% construction of JJ Zaaiplaas road 1.5km	100%	25%	50%	Not achieved	Implementing agent has been paid to make payment to Eskom on the quoted amount to relocate Eskom line in the road		
% construction of Motetema internal streets 1.3km	100%	25%	50%	Not achieved	To fastrack appointment process		
% purchase of culvers and road signs	100%	25%	50%	Not achieved	Awaiting delivery		
% development of workshop	100%	75%	100%	Not achieved	Will be finalised in the third quarter		

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT						
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions	
% of KPI and projects attaining organisational targets (total organisation by 30 June 2020)	95%	25%	50%	Achieved	None	
Number of MIG reports submitted by CoGHSTA	12	3	6	Achieved	None	
Number of reports submitted to department of energy	12	3	6	Achieved	None	
Number of employment equity forum meeting	4	1	2	Achieved	None	
% recruitment of people with disability	2	n/a	2	Not achieved	Awaiting appointment on all advertised posts	
Number of employees approved for study financial assistance	2	n/a	2	Achieved	None	
Number of LLF steering committee meetings	12	3	6	Achieved	None	

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of ICT reports submitted to ICT steering committee	8	2	4	Achieved	None
Number of health risk assessment conducted	2	1	n/a	Achieved	None
Number of COID reports submitted	2	n/a	1	Achieved	None
Number of wellness activities conducted	2	1	n/a	achieved	None

KPA 3: FINANCIAL MANAGEMENT AND VIABILITY						
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions	
Number of monthly SCM deviation reports submitted to municipal manager (reducing number of deviations)	12	3	6	Achieved	None	
% payment of creditors within 30 days	100%	100%	100%	Achieved	None	
Number of assets verifications conducted by 30 June 2020	4	1	2	Not achieved	The target was poorly planned	
% spend of the total operational budget excluding non-cash items by 30 June 2020	95%	25%	50%	Not achieved	Asset management system will be integrated with financial management system so that monthly depreciation and asset impairment will start interfacing into Munsoft and monthly debt impairment will be computed for in year reporting purposes.	
Remuneration (Employee related costs and councillors remuneration) as % of total operating expenditure per quarter	25% to 40%	25% to 40%	25% to 40%	Not achieved	Asset management system will be integrated with financial management system so that monthly depreciation and asset impairment will start interfacing into Munsoft and monthly debt impairment will	

KPA 3: FINANCIAL MANAGEMENT AND VIABILITY						
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions	
% spending on MIG funding by 30 June 2020	100%	20%	60%	Not achieved	Contractor for two capital project is appointed and handover is done	
% spending on INEP funding by 30 June 2020	100%	25%	50%	Achieved	None	

KPA 4: LOCAL ECONOMIC DEVELOPMENT						
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions	
Number of job opportunities provided through EPWP grant by 30 June 2020 (GKPI)	69	n/a	69	Achieved	None	
Number of networking events held by 30 June 2020	4	1	2	Achieved	None	
number of SMME's and Co-operatives capacity building workshops/ training held by 30 June 2020 (LED training)	15	4	8	Achieved	None	

Number of job opportunities created through infrastructure projects by 30 June 2020	400	90	160	Achieved	None
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KPA 5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
2019/2020 IDP review process plan approved by August 2019	1	1	n/a	Achieved	None
Obtain an unqualified Auditor General opinion for the 2018/2019 financial year	Unqualified audit opinion	n/a	Unqualified audit opinion	Not achieved	develop action plan to address issues raised to avoid re-occurrence of the finding in future
% of internal audit findings resolved per quarter as per the audit plan (total organisation)	100%	25%	65%	Achieved	None
Number of security risk assessment conducted by 30 June 2020	4	1	2	Achieved	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of project risk assessments conducted by 30 June 2020	4	1	2	Not achieved	to be conducted in the next quarter
Number of risk management reports submitted to the risk management committee per quarter	4	1	2	Achieved	None
Number of quarterly risk management committee meetings convened by June 2020	4	1	2	Achieved	None
% execution of identified risk management plan within prescribed timeframes per quarter (total organisation)	100%	50%	75%	Achieved	None
Number of MPAC quarterly reports submitted to council	4	1	2	Not achieved	The report will be submitted in the next quarter
Number of MPAC outreaches initiated by 30 June 2020	3	n/a	1	Achieved	None
Number of Mayoral outreach projects initiated by 30 June 2020	4	1	2	Achieved	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of Speakers outreach projects initiated by 30 June 2020	4	1	2	Achieved	None
Number of ward committee reports submitted to council quarterly	4	1	2	Achieved	None
Number of ward committee conference held	1	1	n/a	Achieved	None
Number of youth programmes initiated by 30 June 2020	3	1	3	Not Achieved	To request funding during budget adjustment
number of municipal newsletter printed/ produced	20 000 copies	5000	10000	Achieved	None

KPA 6: SPATIALE RATIONALE

Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
% development of land use scheme (LUS)	100%	25%	n/a	Not achieved	To speed up the appointment of service providers
% site demarcation at Ntwane	100%	25%	n/a	Not achieved	To speed up the appointment of service providers
% of land use applications received and processed within 90 days	100%	100%	100%	Achieved	None
% of new building plans of less than 500 square metres assessed within 10 days of receipt of plans	100%	100%	100%	Achieved	None
% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	100%	100%	100%	Achieved	None
% of inspections conducted on building construction with an approved plan to ensure compliance with Sec6© and 17 (b) of National Building regulations and building standards Act	100%	100%	100%	Achieved	None

Challenges / problems identified on the 2018/2019 annual report and progress on resolving the challenges/problems.

Key Performance Indicator (KPI)	Annual Target	Findings	Remedial Actions
Number of transversal programmes implemented in terms of mainstreaming with respect to HIV/AIDS, gender, disabled, woman and children rights, elderly and moral re-generation by 30 June 2020	4	Performance target not measured according to SMART criteria	The 2019/2020 SDBIP will be revised to ensure that the performance target is SMART

Key Performance Area Number	Key Performance Area	Total 2nd quarter target	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %
1	Spatial Rationale	4	4	0	100%
2	Institutional Development & Transformation	10	9	1	90%
3	Local Economic Development	4	4	0	100%
4	Basic Service Delivery	27	18	9	67%
5	Financial Management & Viability	7	3	4	43%
6	Good Governance & Public Participation	14	11	3	79%
	Total	66	49	17	73%


 M.M KGWALE
 ACTING MUNICIPAL MANAGER

27/01/2020
 DATE

2. Financial performance assessment

1. INTRODUCTION

1.1 In terms of section 72 of the MFMA Act no 56 of 2003 the Accounting Officer of the municipality must by the 25th January each year-

Assess the performance of the municipality during the first half of the financial year, taking into account-

- a) the monthly budget statement referred to as section 71 for the first half of the financial year
- b) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
- c) the past years annual report, and progress on resolving problems identified in the annual report.

The draft Annual Report 2017/2018 and the Mid-year performance/progress reports of 2018/2019 SDBIPs referred to as part b and c above are respectively submitted under a separate report elsewhere in the agenda.

Submit a report on such assessment to –

- a) the mayor of the municipality,
- b) the National and the relevant provincial treasury.

1.2 The Accounting Officer must, as part of the review-

- a) make recommendations as to whether an adjustment budget is necessary, and
- b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

CHAPTER 2: FINANCIAL HEALTH ASSESSMENT

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	33,010	34,727	-	2,988	17,813	17,384	449	3%	34,727
Service charges	89,925	101,507	-	7,946	47,574	45,195	2,379	5%	101,507
Investment revenue	2,800	2,946	-	(41)	1,187	1,173	14	1%	2,946
Transfers and subsidies	245,278	272,618	-	267	203,629	181,465	22,164	12%	-
Other own revenue	84,683	89,087	-	1,815	11,724	50,946	(39,222)	-77%	361,705
Total Revenue (excluding capital transfers and contributions)	455,697	500,885	-	12,974	281,928	296,143	(14,215)	-5%	500,885
Employee costs	130,473	147,530	-	18,328	74,881	78,208	(3,327)	-4%	147,530
Remuneration of Councillors	24,291	25,554	-	1,981	12,110	12,777	(667)	-5%	25,554
Depreciation & asset impairment	51,181	56,520	-	-	-	28,260	(28,260)	-100%	56,520
Finance charges	2,900	2,505	-	217	1,173	1,253	(80)	-6%	2,505
Materials and bulk purchases	78,909	94,531	-	9,134	44,670	49,967	(5,297)	-11%	94,531
Transfers and subsidies	3,580	3,740	-	347	1,262	1,790	(528)	-30%	3,740
Other expenditure	157,835	152,210	-	19,701	73,418	80,522	(7,104)	-9%	152,210
Total Expenditure	449,169	482,691	-	49,708	207,514	252,777	(45,263)	-18%	482,691
Surplus/(Deficit)	6,528	18,293	-	(36,734)	74,413	43,366	31,048	72%	18,293
Transfers and subsidies - capital (monetary allocations)	94,050	73,921	-	5,575	47,197	64,400	(17,203)	-27%	73,921
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	100,578	92,214	-	(31,159)	121,611	107,766	13,845	13%	92,214
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	100,578	92,214	-	(31,159)	121,611	107,766	13,845	13%	92,214
Capital expenditure & funds sources									
Capital expenditure	97,258	95,654	-	6,657	48,664	54,203	(5,539)	-10%	95,654
Capital transfers recognised	81,841	73,921	-	4,894	39,782	42,146	(2,364)	-6%	73,921
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	15,417	21,733	-	1,764	8,882	12,057	(3,175)	-26%	21,733
Total sources of capital funds	97,258	95,654	-	6,657	48,664	54,203	(5,539)	-10%	95,654
Financial position									
Total current assets	211,349	115,014	-	-	155,575	-	-	-	115,014
Total non current assets	1,053,184	1,123,066	-	-	1,111,984	-	-	-	1,123,066
Total current liabilities	140,539	81,128	-	-	117,590	-	-	-	81,128
Total non current liabilities	121,097	103,696	-	-	98,557	-	-	-	103,696
Community wealth/Equity	1,002,897	1,053,256	-	-	1,051,412	-	-	-	1,053,256
Cash flows									
Net cash from (used) operating	118,137	102,851	-	36,860	51,705	83,344	31,639	38%	102,851
Net cash from (used) investing	(44,880)	(88,001)	-	(6,657)	(40,471)	(54,203)	(13,732)	25%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	-	(791)	(4,534)	(4,448)	86	-2%	(10,086)
Cash/cash equivalents at the monthly/year end	70,428	29,037	-	-	31,682	48,965	17,283	35%	29,746
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys- 1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,343	3,992	2,563	2,372	2,394	2,479	15,279	52,429	93,851
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 December is R281, 928 million and the year to date budget of R296, 143 million and this reflects a negative variance of R14, 215 million which is mostly attributable to equitable shares received amounting to R201 757 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 1% favorable variance,
- Interest earned – outstanding debtors: 109% favorable variance,
- Rental on Facilities and Equipment: 38% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Transfer and Subsidies: 12% favorable variance
- Services Charges – electricity revenue: 3% favorable variance
- Services Charges – refuse revenue: 35% favorable variance
- Licenses and permits: 20% favorable variance
- Property rates: 3% favorable variance
- Other revenue: 6% unfavorable

Operating Expenditure

The year to date operational expenditure as at end of December amounts to R207, 514 million and the year to date budget is R252, 777 million. This reflects underspending variance of R45, 263 million that translates to 18% 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:

- Other Materials: 25% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 99% under performance variance
- Transfers and subsidies: 30% under performance variance
- Other expenditure: 30% over performance
- Contracted services: 50% 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 December 2019 amounts to R48, 664 million and the year to date budget amounts to R54, 203 million and this gives rise to R5, 539 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of December is R121, 611 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 December amounts to R93, 851 million and this shows an increase of R13, 743 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 R65, 320 million and other debtors amounting to R28, 531 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 December as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	198,283	214,636	–	4,104	155,865	135,448	20,417	15%	214,636
Executive and council	42,873	46,559	–	–	37,994	30,830	7,164	23%	46,559
Finance and administration	147,508	159,127	–	4,104	110,945	98,692	12,253	12%	159,127
Internal audit	7,902	8,950	–	–	6,926	5,926	1,000	17%	8,950
Community and public safety	88,850	94,968	–	470	17,551	58,891	(41,340)	-70%	94,968
Community and social services	7,973	9,026	–	11	5,988	5,963	25	0%	9,026
Sport and recreation	10,677	12,092	–	1	8,922	8,003	919	11%	12,092
Public safety	70,200	73,850	–	458	2,640	44,925	(42,285)	-94%	73,850
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	141,810	117,004	–	5,658	77,077	88,877	(11,800)	-13%	117,004
Planning and development	17,107	21,564	–	128	13,891	14,324	(433)	-3%	21,564
Road transport	123,685	94,287	–	5,530	62,422	73,789	(11,367)	-15%	94,287
Environmental protection	1,018	1,153	–	–	764	764	0	0%	1,153
Trading services	120,804	148,197	–	8,318	78,633	77,327	1,306	2%	148,197
Energy sources	102,039	119,623	–	7,614	60,386	61,030	(645)	-1%	119,623
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	18,765	28,574	–	704	18,247	16,297	1,950	12%	28,574
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	549,746	574,806	–	18,549	329,125	360,543	(31,418)	-9%	574,806
Expenditure - Functional									
Governance and administration	184,555	191,835	–	28,337	113,409	102,470	10,939	11%	191,835
Executive and council	39,998	41,658	–	9,689	29,957	21,553	8,404	39%	41,658
Finance and administration	135,446	141,488	–	17,115	78,119	75,779	2,340	3%	141,488
Internal audit	9,111	8,689	–	1,533	5,333	5,138	195	4%	8,689
Community and public safety	68,557	76,535	–	3,193	13,702	39,669	(25,867)	-66%	76,535
Community and social services	5,563	7,457	–	660	2,635	3,977	(1,341)	-34%	7,457
Sport and recreation	9,713	11,037	–	756	2,979	5,774	(2,795)	-48%	11,037
Public safety	53,281	58,041	–	1,777	8,088	29,818	(21,730)	-73%	58,041
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	79,855	87,675	–	6,257	24,976	45,712	(20,736)	-45%	87,675
Planning and development	15,813	17,147	–	1,879	7,599	8,768	(1,169)	-13%	17,147
Road transport	63,315	69,685	–	4,284	17,052	36,490	(19,439)	-53%	69,685
Environmental protection	728	843	–	94	325	453	(128)	-28%	843
Trading services	116,200	126,546	–	11,921	55,427	66,026	(9,599)	-16%	126,546
Energy sources	92,646	99,370	–	8,507	42,331	50,942	(8,611)	-17%	99,370
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	23,554	27,177	–	3,414	13,096	14,084	(988)	-7%	27,177
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	449,169	482,591	–	49,708	207,614	252,777	(45,263)	-18%	482,591
Surplus/ (Deficit) for the year	100,578	92,214	–	(31,159)	121,611	107,766	13,845	13%	92,214

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
Revenue by Vote									
Vote 1 - Executive & Council	38,168	46,559	–	–	34,302	27,302	7,000	26%	46,559
Vote 2 - Municipal Manager	31,489	35,043	–	–	26,786	23,602	3,164	13%	35,043
Vote 3 - Budget & Treasury	59,272	64,188	–	4,089	39,423	35,828	3,595	10%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	14	30,751	26,635	4,117	15%	40,227
Vote 5 - Community Services	120,478	132,693	–	1,438	39,133	79,798	(40,665)	-51%	132,693
Vote 6 - Technical Services	233,051	227,629	–	12,879	136,615	145,352	(8,737)	-6%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	128	9,522	9,955	(433)	-4%	14,966
Vote 8 - Executive Support	16,094	18,229	–	–	12,612	12,071	541	4%	18,229
Total Revenue by Vote	549,746	580,134	–	18,549	329,125	360,543	(31,418)	-9%	580,134
Expenditure by Vote									
Vote 1 - Executive & Council	35,307	36,873	–	5,352	24,336	19,060	5,276	28%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	9,510	28,959	19,231	9,728	51%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	6,082	33,112	29,009	4,102	14%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	2,441	10,742	19,146	(8,404)	-44%	36,814
Vote 5 - Community Services	100,333	112,427	–	7,577	30,734	58,222	(27,487)	-47%	112,427
Vote 6 - Technical Services	167,702	181,124	–	13,876	64,553	93,772	(29,220)	-31%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	1,073	4,282	6,635	(2,352)	-35%	13,185
Vote 8 - Executive Support	14,187	15,088	–	3,796	10,796	7,702	3,095	40%	15,088
Total Expenditure by Vote	446,483	483,492	–	49,708	207,514	252,777	(45,263)	-18%	483,492
Surplus/ (Deficit) for the year	103,263	96,642	–	(31,159)	121,611	107,766	13,845	13%	96,642

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification).

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	33,010	34,727		2,988	17,813	17,364	449	3%	34,727
Service charges - electricity revenue	81,798	92,957		7,242	43,372	42,078	1,294	3%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		704	4,202	3,116	1,085	35%	8,550
Rental of facilities and equipment	1,000	1,052		44	324	526	(202)	-38%	1,052
Interest earned - external investments	2,800	2,946		(41)	1,187	1,173	14	1%	2,946
Interest earned - outstanding debtors	6,692	7,040		1,005	5,568	2,659	2,909	109%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		434	2,616	44,933	(42,316)	-94%	73,860
Licences and permits	5,200	5,470		289	2,600	2,173	427	20%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		267	203,629	181,465	22,164	12%	
Other revenue	1,582	1,664		43	616	655	(39)	-6%	272,618
Gains on disposal of PPE	-	-		-	-	-	-		1,664
Total Revenue (excluding capital transfers and contributio	466,697	500,885	-	12,974	281,928	296,143	(14,215)	-5%	600,885
Expenditure By Type									
Employee related costs	130,473	147,530		18,328	74,881	78,208	(3,327)	-4%	147,530
Remuneration of councillors	24,291	25,554		1,981	12,110	12,777	(667)	-5%	25,554
Debt impairment	55,000	57,860		73	183	28,930	(28,747)	-99%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	28,260	(28,260)	-100%	56,520
Finance charges	2,900	2,505		217	1,173	1,253	(80)	-6%	2,505
Bulk purchases	70,000	80,941		6,691	38,241	41,380	(3,139)	-8%	80,941
Other materials	8,909	13,590		2,443	6,429	8,587	(2,158)	-25%	13,590
Contracted services	59,841	53,788		14,370	45,692	30,474	15,218	50%	53,788
Transfers and subsidies	3,580	3,740		347	1,262	1,790	(528)	-30%	3,740
Other expenditure	42,994	40,562		5,258	27,543	21,118	6,425	30%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
Total Expenditure	449,169	482,591	-	49,708	207,514	252,777	(45,263)	-18%	482,591
Surplus/(Deficit)	6,528	18,293	-	(36,734)	74,413	43,366	31,048	72%	18,293
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		5,575	47,197	64,400	(17,203)	-27%	73,921
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	100,578	92,214	-	(31,159)	121,611	107,766			92,214
Taxation									
Surplus/(Deficit) after taxation	100,578	92,214	-	(31,159)	121,611	107,766			92,214
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	100,578	92,214	-	(31,159)	121,611	107,766			92,214
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	100,578	92,214	-	(31,159)	121,611	107,766		-	92,214

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

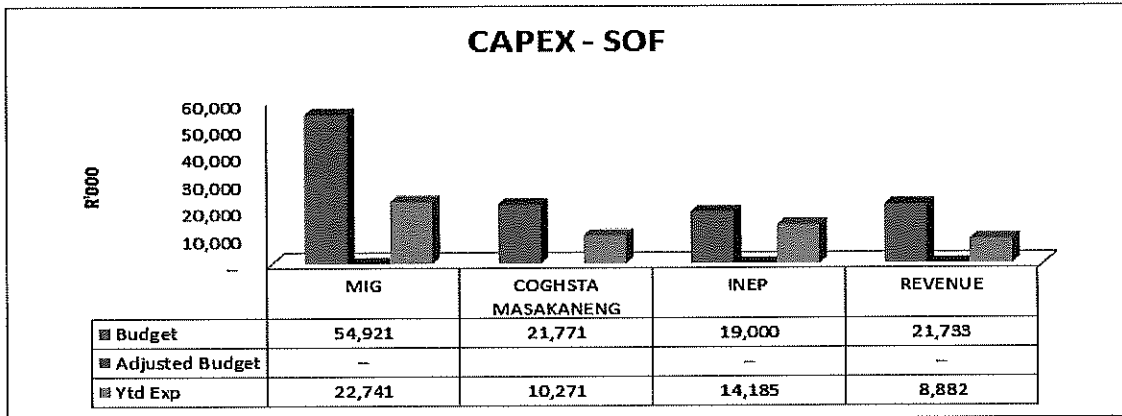
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,200	1,800	-	193	539	737	(198)	-27%	1,800
Executive and council							-		
Finance and administration	2,200	1,800		193	539	737	(198)	-27%	1,800
Internal audit							-		
Community and public safety	522	500	-	-	-	500	(500)	-100%	500
Community and social services	522	500				500	(500)	-100%	500
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	79,449	72,006	-	6,550	34,643	40,706	(6,062)	-15%	72,006
Planning and development							-		
Road transport	79,449	72,006		6,550	34,643	40,706	(6,062)	-15%	72,006
Environmental protection							-		
Trading services	15,087	21,348	-	915	13,482	12,260	1,221	10%	21,348
Energy sources	13,487	19,522		289	12,856	10,434	2,421	23%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826		626	626	1,826	(1,200)	-66%	1,826
Other							-		
Total Capital Expenditure - Functional Classification	97,258	95,654	-	6,657	48,664	54,203	(5,539)	-10%	95,654
Funded by:									
National Government	62,910	73,921		4,894	39,782	42,146	(2,364)	-6%	73,921
Provincial Government	18,931	-					-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	81,841	73,921	-	4,894	39,782	42,146	(2,364)	-6%	73,921
Borrowing							-		
Internally generated funds	15,417	21,733		1,764	8,882	12,057	(3,175)	-26%	21,733
Total Capital Funding	97,258	95,654	-	6,657	48,664	54,203	(5,539)	-10%	95,654

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,400	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,600	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	25,714	50,583	-	1,072	26,252	27,457	(1,204)	-4%	50,583
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	28,714	50,583	-	1,072	26,252	27,457	(1,204)	-4%	50,583
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	500
Vote 4 - Corporate Services	800	1,800	-	193	539	1,237	(698)	-56%	1,800
Vote 5 - Community Services	522	1,826	-	626	626	1,826	(1,200)	-66%	1,826
Vote 6 - Technical Services	67,222	40,945	-	4,767	21,246	23,683	(2,437)	-10%	40,945
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	68,544	45,071	-	5,585	22,412	26,747	(4,335)	-16%	45,071
Total Capital Expenditure	97,258	95,654	-	6,657	48,664	54,203	(5,539)	-10%	95,654

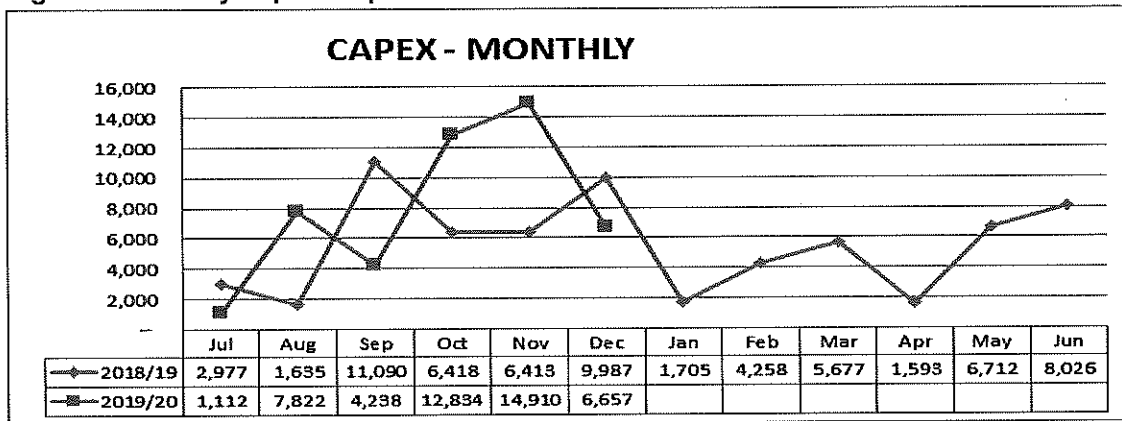
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2019, R6, 657 million spending was incurred and that increased the year to date expenditure to R48, 664 million whilst the year to date budget is R54, 203 million and this gave rise to under spending variance of R5, 539 million that translates to 10%.

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
ASSETS					
Current assets					
Cash	3,136	4,882		31,682	4,882
Call investment deposits	67,292	24,155		–	24,155
Consumer debtors	45,009	41,950		50,315	41,950
Other debtors	89,584	40,727		65,441	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		8,137	3,300
Total current assets	211,349	115,014	–	155,575	115,014
Non current assets					
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		1,053,667	1,055,765
Biological					
Intangible	85	85		39	85
Other non-current assets	1,237	13,476		37	13,476
Total non current assets	1,053,184	1,123,066	–	1,111,984	1,123,066
TOTAL ASSETS	1,264,533	1,238,080	–	1,267,559	1,238,080
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	5,002	9,686		10,192	9,686
Consumer deposits	5,373	4,860		5,510	4,860
Trade and other payables	126,449	60,924		90,530	60,924
Provisions	3,715	5,658		11,358	5,658
Total current liabilities	140,539	81,128	–	117,590	81,128
Non current liabilities					
Borrowing	23,097	13,554		13,469	13,554
Provisions	98,000	90,142		85,088	90,142
Total non current liabilities	121,097	103,696	–	98,557	103,696
TOTAL LIABILITIES	261,637	184,824	–	216,147	184,824
NET ASSETS	1,002,897	1,053,256	–	1,051,412	1,053,256
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,002,897	1,053,256		1,051,412	1,053,256
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,002,897	1,053,256	–	1,051,412	1,053,256

The above table shows that community wealth amounts to R1, 051 billion, total liabilities R216, 147 million and the total assets R1, 267 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 0.76:1 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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	18,029	21,878		1,991	12,706	17,364	(4,658)	-27%	21,878
Service charges	69,861	91,398		7,812	42,913	45,195	(2,282)	-5%	91,398
Other revenue	30,398	17,441		1,790	12,124	23,865	(11,741)	-49%	17,441
Government - operating	186,331	272,618		69,707	204,336	181,465	22,871	13%	272,618
Government - capital	93,601	73,921		17,467	53,434	64,400	(10,966)	-17%	73,921
Interest	3,493	3,861		74	1,792	3,833	(2,040)	-53%	3,861
Dividends	-	-		-	-	-	-	0%	-
Payments									
Suppliers and employees	(280,260)	(372,021)		(61,418)	(272,919)	(249,735)	23,184	-9%	(372,021)
Finance charges	(1,397)	(2,505)		(217)	(1,419)	(1,253)	167	-13%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(347)	(1,262)	(1,790)	(528)	30%	(3,740)
NET CASH FROM/(USED) OPERATING ACTIVITIES	118,137	102,851	-	36,860	51,705	83,344	31,639	38%	102,851
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,022	-		-	-	-	-	0%	-
Decrease (increase) in non-current debtors	-	-		-	10,082	-	10,082	0%	-
Decrease (increase) other non-current receivables	150	-		-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-		-	-	-	-	-	-
Payments									
Capital assets	(48,052)	(88,001)		(6,657)	(50,553)	(54,203)	(3,650)	7%	(88,001)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(44,880)	(88,001)	-	(6,657)	(40,471)	(54,203)	(13,732)	25%	(88,001)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-		-	-	-	-	-	-
Borrowing long term/refinancing	-	-		-	-	-	-	-	-
Increase (decrease) in consumer deposits	124	(400)		7	124	(916)	1,040	-114%	(400)
Payments									
Repayment of borrowing	(9,147)	(9,686)		(799)	(4,659)	(3,533)	1,126	-32%	(9,686)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,023)	(10,086)	-	(791)	(4,634)	(4,448)	86	-2%	(10,086)
NET INCREASE/(DECREASE) IN CASH HELD	64,234	4,764	-	29,411	6,700	24,692			4,764
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			31,682	48,965			29,746

Table C7 presents details pertaining to cash flow performance. As at end of December 2019, the net cash inflow from operating activities is R51, 705 million whilst net cash outflow from investing activities is R40, 741 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R4, 534 million. The cash and cash equivalent held at end of December 2019 amounted to R31, 682 million and the net effect of the above cash flows is cash inflow movement of R6, 700 million. The cash and cash equivalent at end of the reporting period of R31, 682 million, is made up of cash in the primary bank account amounting to R31, 682 million and no short-term investment.

- Rates 43%
- Electricity 13%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 30%
- Other 1%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

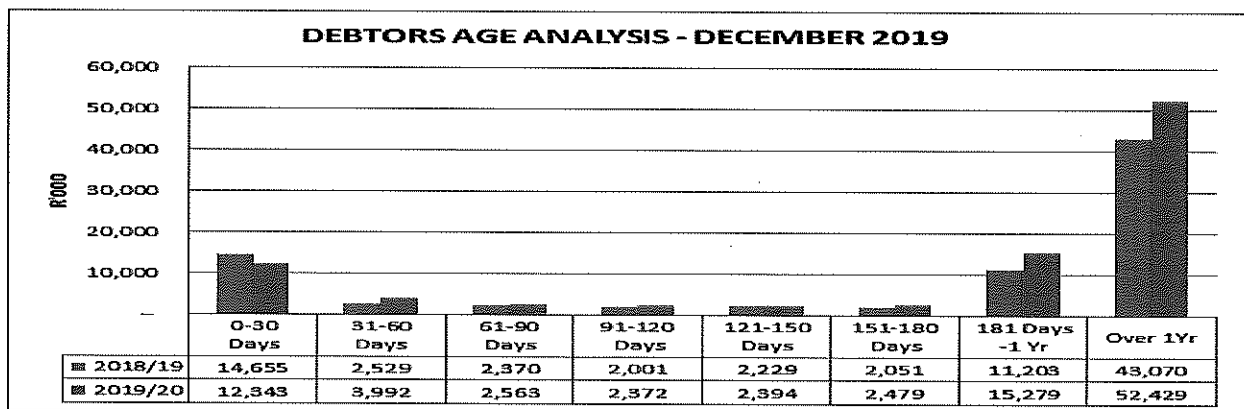
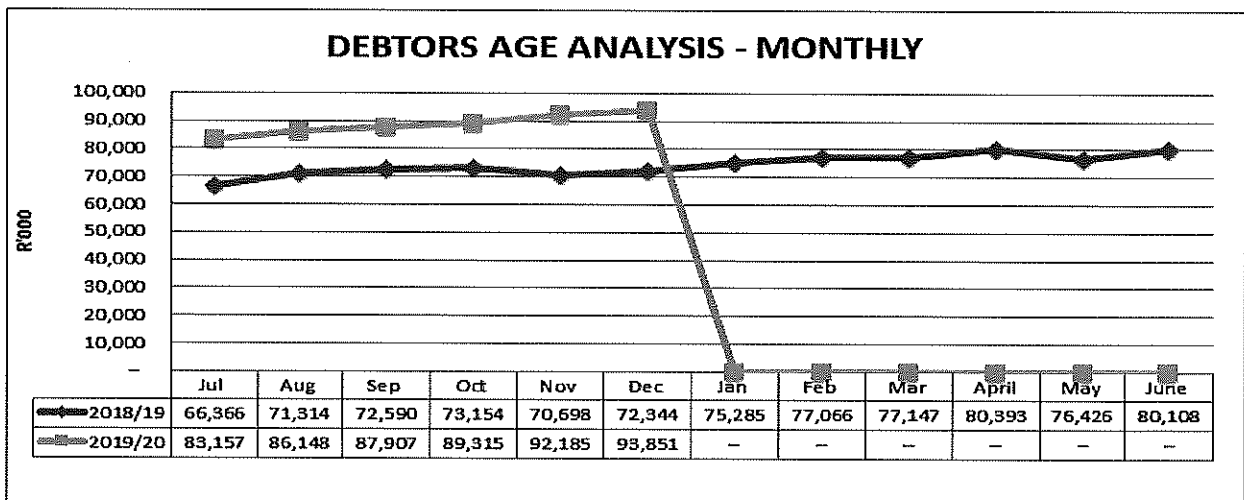


Figure 4: Monthly debtors book



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

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,833,735.21
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	947,470.90
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	392,494.86
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	280,712.96
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	273,720.34
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	267,651.29
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	264,521.92
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	263,686.84
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	234,146.59
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	233,216.38
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	219,359.04
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	217,362.28
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	216,961.16
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	199,927.64
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	196,954.62
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	193,392.56
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	192,598.00
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	188,142.64
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	187,390.34
2100381	BEN VILJOEN -KOSHUISE	ACTIVE	OCCUPIER	187,128.85
TOTAL				6,990,574.42

Supporting Table: SC 4 - Creditors Age Analysis

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

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

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

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
37770	BAHLOTSE TRADING (PTY) LTD	521,770.00
1004	LERMAT CONSTRUCTION & PROJECTS	196,592.50
1256	MANY LE MANG CONSTRUCTION	188,400.00
530	RENA BATSWAKO TRANSPORT AND CO	182,521.28
41061	KGADI YA MALAPA TRADING	179,950.00
80653	BABIRWA TRAVEL	165,044.17
80902	MAMBIZA CONCRETE	148,925.00
41095	REAKGONA TRAVEL SERVICES	107,337.50
31335	247 TRAVEL AND TOURISM	64,200.00
504	SEKHOBHA PROJECTS	63,995.00
37581	PHELADI NOKO B1 FUNERAL	61,667.66
37537	FITO & SONS CONSTRUCTION	29,600.00
31905	MORANA TRADING ENTERPRISES	28,500.00
80877	KM JUNIOR INVESTMENTS	28,320.00
37690	THUTOTHUTO SETSHABENG TRADING	28,000.00
70082	DITSHIPITSELENG SERVICES (PTY)	27,496.50
80432	DUMITRI HOLDING PTY LTD	27,495.00
80449	TAMARAYI TRANSPORT	26,700.00
80302	ZIKOMO GROUP	26,000.00
32068	BARWA COMMUNICATIONS C.C	24,000.00
TOTAL		2,126,514.61

The above table presents the top creditors paid during the month of December 2019 and an amount of R2, 126 million were paid to these creditors within 30 days.

Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate %	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Municipality									
Nedbank 03/7881068264/0037	1 Month	Current Investment	5.20%	31-Oct-19	41,099	-	(41,099)	-	-
TOTAL INVESTMENTS AND INTEREST					41,099		(41,099)	-	-

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R41, 099 thousand, which is made of interest from previous month and the whole is withdrawn, currently the municipality has no investment.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	245,278	272,618	-	-	204,955	181,465	23,490	13%	272,618
Local Government Equitable Share	237,506	269,009		-	201,757	178,130	23,627	13%	269,009
Finance Management	1,770	2,235		-	2,235	2,235	-		2,235
EPWP Incentive	1,002	1,374		-	963	1,100	(137)	-12%	1,374
Energy Efficiency and Demand Management	5,000	-		-	-	-			-
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Operating Transfers and Grants	245,278	272,618	-	-	204,955	181,465	23,490	13%	272,618
Capital Transfers and Grants									
National Government:	72,279	73,921	-	17,476	53,444	64,400	(10,956)	-17%	73,921
Municipal Infrastructure Grant (MIG)	62,270	54,921		17,476	39,444	49,500	(10,056)	-20%	54,921
Integrated National Electrification Grant	10,009	19,000		-	14,000	14,900	(900)	-6%	19,000
Provincial Government:	21,771	-	-	-	-	-	-		-
Coghsta - Development	21,771	-		-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	94,050	73,921	-	17,476	53,444	64,400	(10,956)	-17%	73,921
TOTAL RECEIPTS OF TRANSFERS & GRANTS	339,328	346,539	-	17,476	258,399	245,865	12,534	5%	346,539

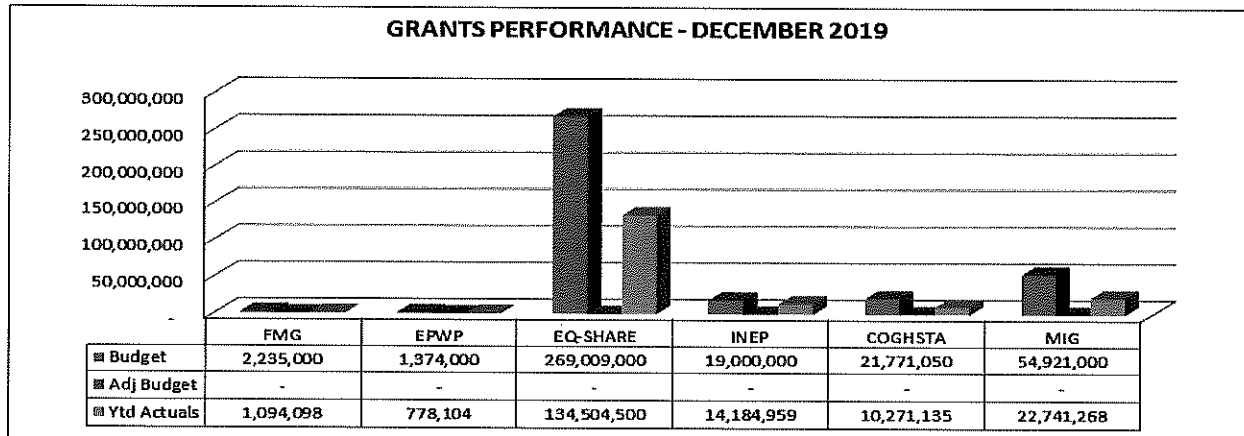
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R258, 399 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R201 757 million; Integrated National Electrification Programme amounting to R14 000 million and Municipal Infrastructure Grant amounting to R39 444 million, Expanded Public Works Programme R963 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
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	245,278	272,618	-	22,684	136,377	180,815	(44,438)	-25%	272,618
Local Government Equitable Share	237,506	269,009		22,417	134,505	178,130	(43,626)	-24%	269,009
Finance Management	1,770	2,235		146	1,094	2,235	(1,141)	-51%	2,235
EPWP Incentive	1,002	1,374		121	778	450	328	73%	1,374
Energy Efficiency and Demand Management	5,000	-				-	-		-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	245,278	272,618	-	22,684	136,377	180,815	(44,438)	-25%	272,618
Capital expenditure of Transfers and Grants									
National Government:	72,279	73,921	-	2,489	36,926	60,400	(23,474)	-39%	73,921
Municipal Infrastructure Grant (MIG)	62,270	54,921		2,117	22,741	49,500	(26,759)	-54%	54,921
Integrated National Electrification Grant	10,009	19,000		372	14,185	10,900	3,285	30%	19,000
Provincial Government:	21,771	21,771	-	3,085	10,271	4,256	6,015	141%	21,771
Coghsa - Development	21,771	21,771		3,085	10,271	4,256	6,015	141%	21,771
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	94,050	95,692	-	5,575	47,197	64,666	(17,469)	-27%	95,692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	339,328	368,310	-	28,259	183,574	245,471	(61,897)	-25%	368,310

An amount of R28, 259 million has been spent on grants during the month of December 2019 and the year to date actuals is 183, 574 million whilst the year to date budget amounts to R245, 471 million and this results in overspending variance of R61, 897 million that translates to negative 25%. Of the total spending amounting to R28, 259 million, R22, 684 million is spent on operational grants whilst R5, 575 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 DECEMBER 2019. The grants expenditure are shown below in percentages:

- Financial Management Grant 48.95%
- Expanded Public Work Programme 56.63%
- Equitable Share 50.00%
- Integrated National Electrification Grant 74.66%
- COGHSTA – Masakaneng Development 47.18%
- Municipal Infrastructure Grant 41.41%

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

Description	Budget Year 2019/20				
	Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Local Government Equitable Share	-			-	
Finance Management	-			-	
EPWP Incentive	-			-	
Energy Efficiency and Demand Management	-			-	
Provincial Government:	-	-	-	-	-
N/A				-	
District Municipality:	-	-	-	-	-
N/A				-	
Other grant providers:	-	-	-	-	-
N/A				-	
Total operating expenditure of Approved Roll-overs	-	-	-	-	-
Capital expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Municipal Infrastructure Grant (MIG)				-	
Intergrated National Electrification Grant				-	
Provincial Government:	-	-	-	-	-
Coghsta - Development				-	
District Municipality:	-	-	-	-	-
N/A				-	
Other grant providers:	-	-	-	-	-
N/A				-	
Total capital expenditure of Approved Roll-overs	-	-	-	-	-
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	-	-	-	-	-

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 - Councillor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,450	15,201		1,156	7,204	7,601	(397)	-5%	15,201
Pension and UIF Contributions	1,657	1,744		140	824	872	(48)	-5%	1,744
Medical Aid Contributions	351	369		27	165	185	(20)	-11%	369
Motor Vehicle Allowance	5,334	5,611		414	2,463	2,806	(342)	-12%	5,611
Cellphone Allowance	2,499	2,629		226	1,347	1,314	32	2%	2,629
Housing Allowances	-	-							-
Other benefits and allowances	-	-		18	107		107	#DIV/0!	-
Sub Total - Councillors	24,291	25,654	-	1,981	12,110	12,777	(667)	-6%	25,654
% increase		5%							6%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,532	5,150		359	2,152	2,575	(423)	-16%	5,150
Pension and UIF Contributions	245	172		13	81	86	(5)	-6%	172
Medical Aid Contributions	102	64		7	39	32	7	23%	64
Overtime	-	-							-
Performance Bonus	-	-							-
Motor Vehicle Allowance	760	918		55	328	459	(131)	-28%	918
Cellphone Allowance	141	188		14	85	94	(9)	-10%	188
Housing Allowances	-	-							-
Other benefits and allowances	528	331		245	333	314	19	6%	331
Payments in lieu of leave	-	-							-
Long service awards	-	-							-
Post-retirement benefit obligations	-	-							-
Sub Total - Senior Managers of Municipality	6,308	6,824	-	692	3,018	3,560	(542)	-15%	6,824
% increase		8%							8%
Other Municipal Staff									
Basic Salaries and Wages	79,451	91,339		7,341	45,032	45,670	(638)	-1%	91,339
Pension and UIF Contributions	16,141	18,714		1,489	8,933	9,357	(424)	-5%	18,714
Medical Aid Contributions	4,726	4,761		458	2,690	2,380	310	13%	4,761
Overtime	2,108	1,948		50	567	974	(407)	-42%	1,948
Performance Bonus	-	-							-
Motor Vehicle Allowance	10,043	11,571		927	5,555	5,785	(230)	-4%	11,571
Cellphone Allowance	1,147	1,171		149	894	586	309	53%	1,171
Housing Allowances	160	437		15	87	704	(617)	-88%	437
Other benefits and allowances	8,638	8,329		7,056	7,584	7,932	(348)	-4%	8,329
Payments in lieu of leave	1,173	1,951		94	365	976	(611)	-63%	1,951
Long service awards	578	486		58	155	284	(129)	-45%	486
Post-retirement benefit obligations	-	-							-
Sub Total - Other Municipal Staff	124,165	140,707	-	17,636	71,863	74,648	(2,785)	-4%	140,707
% increase		13%							13%
Total Parent Municipality	164,764	173,085	-	20,309	86,991	90,985	(3,994)	-4%	173,085
		12%							12%
TOTAL SALARY, ALLOWANCES & BENEFITS	164,764	173,085	-	20,309	86,991	90,985	(3,994)	-4%	173,085
% increase		12%							12%
TOTAL MANAGERS AND STAFF	130,473	147,630	-	18,328	74,881	78,208	(3,327)	-4%	147,630

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2019 amounts to R86, 991 million and the year to date budget is R90, 985 million and the expenditure for remuneration of councillors amounts to R12, 110 million while the year to date budget is R12, 777 million. The year to date actual expenditure for senior managers is R3, 018 million and the year to date budget thereof is R3, 560 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 R71, 863 million and the year to date budget is R74, 648 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 Year	Budget Year+1	Budget Year+2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	
Cash Receipts By Source																
Property rates	2,340	2,014	2,246	2,012	2,102	1,991	1,823	1,823	1,823	1,823	1,823	1,823	21,878	27,452	28,934	
Service charges - electricity revenue	5,598	6,336	6,911	7,093	7,290	7,485	6,741	6,741	6,741	6,741	6,741	12,965	87,380	86,220	90,876	
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse	428	406	338	342	360	327	335	335	335	335	335	143	4,018	4,596	4,844	
Rental of facilities and equipment	17	188	59	24	34	43	59	59	59	59	59	45	705	721	760	
Interest earned - external investments	425	456	233	41	41	—	245	245	245	245	245	564	2,946	3,105	3,272	
Interest earned - outstanding debtors	150	133	127	102	52	74	76	76	76	76	76	(104)	915	1,484	1,564	
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Fines, penalties and forfeits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Licences and permits	475	481	456	521	415	289	456	456	456	456	456	554	5,470	5,766	6,077	
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfer receipts - operating	112,431	2,235	—	—	19,963	69,707	23,135	23,135	23,135	23,135	23,135	(47,392)	272,618	281,737	314,255	
Other revenue	1,285	1,215	2,271	1,371	1,521	1,458	139	139	139	139	139	(8,150)	1,664	1,754	1,849	
Cash Receipts by Source	123,149	13,464	12,640	11,507	31,737	81,374	33,809	33,809	33,809	33,809	33,809	(35,718)	407,197	432,954	463,098	
Other Cash Flows by Source																
Transfer receipts - capital	30,967	—	—	—	5,000	17,467	6,160	6,160	6,160	6,160	6,160	(10,313)	73,921	74,234	75,773	
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Increase in consumer deposits	56	113	61	(115)	2	7	—	—	—	—	—	—	(524)	(400)	(300)	
Receipt of non-current debtors	—	—	4,651	2,585	2,846	—	—	—	—	—	—	—	(10,082)	—	—	
Receipt of non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Change in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Cash Receipts by Source	154,172	13,577	17,352	13,977	39,555	98,849	39,969	39,969	39,969	39,969	39,969	(56,636)	480,718	506,838	538,571	
Cash Payments by Type																
Employee related costs	11,243	11,085	11,107	12,045	11,072	18,328	12,609	12,609	12,609	12,609	12,609	9,606	147,530	157,231	165,564	
Remuneration of councillors	1,936	1,903	2,102	2,238	1,951	1,981	2,130	2,130	2,130	2,130	2,130	2,796	25,554	27,266	28,093	
Interest paid	255	—	—	731	217	217	207	207	207	207	207	48	2,505	1,141	53	
Bulk purchases - Electricity	85	8,918	9,123	7,369	6,053	6,891	6,382	6,382	6,382	6,382	6,382	10,789	80,941	93,406	107,884	
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other materials	269	598	990	1,306	803	2,443	773	773	773	773	773	(1,176)	9,120	9,612	9,831	
Contracted services	7,339	3,265	7,503	8,035	5,181	14,370	4,990	4,990	4,990	4,990	4,990	(14,375)	56,288	58,464	61,929	
Grants and subsidies paid - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Grants and subsidies paid - other	217	228	142	209	119	347	312	312	312	312	312	(2,820)	3,740	3,942	4,155	
General expenses	6,799	3,168	4,748	5,317	2,254	5,258	4,247	4,247	4,247	4,247	4,247	(6,224)	42,552	40,284	40,150	
Cash Payments by Type	28,163	29,164	35,715	37,250	27,650	49,635	31,650	31,650	31,650	31,650	31,650	2,384	368,211	391,346	417,660	
Other Cash Flows/Payments by Type																
Capital assets	1,421	9,187	5,542	12,834	14,910	6,657	6,452	6,452	6,452	6,452	6,452	5,188	88,001	89,158	88,783	
Repayment of borrowing	754	763	771	781	790	799	807	807	807	807	807	992	9,686	11,050	2,504	
Other Cash Flows/Payments	38,713	6,411	—	9,746	—	12,347	838	838	838	838	838	(61,352)	10,055	13,000	15,000	
Total Cash Payments by Type	69,053	45,525	42,028	60,612	43,350	69,438	39,747	39,747	39,747	39,747	39,747	(52,788)	476,963	504,555	523,947	
NET INCREASE/(DECREASE) IN CASH HELD	85,119	(31,948)	(24,677)	(46,635)	(3,765)	29,411	222	222	222	222	222	(3,850)	4,764	2,283	14,624	
Cash/cash equivalents at the month/year beginning	24,177	109,296	77,348	52,671	6,036	2,271	31,682	31,904	32,126	32,347	32,569	32,791	24,177	28,941	31,224	
Cash/cash equivalents at the month/year end:	109,296	77,348	52,671	6,036	2,271	31,682	31,904	32,126	32,347	32,569	32,791	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 R98, 849 million and the total cash payment for the month were R69, 438 million and this resulted in net decrease in cash held amounting to R29, 411 million. With cash and cash equivalent of R2, 271 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R31, 682 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	4,292	9,466		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	14,082		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		14,910	40,916	44,290	3,374	8%	43%
December	7,217	9,913		6,657	47,574	54,203	6,629	12%	50%
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	-		
Total Capital expenditure	71,370	95,654	-	47,574					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R6, 657 million. The year to date actual expenditure incurred is R47, 574 million whilst the year to date budget is R54, 203 million that gives rise to under spending variance of R6, 629 million that translate to 12%.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	47,545	53,043	--	4,144	26,420	27,633	2,214	8%	53,043
Roads Infrastructure	34,057	33,521	--	3,856	12,564	17,199	4,635	27%	33,521
Roads	34,057	33,521		3,856	12,564	17,199	4,635	27%	33,521
Road Structures							--		
Road Furniture							--		
Storm water Infrastructure	--	--	--	--	--	--	--		--
Drainage Collection							--		
Electrical Infrastructure	13,487	19,522	--	289	12,856	10,434	(2,421)	-23%	19,522
HV Substations							--		
HV Switching Station							--		
HV Transmission Conductors							--		
MV Networks	13,487	19,522		289	12,856	10,434	(2,421)	-23%	19,522
Solid Waste Infrastructure	--	--	--	--	--	--	--		--
Landfill Sites							--		
Waste Transfer Stations							--		
Waste Processing Facilities							--		
Community Assets	--	--	--	--	--	--	--		--
Community Facilities	--	--	--	--	--	--	--		--
Libraries							--		
Cemeteries/Crematoria							--		
Police							--		
Other assets	4,947	900	--	--	--	733	733	100%	900
Operational Buildings	4,947	900	--	--	--	733	733	100%	900
Municipal Offices	4,947	900		--	--	733	733	100%	900
Pay/Enquiry Points							0%		
Building Plan Offices							--		
Workshops							--		
Intangible Assets	--	--	--	--	--	--	--		--
Servitudes							--		
Licences and Rights	--	--	--	--	--	--	--		--
Water Rights							--		
Computer Equipment	1,000	500	--	13	13	420	408	97%	500
Computer Equipment	1,000	500		13	13	420	408	97%	500
Furniture and Office Equipment	400	400	--	523	526	317	(209)	-66%	400
Furniture and Office Equipment	400	400		523	526	317	(209)	-66%	400
Machinery and Equipment	300	2,326	--	283	626	1,909	1,283	67%	2,326
Machinery and Equipment	300	2,326		283	626	1,909	1,283	67%	2,326
Transport Assets	--	--	--	--	--	--	--		--
Transport Assets							--		
Total Capital Expenditure on new assets	54,192	57,169	--	4,963	26,585	31,013	4,429	14%	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
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	40,944	21,663	-	816	13,169	11,060	(2,109)	-19%	21,663
Roads Infrastructure	40,944	21,663	-	816	13,169	11,060	(2,109)	-19%	21,663
Roads	40,944	21,663		816	13,169	11,060	(2,109)	-19%	21,663
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	522	-	-	-	-	-	-		-
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	41,466	21,663	-	816	13,169	11,060	(2,109)	-19.1%	21,663

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	6,704	6,756	-	1,406	3,097	3,887	789	20%	6,756
Roads Infrastructure	2,000	2,000	-	-	107	1,333	1,227	92%	2,000
Roads	2,000	2,000		-	107	1,333	1,227	92%	2,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,000	1,052	-	1,083	1,593	701	(892)	-127%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		1,083	1,593	701	(892)	-127%	1,052
Solid Waste Infrastructure	3,704	3,704	-	323	1,397	1,852	455	25%	3,704
Landfill Sites	3,704	3,704		323	1,397	1,852	455	25%	3,704
Waste Transfer Stations							-		
Other assets	1,000	1,052	-	746	1,343	701	(642)	-92%	1,052
Operational Buildings	1,000	1,052	-	746	1,343	701	(642)	-92%	1,052
Municipal Offices	1,000	1,052		746	1,343	701	(642)	-92%	1,052
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,670	1,757	-	70	718	1,112	395	35%	1,757
Machinery and Equipment	1,670	1,757		70	718	1,112	395	35%	1,757
Transport Assets	1,000	1,052	-	440	1,256	701	(555)	-79%	1,052
Transport Assets	1,000	1,052		440	1,256	701	(555)	-79%	1,052
Total Repairs and Maintenance Expenditure	10,374	10,617	-	2,663	6,415	6,402	(13)	0%	10,617

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	34,653	39,133	-	-	-	17,161	17,161	100%	39,133
Roads Infrastructure	26,147	29,133	-	-	-	14,566	14,566	100%	29,133
Roads	25,147	29,133				14,566	14,566	100%	29,133
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	-	-		3,905
Attenuation							-		
Electrical Infrastructure	5,166	5,434	-	-	-	2,264	2,264	100%	5,434
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434				2,264	2,264	100%	5,434
MV Networks							-		
Solid Waste Infrastructure	629	662	-	-	-	331	331	100%	662
Landfill Sites	629	662				331	331	100%	662
Waste Transfer Stations							-		
Community Assets	2,918	3,070	-	-	-	1,535	1,535	100%	3,070
Community Facilities	2,918	3,070	-	-	-	1,535	1,535	100%	3,070
Libraries							-		
Cemeteries/Crematoria	2,918	3,070				1,535	1,535	100%	3,070
Police							-		
Other assets	2,180	2,293	-	-	-	1,147	1,147	0	2,293
Operational Buildings	2,180	2,293	-	-	-	1,147	1,147	100%	2,293
Municipal Offices	2,180	2,293				1,147	1,147	100%	2,293
Workshops							-		
Intangible Assets	378	398	-	-	-	875	875	100%	398
Servitudes							-		
Licences and Rights	378	398	-	-	-	875	875	100%	398
Computer Software and Applications	378	398				875	875	100%	398
Computer Equipment	1,518	1,597	-	-	-	798	798	100%	1,597
Computer Equipment	1,518	1,597				798	798	100%	1,597
Furniture and Office Equipment	3,817	4,015	-	-	-	2,007	2,007	100%	4,015
Furniture and Office Equipment	3,817	4,015				2,007	2,007	100%	4,015
Machinery and Equipment	2,175	2,288	-	-	-	1,144	1,144	100%	2,288
Machinery and Equipment	2,175	2,288				1,144	1,144	100%	2,288
Transport Assets	3,542	3,727	-	-	-	1,863	1,863	100%	3,727
Transport Assets	3,542	3,727				1,863	1,863	100%	3,727
Total Depreciation	51,181	56,520	-	-	-	26,531	26,531	100%	56,520

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	1,600	14,346	-	760	8,262	9,863	1,602	16%	14,346
Roads Infrastructure	-	14,346	-	760	8,262	9,863	1,602	16%	14,346
Roads		14,346		750	8,262	9,863	1,602	16%	14,346
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Networks									
Solid Waste Infrastructure	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-	-	-	-	-	-		-
Waste Transfer Stations									
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries									
Cemeteries/Crematoria									
Police									
Other assets	-	2,476	-	129	649	2,266	1,617	0	2,476
Operational Buildings	-	2,476	-	129	649	2,266	1,617	71%	2,476
Municipal Offices	-	2,476	-	129	649	2,266	1,617	71%	2,476
Workshops									
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications									
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets									
Total Capital Expenditure on upgrading of existing assets	1,600	16,822	-	878	8,910	12,129	3,219	27%	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 R26, 585 million and the year to date budget is R31, 013 million that reflects under spending variance of R4, 429 million that translates to 14% variance.

The year to date actuals on renewal of existing assets amounts R13, 169 million, and with the year to date budget of R11, 060 million and this reflects over spending variance of R2, 109 that translates to 19.1% variance.

The year to date actual expenditure on repairs and maintenance is R6, 415 million and the year to date budget is R6, 402 million, reflecting under spending variance of R13 thousand that translates to 0%.

The year to date actual expenditure on upgrading of existing assets is R8, 910 million and the year to date budget is R12, 129 million, reflecting under spending variance of R3, 219 million that translates to 27%.

The year to date actual expenditure on depreciation and asset impairment is nil and the year to date budget is R26, 531 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

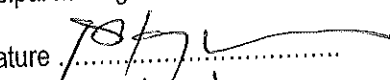
Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework Budget Year 2019/20		
					Original Budget	YTD Actuals	Percentage
Parent municipality:							
Technical Services	Kgapamadi road Development of masakaneng-COGHSTA	Renewal	Infrastructure	Roads Infrastructure	22,816	5,503	24%
Technical Services	Groblerdsdal Landfill site	New	Infrastructure	Roads Infrastructure	21,771	10,271	47%
Technical Services	Electrification of Tambo Village	Upgrade	Community assets	Waste Management	13,000	8,262	64%
Technical Services	Groblerdsdal Roads and Streets	New	Infrastructure	Electrical Infrastructure	12,266	9,718	71%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,698	7,088	81%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	8,400	5,804	67%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Roads Infrastructure	7,705	782	10%
Technical Services	Motetema Internal Streets	New	Infrastructure	Electrical Infrastructure	3,694	3,593	93%
Technical Services	Development of workshop	New	Infrastructure	Roads Infrastructure	3,478	497	14%
Technical Services	Culverts, road signs	New	Other Assets	Operational building	2,479	649	26%
Technical Services	Upgrading of Bloompoot to Uitspanning Access Road (Design only)	New	Infrastructure	Roads Infrastructure	1,739	-	0%
Technical Services	Upgrading of Dipakapakeng Access Road	Renewal	Infrastructure	Roads Infrastructure	1,500	-	0%
Technical Services	Electrification of Mashemong	Upgrade	Infrastructure	Roads Infrastructure	1,500	-	0%
Technical Services	Electrification of Ntswelomuse	New	Infrastructure	Electrical Infrastructure	1,435	289	20%
Technical Services	Upgrading of Tafelkop stadium Access Road	New	Infrastructure	Electrical Infrastructure	1,435	-	0%
Technical Services	Lawn mowers and other equipment's	Upgrade	Infrastructure	Roads Infrastructure	896	-	0%
Community Services	Completion of 2 Highmast light in Ward 10	New	Community assets	Machinery and Equipment	522	402	77%
Technical Services	Computer Equipment	Renewal	Infrastructure	Electrical Infrastructure	522	266	51%
Corporate Services	Equipment(tools)	New	Computer Equipment	Computer Equipment	500	13	3%
Technical Services	Mobile Offices Traffic	New	Equipment	Equipment	500	-	0%
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Operational building	500	-	0%
Community Services	Furniture and Office Equipment	New	Community assets	Machinery and Equipment	478	-	0%
Corporate Services	Air Conditioner	New	Furniture and Office Equipment	Furniture and Office Equipment	400	626	132%
Technical Services	Twenty skip bins	New	Machinery and Equipment	Machinery and Equipment	400	-	0%
Community Services	Bin filter (compatible with self-compressed containers)	New	Community assets	Machinery and Equipment	348	-	0%
Community Services	Two trailers	New	Machinery and Equipment	Machinery and Equipment	348	-	0%
Community Services		New	Community assets	Equipment	130	-	0%

Quality certificate

MESHACK KGWALE, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the mid-year budget performance and assessment report and supporting documentation for the period July 2019 to December 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name MESHACK KGWALE

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature 

Date 27/01/2020

