

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

AUGUST 2019

Table of Contents

PART 1: IN - YEAR REPORT	3
PURPOSE	3
EXECUTIVE SUMMARY	3
IN YEAR BUDGET STATEMENT TABLES	3
Table C1 – Budget Statement Summary	4
Table C2 – Financial Performance (Standard Classification)	7
Table C3 – Fin’ Performance (Revenue and Expenditure by vote)	8
Table C4: Financial Performance by Revenue Source and Expenditure Type	9
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding	10
Table C5C: Monthly Capital Expenditure by Vote	11
Figure1: Capital expenditure by source of finance	Error! Bookmark not defined.
Figure 2: Monthly capital expenditure	12
Table C6: Monthly Budget Statement Financial Position	13
Table C7: Monthly Budget Statement Cash Flow	14
PART 2: SUPPORTING TABLES	15
Supporting Table: SC 1 Material Variance Explanation	15
Supporting Table: SC 3 - Debtors Age Analysis	16
Figure 3: Debtors age analysis	16
Figure 4: Monthly debtors book	17
TOP TWENTY DEBTORS	18
Supporting Table: SC 4 - Creditors Age Analysis	18
TOP CREDITORS PAID	19
Supporting Table: SC 5 - Investment Portfolio	20
Supporting Table: SC 6 - Transfers and Grant Receipts	20
Supporting Table: SC 7 Transfers and grants – Expenditure	21
Figure 5: Grants performance	22
Supporting Table: SC7 (2) – Expenditure against approved rollovers	23
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs	24
Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts	26
Supporting Table: SC 12 Capital Expenditure Trend	27
Supporting Table: SC 13(a) Capital Expenditure on New Assets	28
Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets	29
Supporting Table: SC 13(c) Repairs and Maintenance Expenditure	30
Supporting Table: SC 13(d) Depreciation and asset impairment	31
Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets	32
List of Capital Programmes and Projects	34
QUALITY CERTIFICATE	35

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the August or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2018-19 financial year amounts are not yet audited.

IN YEAR BUDGET STATEMENT TABLES

SUMMARY OF BUDGET AND ACTUALS 2019/20				
DESCRIPTION	2019/20			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	500,884,685	-	139,090,382	28%
		-		
OPERATING EXPENDITURE	482,591,369	-	57,079,986	12%
		-		
TRANSFER - CAPITAL	73,921,000	-	10,608,418	14%
SURPLUS/(DEFICIT)	92,214,316	-	92,618,814	100%
CAPITAL EXPENDITURE	95,653,510	-	8,934,072	9%

Table C1 – Budget Statement Summary

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	33,010	34,727	–	3,014	5,940	5,788	152	3%	34,727
Service charges	89,925	101,507	–	8,068	15,670	15,800	(130)	-1%	101,507
Investment revenue	2,800	2,946	–	456	881	321	560	174%	2,946
Transfers and subsidies	245,278	272,618	–	179	112,611	101,646	10,965	11%	–
Other own revenue	84,683	89,087	–	1,921	3,990	14,804	(10,815)	-73%	361,705
Total Revenue (excluding capital transfers and c	455,697	500,885	–	13,638	139,090	138,359	731	1%	500,885
Employee costs	130,473	147,530	–	11,085	22,328	23,755	(1,426)	-6%	147,530
Remuneration of Councillors	24,291	25,554	–	1,903	3,839	4,259	(420)	-10%	25,554
Depreciation & asset impairment	51,181	56,520	–	–	–	9,420	(9,420)	-100%	56,520
Finance charges	2,900	2,505	–	–	–	418	(418)	-100%	2,505
Materials and bulk purchases	78,909	94,531	–	9,516	9,891	19,929	(10,038)	-50%	94,531
Transfers and subsidies	3,580	3,740	–	228	445	710	(265)	-37%	3,740
Other expenditure	157,835	152,210	–	6,440	20,577	26,888	(6,311)	-23%	152,210
Total Expenditure	449,169	482,591	–	29,172	57,080	85,379	(28,299)	-33%	482,591
Surplus/(Deficit)	6,528	18,293	–	(15,534)	82,010	52,980	29,030	55%	18,293
Transfers and subsidies - capital (monetary allocation)	94,050	73,921	–	9,187	10,608	30,600	(19,992)	-65%	73,921
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contrib	100,578	92,214	–	(6,347)	92,619	83,580	9,038	11%	92,214
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	100,578	92,214	–	(6,347)	92,619	83,580	9,038	11%	92,214
Capital expenditure & funds sources									
Capital expenditure	97,258	95,654	–	7,822	8,934	13,178	(4,244)	-32%	95,654
Capital transfers recognised	81,841	73,921	–	7,822	8,934	9,700	(766)	-8%	73,921
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,417	21,733	–	–	–	3,478	(3,478)	-100%	21,733
Total sources of capital funds	97,258	95,654	–	7,822	8,934	13,178	(4,244)	-32%	95,654
Financial position									
Total current assets	211,349	115,014	–	–	178,776				115,014
Total non current assets	1,053,184	1,123,066	–	–	1,081,410				1,123,066
Total current liabilities	140,539	81,128	–	–	119,175				81,128
Total non current liabilities	121,097	103,696	–	–	102,714				103,696
Community wealth/Equity	1,002,897	1,053,256	–	–	1,038,297				1,053,256
Cash flows									
Net cash from (used) operating	118,137	102,851	–	(22,111)	64,323	116,702	52,379	45%	102,851
Net cash from (used) investing	(44,880)	(88,001)	–	(9,187)	(10,608)	(2,257)	8,352	-370%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	–	(650)	(1,349)	(890)	458	-51%	(10,086)
Cash/cash equivalents at the month/year end	70,428	29,037	–	–	77,348	137,828	60,480	44%	29,746
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90	91-120	121-150 Dys	151-180	181 Dys-1	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,806	4,042	5,662	2,166	2,030	1,854	11,229	46,359	86,148
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 August is R139, 090 million and the year to date budget of R138, 359 million and this reflects a positive variance of R731 million which is mostly attributable to equitable shares received amounting to R112 087 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 174% favorable variance,
- Interest earned – outstanding debtors: 158% favorable variance,
- Rental on Facilities and Equipment: -18% unfavorable variance,
- Fines, penalties and forfeits: 93% unfavorable variance
- Transfer and Subsidies: 11% favorable variance
- Services Charges – electricity revenue: -5% unfavorable variance
- Services Charges – refuse revenue: 65% favorable variance
- Licenses and permits: 103% favorable variance
- Property rates: 3% favorable variance
- Other revenue: 52% favorable

Operating Expenditure

The year to date operational expenditure as at end of August amounts to R57, 080 million and the year to date budget is R85, 379 million. This reflects underspending variance of R28, 299 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:

- Finance charges: 100% under performance variance,
- Other Materials: 83% under performance
- Bulk purchase: 39% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 100% under performance variance
- Transfers and subsidies: 37% under performance variance
- Other expenditure: 35% over performance
- Remuneration of councilors: 10% under performance

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

Capital Expenditure

The year to date actual capital expenditure as at end of August 2019 amounts to R8, 934 million and the year to date budget amounts to R13, 178 million and this gives rise to R4, 244 million under performance. The procurement plans have been developed however, they are not fully implemented. These procurement plans were intended to guide the spending pattern on capital projects and partial implementation thereof makes it difficult to forecast the cash flow projections.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of August is R92, 619 million that is mainly attributed under performance on capital and operating expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of August amounts to R86, 148 million and this shows an increase of R2, 991 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 R59, 917 million and other debtors amounting to R26, 231 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice in the month of August 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	-	4,459	78,018	71,631	6,387	9%	214,636
Executive and council	42,873	46,559	-	-	21,332	17,128	4,204	25%	46,559
Finance and administration	147,508	159,127	-	4,459	53,394	51,211	2,182	4%	159,127
Internal audit	7,902	8,950	-	-	3,292	3,292	0	0%	8,950
Community and public safety	88,850	94,968	-	406	9,565	21,058	(11,493)	-55%	94,968
Community and social services	7,973	9,026	-	6	3,312	3,306	7	0%	9,026
Sport and recreation	10,677	12,092	-	-	5,365	4,444	921	21%	12,092
Public safety	70,200	73,850	-	400	888	13,308	(12,421)	-93%	73,850
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	141,810	117,004	-	5,005	30,320	45,738	(15,418)	-34%	117,004
Planning and development	17,107	21,564	-	174	7,550	7,728	(178)	-2%	21,564
Road transport	123,685	94,287	-	4,830	22,346	37,586	(15,240)	-41%	94,287
Environmental protection	1,018	1,153	-	-	424	424	0	0%	1,153
Trading services	120,804	148,197	-	12,956	31,796	30,531	1,264	4%	148,197
Energy sources	102,039	119,623	-	12,255	22,155	22,399	(244)	-1%	119,623
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	18,765	28,574	-	701	9,640	8,132	1,508	19%	28,574
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	549,746	574,806	-	22,825	149,699	168,959	(19,260)	-11%	574,806
Expenditure - Functional									
Governance and administration	184,555	191,835	-	12,546	32,370	33,870	(1,500)	-4%	191,835
Executive and council	39,998	41,658	-	2,985	7,958	6,802	1,156	17%	41,658
Finance and administration	135,446	141,488	-	9,410	23,633	25,682	(2,049)	-8%	141,488
Internal audit	9,111	8,689	-	152	779	1,386	(607)	-44%	8,689
Community and public safety	68,557	76,535	-	2,008	4,406	13,013	(8,607)	-66%	76,535
Community and social services	5,563	7,457	-	435	809	1,192	(384)	-32%	7,457
Sport and recreation	9,713	11,037	-	475	944	1,786	(842)	-47%	11,037
Public safety	53,281	58,041	-	1,097	2,654	10,034	(7,381)	-74%	58,041
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	79,856	87,675	-	3,872	7,090	15,956	(8,867)	-56%	87,675
Planning and development	15,813	17,147	-	1,035	2,124	2,839	(715)	-25%	17,147
Road transport	63,315	69,685	-	2,791	4,875	12,978	(8,103)	-62%	69,685
Environmental protection	728	843	-	46	91	139	(48)	-35%	843
Trading services	116,200	126,546	-	10,746	13,214	22,539	(9,325)	-41%	126,546
Energy sources	92,646	99,370	-	9,483	10,011	18,169	(8,158)	-45%	99,370
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,554	27,177	-	1,264	3,203	4,370	(1,167)	-27%	27,177
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	449,169	482,591	-	29,172	57,080	85,379	(28,299)	-33%	482,591
Surplus/ (Deficit) for the year	100,578	92,214	-	(6,347)	92,619	83,580	9,038	11%	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	–	–	19,168	15,168	4,000	26%	46,559
Vote 2 - Municipal Manager	31,469	35,643	–	–	13,316	13,112	204	2%	35,643
Vote 3 - Budget & Treasury	59,272	64,188	–	4,445	16,445	16,289	156	1%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	13	14,822	14,796	26	0%	40,227
Vote 5 - Community Services	120,478	132,693	–	1,584	20,581	31,014	(10,433)	-34%	132,693
Vote 6 - Technical Services	233,051	227,629	–	16,608	53,538	66,574	(13,036)	-20%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	174	5,123	5,301	(178)	-3%	14,966
Vote 8 - Executive Support	16,094	18,229	–	–	6,706	6,706	0	0%	18,229
Total Revenue by Vote	549,746	580,134	–	22,825	149,699	168,959	(19,260)	-11%	580,134
Expenditure by Vote									
Vote 1 - Executive & Council	35,307	36,873	–	2,769	7,499	6,018	1,481	25%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	2,531	7,630	6,071	1,560	26%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	4,339	10,957	9,940	1,017	10%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	1,443	2,852	6,350	(3,498)	-55%	36,814
Vote 5 - Community Services	100,333	112,427	–	3,875	8,784	18,789	(10,005)	-53%	112,427
Vote 6 - Technical Services	167,702	181,124	–	12,235	15,418	33,738	(18,319)	-54%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	546	1,147	2,164	(1,017)	-47%	13,185
Vote 8 - Executive Support	14,187	15,088	–	1,434	2,792	2,308	484	21%	15,088
Total Expenditure by Vote	446,483	483,492	–	29,172	57,080	85,379	(28,299)	-33%	483,492
Surplus/ (Deficit) for the year	103,263	96,642	–	(6,347)	92,619	83,580	9,038	11%	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		3,014	5,940	5,788	152	3%	34,727
Service charges - electricity revenue	81,798	92,957		7,366	14,277	14,955	(678)	-5%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		701	1,393	845	548	65%	8,550
Rental of facilities and equipment	1,000	1,052		48	143	175	(32)	-18%	1,052
Interest earned - external investments	2,800	2,946		456	881	321	560	174%	2,946
Interest earned - outstanding debtors	6,692	7,040		896	1,746	676	1,070	158%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		396	884	13,311	(12,427)	-93%	73,860
Licences and permits	5,200	5,470		481	956	470	485	103%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		179	112,611	101,646	10,965	11%	
Other revenue	1,582	1,664		101	260	172	89	52%	272,618
Gains on disposal of PPE	-	-		-	-	-	-		1,664
Total Revenue (excluding capital transfers and cont	455,697	500,885	-	13,638	139,090	138,359	731	1%	500,885
Expenditure By Type									
Employee related costs	130,473	147,530		11,085	22,328	23,755	(1,426)	-6%	147,530
Remuneration of councillors	24,291	25,554		1,903	3,839	4,259	(420)	-10%	25,554
Debt impairment	55,000	57,860		7	7	9,643	(9,636)	-100%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	9,420	(9,420)	-100%	56,520
Finance charges	2,900	2,505		-	-	418	(418)	-100%	2,505
Bulk purchases	70,000	80,941		8,918	9,003	14,740	(5,737)	-39%	80,941
Other materials	8,909	13,590		598	887	5,189	(4,302)	-83%	13,590
Contracted services	59,841	53,788		3,265	10,603	9,882	721	7%	53,788
Transfers and subsidies	3,580	3,740		228	445	710	(265)	-37%	3,740
Other expenditure	42,994	40,562		3,168	9,967	7,363	2,604	35%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
Total Expenditure	449,169	482,591	-	29,172	57,080	85,379	(28,299)	-33%	482,591
Surplus/(Deficit)	6,528	18,293	-	(15,534)	82,010	52,980	29,030	55%	18,293
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		9,187	10,608	30,600	(19,992)	-65%	73,921
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributio	100,578	92,214	-	(6,347)	92,619	83,580			92,214
Taxation									
Surplus/(Deficit) after taxation	100,578	92,214	-	(6,347)	92,619	83,580			92,214
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	100,578	92,214	-	(6,347)	92,619	83,580			92,214
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	100,578	92,214	-	(6,347)	92,619	83,580			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 councillors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

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

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

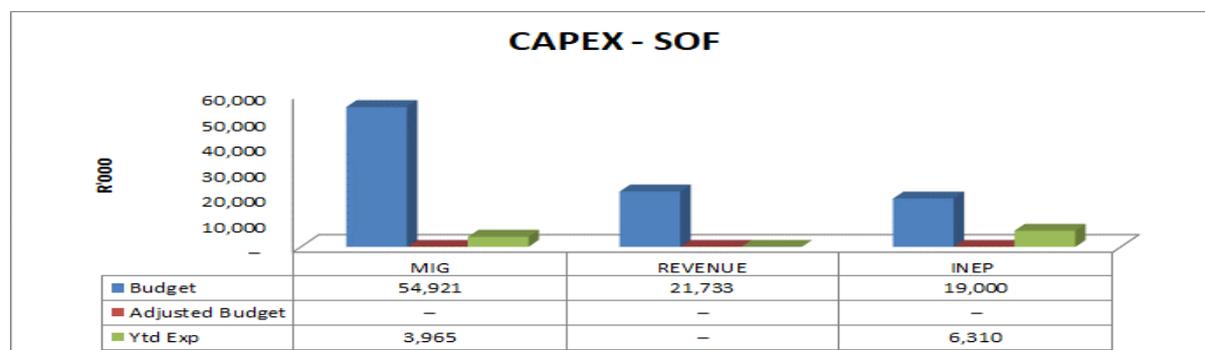
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,200	900	-	-	-	477	(477)	-100%	900
Executive and council							-		
Finance and administration	2,200	900		-	-	477	(477)	-100%	900
Internal audit							-		
Community and public safety	522	500	-	-	-	-	-		500
Community and social services	522	500				-	-		500
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	79,449	72,906	-	3,447	3,447	9,259	(5,812)	-63%	72,906
Planning and development							-		
Road transport	79,449	72,906		3,447	3,447	9,259	(5,812)	-63%	72,906
Environmental protection							-		
Trading services	15,087	21,348	-	4,374	5,487	3,441	2,045	59%	21,348
Energy sources	13,487	19,522		4,374	5,487	2,746	2,741	100%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826				696	(696)	-100%	1,826
Other							-		
Total Capital Expenditure - Functional Classification	97,258	95,654	-	7,822	8,934	13,178	(4,244)	-32%	95,654
Funded by:									
National Government	62,910	73,921		7,822	8,934	9,700	(766)	-8%	73,921
Provincial Government	18,931	-					-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	81,841	73,921	-	7,822	8,934	9,700	(766)	-8%	73,921
Borrowing							-		
Internally generated funds	15,417	21,733				3,478	(3,478)	-100%	21,733
Total Capital Funding	97,258	95,654	-	7,822	8,934	13,178	(4,244)	-32%	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	-	4,374	5,487	8,758	(3,271)	-37%	50,583
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	28,714	50,583	-	4,374	5,487	8,758	(3,271)	-37%	50,583
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	800	900	-	-	-	477	(477)	-100%	900
Vote 5 - Community Services	522	2,326	-	-	-	696	(696)	-100%	2,326
Vote 6 - Technical Services	67,222	41,845	-	3,447	3,447	3,247	200	6%	41,845
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	68,544	45,071	-	3,447	3,447	4,420	(973)	-22%	45,071
Total Capital Expenditure	97,258	95,654	-	7,822	8,934	13,178	(4,244)	-32%	95,654

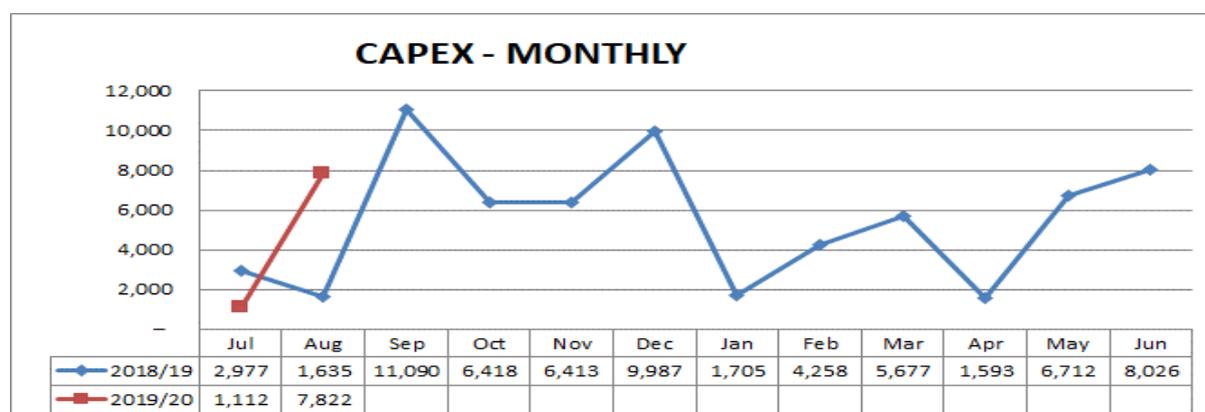
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of August 2019, R7, 822 million spending was incurred and that increased the year to date expenditure to R8, 934 million whilst the year to date budget is R13, 178 million and this gave rise to under spending variance of R4, 244 million that translates to 32%.

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		24,982	4,882
Call investment deposits	67,292	24,155		52,366	24,155
Consumer debtors	45,009	41,950		42,071	41,950
Other debtors	89,584	40,727		52,347	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		7,010	3,300
Total current assets	211,349	115,014	–	178,776	115,014
Non current assets					
Long-term receivables	–	–			–
Investments	–	–			–
Investment property	54,139	53,739		70,052	53,739
Investments in Associate	–	–			–
Property, plant and equipment	997,723	1,055,765		1,009,454	1,055,765
Biological					
Intangible	85	85		1,168	85
Other non-current assets	1,237	13,476		736	13,476
Total non current assets	1,053,184	1,123,066	–	1,081,410	1,123,066
TOTAL ASSETS	1,264,533	1,238,080	–	1,260,187	1,238,080
LIABILITIES					
Current liabilities					
Bank overdraft	–	–			–
Borrowing	5,002	9,686		13,291	9,686
Consumer deposits	5,373	4,860		5,554	4,860
Trade and other payables	126,449	60,924		93,129	60,924
Provisions	3,715	5,658		7,201	5,658
Total current liabilities	140,539	81,128	–	119,175	81,128
Non current liabilities					
Borrowing	23,097	13,554		13,469	13,554
Provisions	98,000	90,142		89,245	90,142
Total non current liabilities	121,097	103,696	–	102,714	103,696
TOTAL LIABILITIES	261,637	184,824	–	221,890	184,824
NET ASSETS	1,002,897	1,053,256	–	1,038,297	1,053,256
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,002,897	1,053,256		1,038,297	1,053,256
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,002,897	1,053,256	–	1,038,297	1,053,256

The above table shows that community wealth amounts to R1, 038 billion, total liabilities R221, 890 million and the total assets R1, 260 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 1,5:1 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		2,014	4,354	7,232	(2,878)	-40%	21,878
Service charges	69,861	91,398		6,742	12,768	5,246	7,522	143%	91,398
Other revenue	30,398	17,441		1,884	3,661	3,256	405	12%	17,441
Government - operating	186,331	272,618		2,235	114,666	101,196	13,470	13%	272,618
Government - capital	93,601	73,921		-	30,967	25,462	5,505	22%	73,921
Interest	3,493	3,861		589	1,164	1,255	(91)	-7%	3,861
Dividends	-	-					-		-
Payments									
Suppliers and employees	(280,260)	(372,021)		(35,347)	(102,558)	(25,413)	77,145	-304%	(372,021)
Finance charges	(1,397)	(2,505)			(255)	(986)	(731)	74%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(228)	(445)	(546)	(101)	19%	(3,740)
NET CASH FROM/(USED) OPERATING ACTIVITIES	118,137	102,851	-	(22,111)	64,323	116,702	52,379	45%	102,851
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	3,022	-		-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-		-	-	-	-		-
Decrease (increase) other non-current receivables	150	-		-	-	-	-		-
Decrease (increase) in non-current investments	-	-		-	-	-	-		-
Payments									
Capital assets	(48,052)	(88,001)		(9,187)	(10,608)	(2,257)	8,352	-370%	(88,001)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(44,880)	(88,001)	-	(9,187)	(10,608)	(2,257)	8,352	-370%	(88,001)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	-					-		-
Increase (decrease) in consumer deposits	124	(400)		113	169	(26)	194	-758%	(400)
Payments									
Repayment of borrowing	(9,147)	(9,686)		(763)	(1,517)	(865)	653	-75%	(9,686)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,023)	(10,086)	-	(650)	(1,349)	(890)	458	-51%	(10,086)
NET INCREASE/ (DECREASE) IN CASH HELD	64,234	4,764	-	(31,948)	52,366	113,555			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			77,348	137,828			29,746

Table C7 presents details pertaining to cash flow performance. As at end of August 2019, the net cash inflow from operating activities is R64, 323 million whilst net cash outflow from investing activities is R10, 608 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 349 million. The cash and cash equivalent held at end of August 2019 amounted to R77, 348 million and the net effect of the above cash flows is cash inflow movement of R52, 366 million. The cash and cash equivalent at end of the reporting period of R77, 348 million is made up of cash in the primary bank account amounting to R24, 982 million and short-term investments amounting to R52, 366 million.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Service charges - electricity revenue	-5%	The projected monthly revenue appear to be too high in light of the actual revenue performance	There might be downwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	65%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Interest earned - external investments	174%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Interest earned - outstanding debtors	158%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Fines, penalties and forfeits	-93%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Licences and permits	103%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Transfers and subsidies	11%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	52%	The actual revenue generated is more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Expenditure By Type			
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-100%	Finance charges is mainly for finance lease and the leased invoices where received after System closure	The Invoices will be reflected on the following Month
Bulk purchases	-39%	The main Eskom bill was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-83%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Contracted services	7%	The actual expenditure incurred is more than the projected monthly expenditure	The Line item will be monitored at measure to cap the expenditure will be implemented
Transfers and subsidies	-37%	The actual expenditure incurred was less than the projected monthly expenditure	There might be downwards Expenditure adjustment should the account continue to underperform
Other expenditure	35%	The actual expenditure incurred is more than the projected monthly expenditure	The budget will be monitored for adjustment should the trend continue

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-8%	The spending on grants funded capital projects was delayed by the fact that contractors were started working in July	The spending will only start improving in August
Internally generated funds	-100%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
Cash Flow			
Property rates	-40%	The collection rate on property rates is slightly below the projected rate	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	143%	The collection rate on service charges is above the projected rate	To review the projected collection rate during adjustment
Other revenue	12%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Government - operating	13%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Government - capital	22%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	-7%	Interest on Outstanding Debtors isn't as projected due to the under collection from debtors	Finance department to strengthen the credit control measures in ensuring improved collection rate
Suppliers and employees	-304%	2018/19 accrued creditors were only paid in July	No remedial action is needed
Finance charges	74%	Finance charges is mainly for finance lease and the leased invoices where not all received.	No remedial action is needed
Transfers and Grants	19%	The payments relating to this account where over projected for the Month of July	No remedial action is needed
Increase (decrease) in consumer deposits	-758%	Consumer deposits were significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	-75%	Projected repayments were higher than the actual Payment	No remedial action is needed

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2019/20											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	7,336	1,096	122	90	80	61	332	2,853	11,969	3,415	14%	
Receivables from Non-exchange Transactions - Property Rates	3,035	1,470	4,251	856	865	773	4,605	21,109	36,963	28,207	43%	
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	703	475	357	410	328	339	2,003	6,367	10,984	9,448	13%	
Receivables from Exchange Transactions - Property Rental Debtors	42	64	59	4	4	4	67	805	1,049	884	1%	
Interest on Arrear Debtor Accounts	909	877	802	815	771	739	3,945	15,486	24,345	21,757	28%	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	781	59	69	(8)	(17)	(62)	277	(261)	837	(72)	1%	
Total By Income Source	12,806	4,042	5,662	2,166	2,030	1,854	11,229	46,359	86,148	63,639	-	-
2018/19 - totals only	14,655	2,529	2,370	2,001	2,229	2,051	11,203	43,070	80,108	60,554		
Debtors Age Analysis By Customer Group												
Organs of State	1,727	666	1,188	450	452	406	2,332	10,265	17,485	13,904		
Commercial	6,046	997	531	354	235	131	1,138	7,072	16,503	8,929		
Households	4,207	1,780	1,493	952	931	908	5,396	18,272	33,939	26,459		
Other	826	599	2,449	411	412	409	2,363	10,751	18,221	14,346		
Total By Customer Group	12,806	4,042	5,662	2,166	2,030	1,854	11,229	46,359	86,148	63,639	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R86, 148 million. The debtors' book is made up as follows:

- Rates 43%
- Electricity 14%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 28%
- Other 1%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

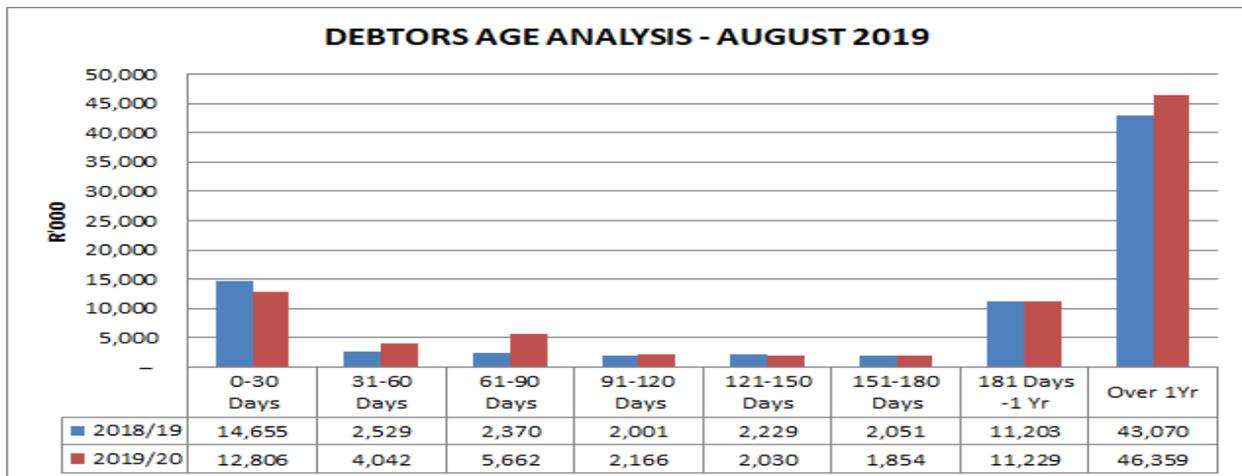
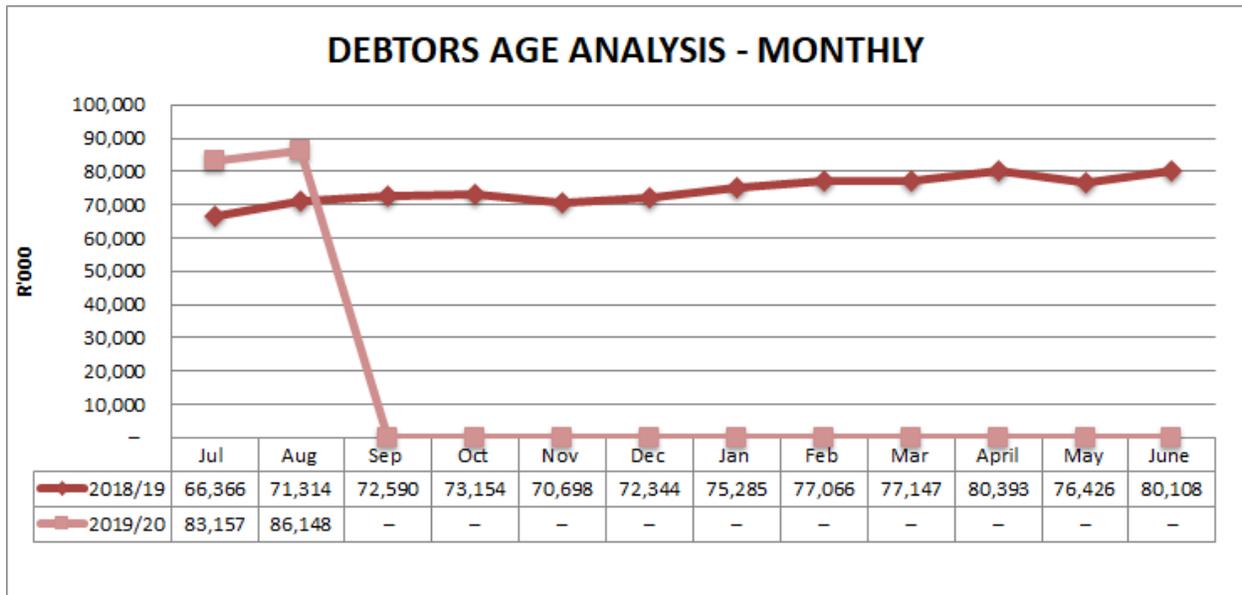


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of August 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	1,322,960.16
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	903,172.06
9053280	LIMPOPO GOVERNMENT PROV(BEN VILJOEN)	ACTIVE	OWNER	428,860.97
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	388,098.74
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	299,849.71
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	250,170.69
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	246,643.74
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	242,593.57
37850	WORLD WATCH TRADING 136 CC	ACTIVE	OCCUPIER	216,435.70
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	214,038.59
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	196,955.40
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	195,332.88
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	192,444.94
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	189,395.46
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	186,011.07
9002387	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	182,608.19
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	179,243.40
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	172,050.77
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	171,574.02
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	171,207.92
TOTAL				6,349,647.98

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
1004	LERMAT CONSTRUCTION & PROJECTS	824,699.27
80940	MAKGATA CONSTRUCTION	144,000.00
32604	SEGOKGOME TRADING AND PROJECTS	98,267.65
80944	INAMI PROJECTS	90,000.00
41095	REAKGONA TRAVEL SERVICES	64,475.00
37581	PHELADI NOKO B1 FUNERAL	61,667.66
80604	NPM DEVELOPMENT AND PROJECTS	27,900.00
1116	KGOBOKANANG BUSINESS PROJECTS	27,600.00
80941	MITSRAIM PROJECTS	27,000.00
80938	EARTH 111 PROJECTS	25,000.00
80939	OMPHILE BEPHELO ENTERPRISE	24,800.00
80906	MOKHINE BUSINESS SOLUTION	24,555.00
80942	KGETHOKANO TRADING	22,500.00
80937	CHEGOETSE PROJECTS	8,565.00
32501	BIG SKY TRADING 200 CC	7,500.00
32028	MCETETE CATERING AND CONSTRUC	3,675.00
TOTAL		1,482,204.58

The above table presents the top creditors paid during the month of August 2019 and an amount of R1, 482 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	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
Nedbank 03/7881068264/0037	1 Month	Current Investment	5.20%	20,142,334	2,870	(20,142,334)	-	2,870
Nedbank 03/7881068264/0053	1 Month	Current Investment	5.20%	20,096,285	46,049	(20,142,334)	-	-
Nedbank 03/7881068264/0054	2 Month	Current Investment	7.72%	30,145,940	196,701	-	-	30,342,641
Nedbank 03/7881068264/0055	1 Month	Current Investment	7.74%	21,877,183	143,116	-	-	22,020,299
Standard 038823527/003	2 Month	Current Investment	7.45%	22,035,258	67,258	(22,102,516)	-	0
TOTAL INVESTMENTS AND INTEREST				114,297,000		(62,387,185)	-	52,365,810

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R114, 297 million and this has yielded interests amounting to R455 thousand, withdrew R62, 387 million and closing balance of R52, 365 million.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	245,278	272,618	-	114,465	114,465	101,646	13,126	13%	272,618
Local Government Equitable Share	237,506	269,009		112,087	112,087	98,961	13,126	13%	269,009
Finance Management	1,770	2,235		2,235	2,235	2,235			2,235
EPWP Incentive	1,002	1,374		344	344	450			1,374
Energy Efficiency and Demand Management	5,000	-		-	-	-			-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	245,278	272,618	-	114,465	114,465	101,646	13,126	13%	272,618
Capital Transfers and Grants									
National Government:	72,279	73,921	-	30,967	30,967	30,600	367	1%	73,921
Municipal Infrastructure Grant (MIG)	62,270	54,921		21,967	21,967	25,000	(3,033)	-12%	54,921
Intergrated National Electrification Grant	10,009	19,000		9,000	9,000	5,600	3,400	61%	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	-	30,967	30,967	30,600	367	1%	73,921
TOTAL RECEIPTS OF TRANSFERS & GRANTS	339,328	346,539	-	145,432	145,432	132,246	13,493	10%	346,539

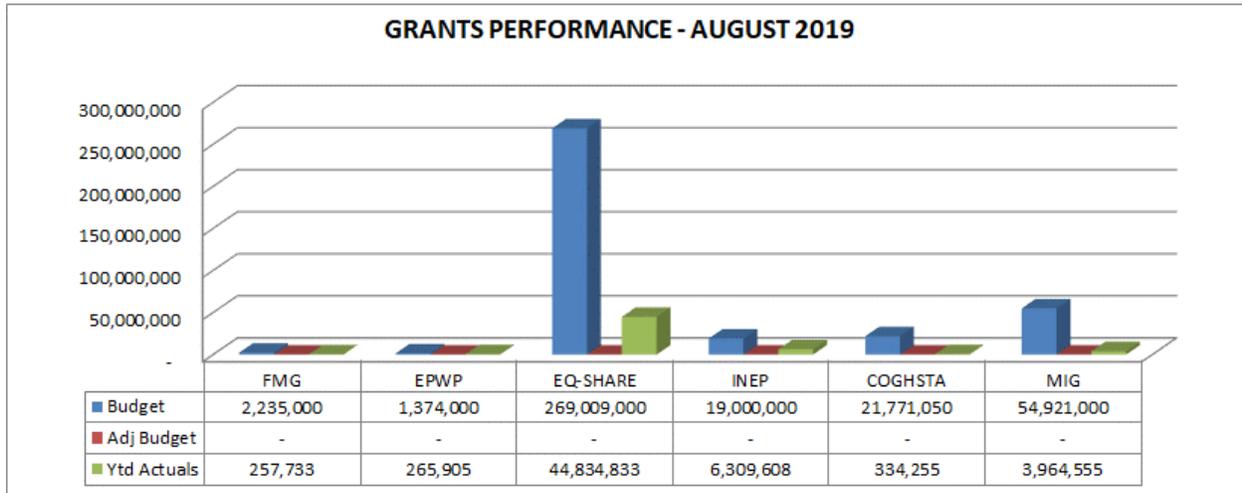
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R145, 432 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R112 087 million; Integrated National Electrification Programme amounting to R9 000 million and Municipal Infrastructure Grant amounting to R21 968 million, Expanded Public Works Programme R344 thousand, Financial Management Grant amounting to R2, 235 million were received. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	245,278	272,618	-	45,014	45,358	101,646	(56,288)	-55%	272,618
Local Government Equitable Share	237,506	269,009		44,835	44,835	98,961	(54,126)	-55%	269,009
Finance Management	1,770	2,235		56	258	2,235	(1,977)	-88%	2,235
EPWP Incentive	1,002	1,374		123	266	450	(184)	-41%	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	-	45,014	45,358	101,646	(56,288)	-55%	272,618
Capital expenditure of Transfers and Grants									
National Government:	72,279	73,921	-	8,853	10,274	30,600	(20,326)	-66%	73,921
Municipal Infrastructure Grant (MIG)	62,270	54,921		3,965	3,965	25,000	(21,035)	-84%	54,921
Intergrated National Electrification Grant	10,009	19,000		4,888	6,310	5,600	710	13%	19,000
Provincial Government:	21,771	21,771	-	334	334	1,256	(922)	-73%	21,771
Coghsta - Development	21,771	21,771		334	334	1,256	(922)	-73%	21,771
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total capital expenditure of Transfers and Grants	94,050	95,692	-	9,187	10,608	31,856	(21,248)	-67%	95,692
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	339,328	368,310	-	54,201	55,967	133,502	(77,536)	-58%	368,310

An amount of R53, 867 million has been spent on grants during the month of August 2019 and the year to date actuals is 55, 633 million whilst the year to date budget amounts to R132, 246 million and this results in underspending variance of R76, 613 million that translates to negative 58%. Of the total spending amounting to R53, 867 million, R45, 014 million is spent on operational grants whilst R8, 853 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 August 2019. The grants expenditure is shown below in percentages:

- Financial Management Grant 11.53%
- Expanded Public Work Programme 19.35%
- Equitable Share 16.67%
- Integrated National Electrification Grant 33.21%
- COGHSTA – Masakaneng Development 1.54%
- Municipal Infrastructure Grant 7.22%

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

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and 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		1,096	2,211	2,534	(323)	-13%	15,201
Pension and UIF Contributions	1,657	1,744		136	275	291	(16)	-5%	1,744
Medical Aid Contributions	351	369		27	55	62	(7)	-11%	369
Motor Vehicle Allowance	5,334	5,611		404	814	935	(121)	-13%	5,611
Cellphone Allowance	2,499	2,629		222	448	438	10	2%	2,629
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-		18	36		36	#DIV/0!	-
Sub Total - Councillors	24,291	25,554	-	1,903	3,839	4,259	(420)	-10%	25,554
% increase		5%							5%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,532	5,150		359	717	858	(141)	-16%	5,150
Pension and UIF Contributions	245	172		14	27	29	(1)	-5%	172
Medical Aid Contributions	102	64		7	13	11	2	23%	64
Overtime	-	-					-		-
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	760	918		55	109	153	(44)	-28%	918
Cellphone Allowance	141	188		14	28	31	(3)	-11%	188
Housing Allowances	-	-					-		-
Other benefits and allowances	528	331		18	35	6	30	515%	331
Payments in lieu of leave	-	-					-		-
Long service awards	-	-					-		-
Post-retirement benefit obligations	-	-					-		-
Sub Total - Senior Managers of Municipality	6,308	6,824	-	465	930	1,088	(157)	-14%	6,824
% increase		8%							8%
Other Municipal Staff									
Basic Salaries and Wages	79,451	91,339		7,298	14,671	15,223	(552)	-4%	91,339
Pension and UIF Contributions	16,141	18,714		1,483	2,975	3,119	(144)	-5%	18,714
Medical Aid Contributions	4,726	4,761		440	890	793	96	12%	4,761
Overtime	2,108	1,948		77	211	325	(113)	-35%	1,948
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	10,043	11,571		921	1,853	1,928	(76)	-4%	11,571
Cellphone Allowance	1,147	1,171		149	299	195	104	53%	1,171
Housing Allowances	160	437		15	29	558	(529)	-95%	437
Other benefits and allowances	8,638	8,329		99	213	132	81	61%	8,329
Payments in lieu of leave	1,173	1,951		65	182	325	(143)	-44%	1,951
Long service awards	578	486		75	75	67	8	11%	486
Post-retirement benefit obligations	-	-					-		-
Sub Total - Other Municipal Staff	124,165	140,707	-	10,620	21,398	22,667	(1,269)	-6%	140,707
% increase		13%							13%
Total Parent Municipality	154,764	173,085	-	12,988	26,167	28,014	(1,847)	-7%	173,085
		12%							12%
TOTAL SALARY, ALLOWANCES & BENEFITS	154,764	173,085	-	12,988	26,167	28,014	(1,847)	-7%	173,085
% increase		12%							12%
TOTAL MANAGERS AND STAFF	130,473	147,530	-	11,085	22,328	23,755	(1,426)	-6%	147,530

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of August 2019 amounts to R26, 167 million and the year to date budget is R28, 014 million and the expenditure for remuneration of councilors amounts to R1, 903 million while the year to date budget is R3, 893 million. The year to date actual expenditure for senior managers is R930 thousand and the year to date budget thereof is R1, 088 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 R21, 398 million and the year to date budget is R22, 667 million. The remuneration of councilors, senior manager and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position will be filled.

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

Description	Budget Year 2019/20												2019/20 Medium Term Revenue		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Budget	Year	Year +1	Year +2									
Cash Receipts By Source															
Property rates	2,340	2,014	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,823	1,115	21,878	27,452	28,934
Service charges - electricity revenue	5,598	6,336	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	6,741	14,780	87,380	86,220	90,876
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse	428	406	335	335	335	335	335	335	335	335	335	170	4,018	4,596	4,844
Rental of facilities and equipment	17	188	59	59	59	59	59	59	59	59	59	(29)	705	721	760
Interest earned - external investments	425	456	245	245	245	245	245	245	245	245	245	(145)	2,946	3,105	3,272
Interest earned - outstanding debtors	150	133	76	76	76	76	76	76	76	76	76	(54)	915	1,484	1,564
Dividends received															
Fines, penalties and forfeits			800	800	800	800	800	800	800	800	800	2,400	9,602	10,120	10,667
Licences and permits	475	481	456	456	456	456	456	456	456	456	456	412	5,470	5,786	6,077
Agency services															
Transfer receipts - operating	112,431	2,235	23,135	23,135	23,135	23,135	23,135	23,135	23,135	23,135	23,135	(50,262)	272,618	291,737	314,255
Other revenue	1,285	1,215	139	139	139	139	139	139	139	139	139	(2,084)	1,664	1,754	1,849
Cash Receipts by Source	123,149	13,464	33,809	(33,695)	407,197	432,954	463,098								
Other Cash Flows by Source															
Transfer receipts - capital	30,967		6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	6,160	(12,487)	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										(569)	(400)	(350)	(300)
Receipt of non-current debtors															
Receipt of non-current receivables															
Change in non-current investments															
Total Cash Receipts by Source	154,172	13,577	39,969	(46,751)	480,718	506,838	538,571								
Cash Payments by Type															
Employee related costs	11,243	11,085	12,609	12,609	12,609	12,609	12,609	12,609	12,609	12,609	12,609	11,723	147,530	157,231	165,564
Remuneration of councillors	1,936	1,903	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,550	25,554	27,266	28,093
Interest paid	255		207	207	207	207	207	207	207	207	207	383	2,505	1,141	53
Bulk purchases - Electricity	85	8,918	6,382	6,382	6,382	6,382	6,382	6,382	6,382	6,382	6,382	14,497	80,941	93,406	107,884
Bulk purchases - Water & Sewer															
Other materials	289	598	773	773	773	773	773	773	773	773	773	1,274	9,120	9,612	9,831
Contracted services	7,339	3,265	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	751	56,268	58,464	61,929
Grants and subsidies paid - other municipalities															
Grants and subsidies paid - other	217	228	312	312	312	312	312	312	312	312	312	(3,250)	3,740	3,942	4,155
General expenses	6,799	3,168	4,247	4,247	4,247	4,247	4,247	4,247	4,247	4,247	4,247	(5,634)	42,552	40,284	40,150
Cash Payments by Type	28,163	29,164	31,650	26,034	368,211	391,346	417,660								
Other Cash Flows/Payments by Type															
Capital assets	1,421	9,187	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	6,452	19,324	88,001	89,158	88,783
Repayment of borrowing	754	763	807	807	807	807	807	807	807	807	807	904	9,686	11,050	2,504
Other Cash Flows/Payments	38,713	6,411	838	838	838	838	838	838	838	838	838	(42,611)	10,055	13,000	15,000
Total Cash Payments by Type	69,053	45,525	39,747	3,652	475,953	504,555	523,947								
NET INCREASE/(DECREASE) IN CASH HELD	85,119	(31,948)	222	(50,403)	4,764	2,283	14,624								
Cash/cash equivalents at the month/year beginning:	24,177	109,296	77,348	77,570	77,791	78,013	78,235	78,457	78,678	78,900	79,122	79,344	24,177	28,941	31,224
Cash/cash equivalents at the month/year end:	109,296	77,348	77,570	77,791	78,013	78,235	78,457	78,678	78,900	79,122	79,344	28,941	28,941	31,224	45,848

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R13, 577 million and the total cash payment for the month were R45, 525 million and this resulted in net decrease in cash held amounting to R31, 948 million. With cash and cash equivalent of R109, 296 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R77, 348 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	14,062				27,239	–		
October	5,461	8,364				35,603	–		
November	6,413	8,687				44,290	–		
December	7,217	9,913				54,203	–		
January	2,762	8,429				62,632	–		
February	5,583	4,675				67,307	–		
March	2,500	10,432				77,739	–		
April	5,844	4,917				82,656	–		
May	8,105	5,184				87,840	–		
June	11,742	7,813				95,654	–		
Total Capital expenditure	71,370	95,654	–	8,934					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of August amounts to R7, 822million. The year to date actual expenditure incurred is R8, 934 million whilst the year to date budget is R13, 178 million that gives rise to under spending variance of R4, 244 million that translate to 32%.

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	50,043	-	5,923	7,035	8,295	1,260	15%	50,043
Roads Infrastructure	34,057	30,521	-	1,549	1,549	5,549	4,001	72%	30,521
Roads	34,057	30,521		1,549	1,549	5,549	4,001	72%	30,521
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	13,487	19,522	-	4,374	5,487	2,746	(2,741)	-100%	19,522
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,487	19,522		4,374	5,487	2,746	(2,741)	-100%	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	-	-	-	33	33	100%	900
Operational Buildings	4,947	900	-	-	-	33	33	100%	900
Municipal Offices	4,947	900				33	33	100%	900
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Computer Equipment	1,000	500	-	-	-	160	160	100%	500
Computer Equipment	1,000	500				160	160	100%	500
Furniture and Office Equipment	400	400	-	-	-	317	317	100%	400
Furniture and Office Equipment	400	400				317	317	100%	400
Machinery and Equipment	300	2,326	-	-	-	737	737	100%	2,326
Machinery and Equipment	300	2,326				737	737	100%	2,326
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on new assets	54,192	54,169	-	5,923	7,035	9,542	2,507	26%	54,169

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	23,813	-	-	-	2,230	2,230	100%	23,813
Roads Infrastructure	40,944	22,074	-	-	-	2,089	2,089	100%	22,074
Roads	40,944	22,074				2,089	2,089	100%	22,074
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	1,739	-	-	-	141	141	100%	1,739
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors		1,739				141	141	100%	1,739
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	522	-					-		
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	41,466	23,813	-	-	-	2,230	2,230	100.0%	23,813

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	-	165	582	1,889	1,307	69%	6,756
Roads Infrastructure	2,000	2,000	-	9	62	833	772	93%	2,000
Roads	2,000	2,000		9	62	833	772	93%	2,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,000	1,052	-	156	212	438	227	52%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		156	212	438	227	52%	1,052
Solid Waste Infrastructure	3,704	3,704	-	-	309	617	309	50%	3,704
Landfill Sites	3,704	3,704		-	309	617	309	50%	3,704
Waste Transfer Stations							-		
Other assets	1,000	1,052	-	188	188	438	251	57%	1,052
Operational Buildings	1,000	1,052	-	188	188	438	251	57%	1,052
Municipal Offices	1,000	1,052		188	188	438	251	57%	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	-	-	121	628	507	81%	1,757
Machinery and Equipment	1,670	1,757		-	121	628	507	81%	1,757
Transport Assets	1,000	1,052	-	-	7	526	519	99%	1,052
Transport Assets	1,000	1,052		-	7	526	519	99%	1,052
Total Repairs and Maintenance Expenditure	10,374	10,617	-	353	898	3,481	2,583	74%	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									
Infrastructure	34,653	39,133	-	-	-	6,222	6,222	100%	36,455
Roads Infrastructure	25,147	29,133	-	-	-	4,855	4,855	100%	26,454
Roads	25,147	29,133				4,855	4,855	100%	26,454
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	350	350	100%	3,905
Storm water Conveyance	3,712	3,905				350	350	100%	3,905
Attenuation							-		
Electrical Infrastructure	5,166	5,434	-	-	-	906	906	100%	5,434
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434				906	906	100%	5,434
MV Networks							-		
Solid Waste Infrastructure	629	662	-	-	-	110	110	100%	662
Landfill Sites	629	662				110	110	100%	662
Waste Transfer Stations							-		
Community Assets	2,918	3,070	-	-	-	512	512	100%	3,070
Community Facilities	2,918	3,070	-	-	-	512	512	100%	3,070
Libraries							-		
Cemeteries/Crematoria	2,918	3,070				512	512	100%	3,070
Police							-		
Other assets	2,180	2,293	-	-	-	382	382	0	2,293
Operational Buildings	2,180	2,293	-	-	-	382	382	100%	2,293
Municipal Offices	2,180	2,293				382	382	100%	2,293
Workshops							-		
Intangible Assets	378	398	-	-	-	33	33	100%	398
Servitudes							-		
Licences and Rights	378	398	-	-	-	33	33	100%	398
Computer Software and Applications	378	398				33	33	100%	398
Computer Equipment	1,518	1,597	-	-	-	266	266	100%	1,597
Computer Equipment	1,518	1,597				266	266	100%	1,597
Furniture and Office Equipment	3,817	4,015	-	-	-	669	669	100%	4,015
Furniture and Office Equipment	3,817	4,015				669	669	100%	4,015
Machinery and Equipment	2,175	2,288	-	-	-	381	381	100%	2,288
Machinery and Equipment	2,175	2,288				381	381	100%	2,288
Transport Assets	3,542	3,727	-	-	-	621	621	100%	3,727
Transport Assets	3,542	3,727				621	621	100%	3,727
Total Depreciation	51,181	56,520	-	-	-	9,086	9,086	100%	53,842

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	15,196	-	1,899	1,899	374	(1,525)	-408%	15,196
Roads Infrastructure	-	15,196	-	1,899	1,899	374	(1,525)	-408%	15,196
Roads		15,196		1,899	1,899	374	(1,525)	-408%	15,196
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-				-	-		-
Waste Transfer Stations							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	-	2,476	-	-	-	1,031	1,031	0	2,476
Operational Buildings	-	2,476	-	-	-	1,031	1,031	100%	2,476
Municipal Offices	-	2,476		-	-	1,031	1,031	100%	2,476
Workshops							-		
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	17,672	-	1,899	1,899	1,405	(494)	-35%	17,672

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 R7, 035 million and the year to date budget is R9, 542 million that reflects under spending variance of R2, 507 million that translates to 26% variance.

The year to date actuals on renewal of existing assets amounts nil, and with the year to date budget of R2, 230 million and this reflects no spending variance that translates to 100% variance.

The year to date actual expenditure on repairs and maintenance is R898 thousand and the year to date budget is R3, 481 million, reflecting under spending variance of R2, 583 million that translates to 74%.

The year to date actual expenditure on upgrading of existing assets is R1, 899 and the year to date budget is R1, 405 thousand, reflecting over spending variance of R494 thousands that translates to 35%.

The year to date actual expenditure on depreciation and asset impairment is nil and the year to date budget is R9, 086 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.

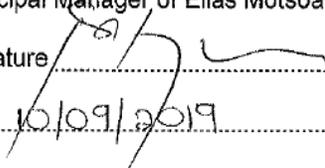
List of Capital Programmes and Projects

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	Renewal	Infrastructure	Roads Infrastructure	22,816	1,549	7%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	21,771	334	2%
Technical Services	Grobbersdal Landfill site	Upgrade	Community assets	Waste Management	13,000	1,899	15%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	3,130	26%
Technical Services	Grobbersdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	–	0%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	–	0%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	–	0%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	2,357	61%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	–	0%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	–	0%
Technical Services	Culverts, road signs	New	Infrastructure	Roads Infrastructure	1,739	–	0%
Technical Services	Upgrading of Bloompooort to Uitspanning Access Road (Design only)	Renewal	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Access Road	Upgrade	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Electrification of Ntswelemutse	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	Infrastructure	Roads Infrastructure	696	–	0%
Community Services	Lawn mowers and other equipment's	New	Community assets	Machinery and Equipment	522	–	0%
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	Infrastructure	Electrical Infrastructure	522	–	0%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	–	0%
Technical Services	Equipment(tools)	New	Equipment	Equipment	500	–	0%
Community Services	Mobile Offices Traffic	New	Community assets	Operational building	500	–	0%
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Machinery and Equipment	478	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	–	0%
Technical Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	400	–	0%
Community Services	Twenty skip bins	New	Community assets	Machinery and Equipment	348	–	0%
Community Services	Bin lifter (compatible with self-compressed containers)	New	Machinery and Equipment	Machinery and Equipment	348	–	0%
Community Services	Two trailers	New	Community assets	Equipment	130	–	0%

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of August 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature 

Date 10/09/2019

**Elias Motsoaledi Local
Municipality**

10 SEP 2019

Municipal Manager