

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**AUGUST 2020**

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

### **PURPOSE**

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

### **EXECUTIVE SUMMARY**

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the 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 2020-21 financial year amounts are not yet audited.

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

DESCRIPTION	2020/21			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	531,567,983	-	155,831,777	29%
		-		
OPERATING EXPENDITURE	512,448,796	-	50,083,405	10%
		-		
TRANSFER - CAPITAL	74,561,000	-	5,612,180	8%
SURPLUS/(DEFICIT)	93,680,187	-	111,360,552	119%
CAPITAL EXPENDITURE	89,279,520	-	7,492,061	8%

**Table C1 – Budget Statement Summary**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	35,773	38,345	–	3,277	6,560	6,391	169	3%	38,345
Service charges	91,506	110,873	–	7,901	15,316	18,479	(3,162)	-17%	110,873
Investment revenue	1,368	3,042	–	–	–	593	(593)	-100%	3,042
Transfers and subsidies	272,622	293,916	–	179	130,436	44,851	85,586	191%	293,916
Other own revenue	21,560	85,393	–	1,760	3,519	10,921	(7,402)	-68%	85,393
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>422,829</b>	<b>531,568</b>	<b>–</b>	<b>13,117</b>	<b>155,832</b>	<b>81,234</b>	<b>74,597</b>	<b>92%</b>	<b>531,568</b>
Employee costs	142,262	169,749	–	11,833	23,904	26,876	(2,972)	-11%	169,749
Remuneration of Councillors	24,574	26,525	–	2,020	4,040	4,421	(380)	-9%	26,525
Depreciation & asset impairment	273	55,163	–	–	–	9,194	(9,194)	-100%	55,163
Finance charges	2,345	1,184	–	115	115	434	(319)	-74%	1,184
Materials and bulk purchases	78,477	111,976	–	1,202	10,667	16,536	(5,869)	-35%	111,976
Transfers and subsidies	2,632	3,468	–	192	436	545	(108)	-20%	3,468
Other expenditure	118,175	144,385	–	4,535	10,921	31,504	(20,583)	-65%	144,385
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>–</b>	<b>19,897</b>	<b>50,083</b>	<b>89,508</b>	<b>(39,425)</b>	<b>-44%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>–</b>	<b>(6,780)</b>	<b>105,748</b>	<b>(8,274)</b>	<b>114,023</b>	<b>-1378%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561	–	5,612	5,612	30,968	(25,356)	-82%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>–</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>	<b>88,667</b>	<b>391%</b>	<b>93,680</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>–</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>	<b>88,667</b>	<b>391%</b>	<b>93,680</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>–</b>	<b>6,449</b>	<b>7,492</b>	<b>10,432</b>	<b>(2,940)</b>	<b>-28%</b>	<b>89,280</b>
Capital transfers recognised	70,327	74,561	–	4,844	4,844	9,242	(4,398)	-48%	74,561
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	13,975	14,719	–	1,605	2,648	1,190	1,458	122%	14,719
<b>Total sources of capital funds</b>	<b>84,302</b>	<b>89,280</b>	<b>–</b>	<b>6,449</b>	<b>7,492</b>	<b>10,432</b>	<b>(2,940)</b>	<b>-28%</b>	<b>89,280</b>
<b>Financial position</b>									
Total current assets	132,048	134,416	–		213,312				134,416
Total non current assets	1,149,795	1,286,031	–		1,162,460				1,286,031
Total current liabilities	109,500	93,706	–		115,807				93,706
Total non current liabilities	102,417	94,548	–		90,763				94,548
Community wealth/Equity	1,069,926	1,232,193	–		1,169,203				1,232,193
<b>Cash flows</b>									
Net cash from (used) operating	25,884	108,434	–	(14,101)	70,518	109,466	38,947	36%	108,434
Net cash from (used) investing	(85,303)	(87,593)	–	(6,449)	(7,492)	(11,731)	(4,239)	36%	(87,593)
Net cash from (used) financing	(9,474)	(11,480)	–	(881)	(1,753)	(892)	862	-97%	(11,480)
<b>Cash/cash equivalents at the month/year end</b>	<b>(43,911)</b>	<b>20,356</b>	<b>–</b>	<b>–</b>	<b>63,731</b>	<b>107,837</b>	<b>44,106</b>	<b>41%</b>	<b>11,819</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	13,110	3,117	3,293	2,954	2,844	2,696	14,234	73,271	115,518
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 R155, 832 million and the year to date budget of R81, 234 million and this reflects a positive variance of R74, 597 million which is mostly attributable to equitable shares received amounting to R130, 068 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 100% unfavorable variance,
- Interest earned – outstanding debtors: 114% favorable variance,
- Rental on Facilities and Equipment: 55% unfavorable variance,
- Fines, penalties and forfeits: 99% unfavorable variance
- Services Charges – electricity revenue: 19% unfavorable variance
- Services Charges – refuse revenue: 1% unfavorable variance
- Licenses and permits: 45% unfavorable variance
- Property rates: 3% favorable variance
- Other revenue: 16% unfavorable
- Transfer and subsidies: 191% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of August amounts to R50, 083 million and the year to date budget is R89, 508 million. This reflects underspending variance of R39, 425 million that translates to 44% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Employee related costs: 11% under performance
- Bulk Purchase: 21% under performance
- Other Materials: 74% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 100% under performance
- Contracted services: 47% under performance
- Other expenditure: 65% under performance
- Finance charges: 74% under performance
- Transfer and Subsidies: 20% 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 2020 amounts to R7, 492 million and the year to date budget amounts to R10, 432 million and this gives rise to R2, 940 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of August is R111, 361 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 August amounts to R115, 518 million and this shows an increase of R7, 279 million as compared to R108, 238 million as at end of 2019/20 financial year.

Consumer debtors is made up of service charges and property rates that amount to R77, 331 million and other debtors amounting to R38, 187 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 August as required by MFMA and as a result.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>223,172</b>	<b>228,630</b>	<b>-</b>	<b>4,592</b>	<b>98,190</b>	<b>34,014</b>	<b>64,176</b>	<b>189%</b>	<b>228,630</b>
Executive and council	46,559	49,315	-	-	27,078	2,690	24,388	907%	49,315
Finance and administration	167,663	169,450	-	4,592	69,468	29,680	39,788	134%	169,450
Internal audit	8,950	9,864	-	-	1,644	1,644	(0)	0%	9,864
<b>Community and public safety</b>	<b>24,327</b>	<b>94,154</b>	<b>-</b>	<b>44</b>	<b>3,963</b>	<b>12,540</b>	<b>(8,577)</b>	<b>-68%</b>	<b>94,154</b>
Community and social services	9,037	10,636	-	9	1,679	2,262	(583)	-26%	10,636
Sport and recreation	12,104	13,344	-	-	2,219	2,230	(11)	-1%	13,344
Public safety	3,186	70,174	-	35	66	8,048	(7,983)	-99%	70,174
<b>Economic and environmental services</b>	<b>123,212</b>	<b>121,857</b>	<b>-</b>	<b>6,027</b>	<b>30,351</b>	<b>34,311</b>	<b>(3,960)</b>	<b>-12%</b>	<b>121,857</b>
Planning and development	21,248	23,604	-	172	3,970	4,064	(94)	-2%	23,604
Road transport	100,811	96,853	-	5,855	25,331	30,247	(4,916)	-16%	96,853
Environmental protection	1,153	1,400	-	-	1,050	-	1,050		1,400
<b>Trading services</b>	<b>132,355</b>	<b>161,488</b>	<b>-</b>	<b>8,067</b>	<b>28,940</b>	<b>31,337</b>	<b>(2,397)</b>	<b>-8%</b>	<b>161,488</b>
Energy sources	104,223	130,709	-	7,328	14,796	26,199	(11,404)	-44%	130,709
Waste management	28,132	30,779	-	739	14,144	5,138	9,006	175%	30,779
<b>Total Revenue - Functional</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>18,729</b>	<b>161,444</b>	<b>112,202</b>	<b>49,242</b>	<b>44%</b>	<b>606,129</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>195,732</b>	<b>216,242</b>	<b>-</b>	<b>12,078</b>	<b>24,998</b>	<b>43,607</b>	<b>(18,609)</b>	<b>-43%</b>	<b>216,242</b>
Executive and council	49,343	49,314	-	4,082	6,958	7,941	(983)	-12%	49,314
Finance and administration	140,290	158,383	-	7,867	17,832	33,201	(15,369)	-46%	158,383
Internal audit	6,099	8,545	-	129	208	2,466	(2,258)	-92%	8,545
<b>Community and public safety</b>	<b>25,616</b>	<b>61,707</b>	<b>-</b>	<b>2,194</b>	<b>4,456</b>	<b>10,043</b>	<b>(5,587)</b>	<b>-56%</b>	<b>61,707</b>
Community and social services	5,068	8,269	-	451	969	1,352	(384)	-28%	8,269
Sport and recreation	5,514	10,698	-	534	1,068	1,687	(620)	-37%	10,698
Public safety	15,034	42,740	-	1,209	2,419	7,003	(4,584)	-65%	42,740
<b>Economic and environmental services</b>	<b>45,576</b>	<b>97,667</b>	<b>-</b>	<b>3,074</b>	<b>6,212</b>	<b>16,472</b>	<b>(10,260)</b>	<b>-62%</b>	<b>97,667</b>
Planning and development	14,737	16,561	-	824	1,728	2,664	(936)	-35%	16,561
Road transport	30,241	80,487	-	2,200	4,387	13,712	(9,325)	-68%	80,487
Environmental protection	598	619	-	50	97	96	1	1%	619
<b>Trading services</b>	<b>101,814</b>	<b>136,832</b>	<b>-</b>	<b>2,551</b>	<b>14,417</b>	<b>19,386</b>	<b>(4,968)</b>	<b>-26%</b>	<b>136,832</b>
Energy sources	75,508	111,667	-	485	10,156	15,445	(5,288)	-34%	111,667
Waste management	26,306	25,165	-	2,066	4,261	3,941	320	8%	25,165
<b>Total Expenditure - Functional</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>19,897</b>	<b>50,083</b>	<b>89,508</b>	<b>(39,425)</b>	<b>-44%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>	<b>88,667</b>	<b>391%</b>	<b>93,680</b>

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	41,231	43,443	-	-	26,099	1,711	24,388	1425%	43,443
Vote 2 - Municipal Manager	35,643	39,284	-	-	12,978	6,547	6,430	98%	39,284
Vote 3 - Budget & Treasury	72,458	66,279	-	4,581	13,830	13,165	665	5%	66,279
Vote 4 - Corporate Services	40,493	44,328	-	11	22,704	7,388	15,316	207%	44,328
Vote 5 - Community Services	57,897	135,511	-	1,130	19,871	19,437	434	2%	135,511
Vote 6 - Technical Services	222,464	241,319	-	12,836	51,071	58,509	(7,439)	-13%	241,319
Vote 7 - Developmental Planning	14,650	16,332	-	172	2,758	2,852	(94)	-3%	16,332
Vote 8 - Executive Support	18,229	19,633	-	-	12,133	2,592	9,541	368%	19,633
<b>Total Revenue by Vote</b>	<b>503,065</b>	<b>606,129</b>	<b>-</b>	<b>18,729</b>	<b>161,444</b>	<b>112,202</b>	<b>49,242</b>	<b>44%</b>	<b>606,129</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	41,936	41,788	-	3,682	6,246	6,865	(619)	-9%	41,788
Vote 2 - Municipal Manager	46,489	39,198	-	1,138	4,462	8,129	(3,667)	-45%	39,198
Vote 3 - Budget & Treasury	54,686	62,769	-	2,907	6,215	14,425	(8,210)	-57%	62,769
Vote 4 - Corporate Services	21,101	36,795	-	1,577	3,054	8,225	(5,171)	-63%	36,795
Vote 5 - Community Services	59,595	96,097	-	4,878	10,080	15,436	(5,356)	-35%	96,097
Vote 6 - Technical Services	115,674	207,387	-	3,696	15,391	32,349	(16,957)	-52%	207,387
Vote 7 - Developmental Planning	8,756	11,455	-	465	1,010	1,605	(595)	-37%	11,455
Vote 8 - Executive Support	20,146	16,960	-	1,552	3,626	2,475	1,151	47%	16,960
<b>Total Expenditure by Vote</b>	<b>368,383</b>	<b>512,449</b>	<b>-</b>	<b>19,897</b>	<b>50,083</b>	<b>89,508</b>	<b>(39,425)</b>	<b>-44%</b>	<b>512,449</b>
<b>Surplus/ (Deficit) for the year</b>	<b>134,682</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>	<b>88,667</b>	<b>391%</b>	<b>93,680</b>

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

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

**Table C4: Financial Performance by Revenue Source and Expenditure Type**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	35,773	38,345		3,277	6,560	6,391	169	3%	38,345
Service charges - electricity revenue	83,075	101,945		7,162	13,838	16,991	(3,152)	-19%	101,945
Service charges - refuse revenue	8,431	8,928		739	1,478	1,488	(10)	-1%	8,928
Rental of facilities and equipment	702	1,220		50	91	203	(112)	-55%	1,220
Interest earned - external investments	1,368	3,042		-	-	593	(593)	-100%	3,042
Interest earned - outstanding debtors	12,170	6,656		1,246	2,453	1,144	1,309	114%	6,656
Fines, penalties and forfeits	3,236	70,242		35	74	8,060	(7,986)	-99%	70,242
Licences and permits	4,240	6,344		347	714	1,289	(576)	-45%	6,344
Transfers and subsidies	272,622	293,916		179	130,436	44,851	85,586	191%	293,916
Other revenue	1,211	931		82	187	224	(37)	-16%	931
Gains							-		
<b>Total Revenue (excluding capital transfers and contribu</b>	<b>422,829</b>	<b>531,568</b>	<b>-</b>	<b>13,117</b>	<b>155,832</b>	<b>81,234</b>	<b>74,597</b>	<b>92%</b>	<b>531,568</b>
<b>Expenditure By Type</b>									
Employee related costs	142,262	169,749		11,833	23,904	26,876	(2,972)	-11%	169,749
Remuneration of councillors	24,574	26,525		2,020	4,040	4,421	(380)	-9%	26,525
Debt impairment	-	42,658		-	-	7,110	(7,110)	-100%	42,658
Depreciation & asset impairment	273	55,163		-	-	9,194	(9,194)	-100%	55,163
Finance charges	2,345	1,184		115	115	434	(319)	-74%	1,184
Bulk purchases	68,417	94,047		186	9,472	11,946	(2,474)	-21%	94,047
Other materials	10,059	17,929		1,016	1,194	4,590	(3,396)	-74%	17,929
Contracted services	74,997	60,660		2,528	7,239	13,737	(6,498)	-47%	60,660
Transfers and subsidies	2,632	3,468		192	436	545	(108)	-20%	3,468
Other expenditure	43,178	41,067		2,006	3,682	10,657	(6,975)	-65%	41,067
Losses	-	-					-		-
<b>Total Expenditure</b>	<b>368,738</b>	<b>512,449</b>	<b>-</b>	<b>19,897</b>	<b>50,083</b>	<b>89,508</b>	<b>(39,425)</b>	<b>-44%</b>	<b>512,449</b>
<b>Surplus/(Deficit)</b>	<b>54,091</b>	<b>19,119</b>	<b>-</b>	<b>(6,780)</b>	<b>105,748</b>	<b>(8,274)</b>	<b>114,023</b>	<b>-1378%</b>	<b>19,119</b>
Transfers and subsidies - capital (monetary allocations)	62,183	74,561		5,612	5,612	30,968	(25,356)	-82%	74,561
Transfers and subsidies - capital (monetary allocations)	18,054	-					-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>			<b>93,680</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>			<b>93,680</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>			<b>93,680</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>134,327</b>	<b>93,680</b>	<b>-</b>	<b>(1,168)</b>	<b>111,361</b>	<b>22,694</b>			<b>93,680</b>

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

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

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

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

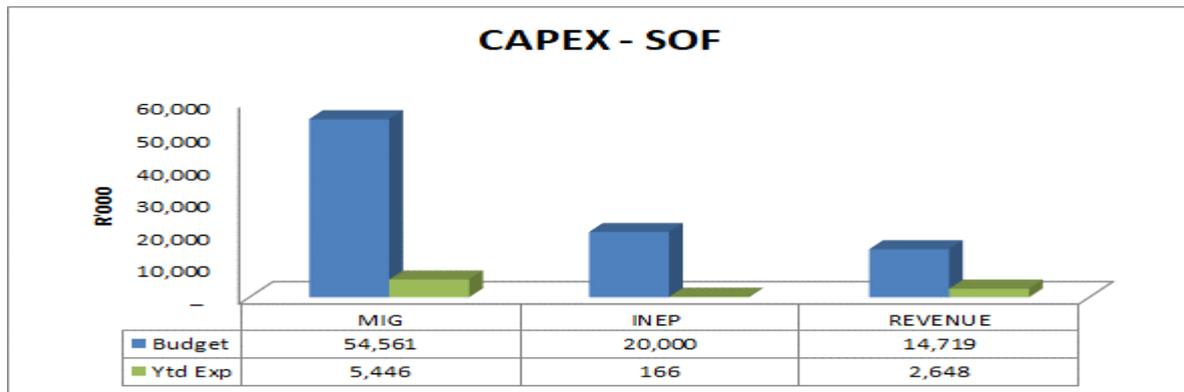
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	633	1,900	-	-	-	751	(751)	-100%	1,900
Executive and council							-		
Finance and administration	633	1,900		-	-	751	(751)	-100%	1,900
Internal audit							-		
<b>Community and public safety</b>	-	2,200	-	-	-	-	-		2,200
Community and social services		600		-	-	-	-		600
Sport and recreation		1,000		-	-	-	-		1,000
Public safety		600		-	-	-	-		600
Housing							-		
Health							-		
<b>Economic and environmental services</b>	66,134	64,830	-	6,305	7,348	6,850	498	7%	64,830
Planning and development							-		
Road transport	66,134	64,830		6,305	7,348	6,850	498	7%	64,830
Environmental protection							-		
<b>Trading services</b>	17,535	20,350	-	144	144	2,831	(2,687)	-95%	20,350
Energy sources	16,111	20,350		144	144	2,831	(2,687)	-95%	20,350
Waste management	1,424	-					-		-
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>6,449</b>	<b>7,492</b>	<b>10,432</b>	<b>(2,940)</b>	<b>-28%</b>	<b>89,280</b>
<b>Funded by:</b>									
National Government	54,628	74,561		4,844	4,844	9,242	(4,398)	-48%	74,561
Provincial Government	15,699	-					-		-
District Municipality							-		
Transfers and subsidies - capital							-		
<b>Transfers recognised - capital</b>	<b>70,327</b>	<b>74,561</b>	<b>-</b>	<b>4,844</b>	<b>4,844</b>	<b>9,242</b>	<b>(4,398)</b>	<b>-48%</b>	<b>74,561</b>
Borrowing							-		
Internally generated funds	13,975	14,719		1,605	2,648	1,190	1,458	122%	14,719
<b>Total Capital Funding</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>6,449</b>	<b>7,492</b>	<b>10,432</b>	<b>(2,940)</b>	<b>-28%</b>	<b>89,280</b>

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,050	-	-	-	400	(400)	-100%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	43,961	13,240	-	1,605	1,605	959	646	67%	13,240
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>43,961</b>	<b>14,290</b>	<b>-</b>	<b>1,605</b>	<b>1,605</b>	<b>1,359</b>	<b>246</b>	<b>18%</b>	<b>14,290</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	-	-	-	150	(150)	-100%	350
Vote 4 - Corporate Services	633	500	-	-	-	201	(201)	-100%	500
Vote 5 - Community Services	1,424	2,200	-	-	-	-	-	-	2,200
Vote 6 - Technical Services	38,284	71,939	-	4,844	5,887	8,722	(2,835)	-33%	71,939
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>40,341</b>	<b>74,989</b>	<b>-</b>	<b>4,844</b>	<b>5,887</b>	<b>9,073</b>	<b>(3,186)</b>	<b>-35%</b>	<b>74,989</b>
<b>Total Capital Expenditure</b>	<b>84,302</b>	<b>89,280</b>	<b>-</b>	<b>6,449</b>	<b>7,492</b>	<b>10,432</b>	<b>(2,940)</b>	<b>-28%</b>	<b>89,280</b>

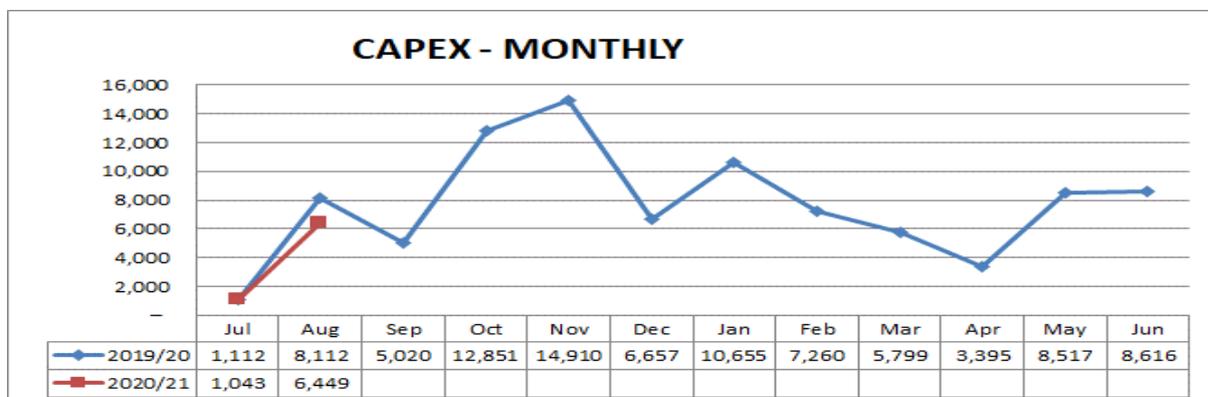
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of August 2020, R6, 449 million spending is incurred and that increased the year to date expenditure to R7, 492 million whilst the year to date budget is R10, 432 million and this gave rise to under spending variance of R2, 940 million that translates to 28%.

**Figure 1: Capital expenditure by source**



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R89, 280 million, R54, 561 million is funded from Municipal Infrastructure grant, R20, 000 million from Integrated National Electrification Programme and R14, 719 million from own revenue and the spending per source of finance is presented in the above graph.

**Figure 2: Monthly capital expenditure**



The above graph compares the 2018/19 and 2019/20 monthly capital expenditure performance.

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

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2,458	12,300		63,731	12,300
Call investment deposits	–	8,056		–	8,056
Consumer debtors	64,133	54,594		68,587	54,594
Other debtors	57,019	53,957		72,943	53,957
Current portion of long-term receivables	–			–	
Inventory	8,438	5,510		8,052	5,510
<b>Total current assets</b>	<b>132,048</b>	<b>134,416</b>	<b>–</b>	<b>213,312</b>	<b>134,416</b>
<b>Non current assets</b>					
Long-term receivables				–	
Investments	774	–		–	–
Investment property	60,900	48,000		57,826	48,000
Investments in Associate					
Property, plant and equipment	1,085,676	1,223,249		1,102,239	1,223,249
Biological				–	
Intangible	1,207	30		39	30
Other non-current assets	1,237	14,752		2,355	14,752
<b>Total non current assets</b>	<b>1,149,795</b>	<b>1,286,031</b>	<b>–</b>	<b>1,162,460</b>	<b>1,286,031</b>
<b>TOTAL ASSETS</b>	<b>1,281,843</b>	<b>1,420,447</b>	<b>–</b>	<b>1,375,772</b>	<b>1,420,447</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	2,248	10,980		13,119	10,980
Consumer deposits	5,581	5,701		5,629	5,701
Trade and other payables	90,313	71,167		94,794	71,167
Provisions	11,358	5,857		2,264	5,857
<b>Total current liabilities</b>	<b>109,500</b>	<b>93,706</b>	<b>–</b>	<b>115,807</b>	<b>93,706</b>
<b>Non current liabilities</b>					
Borrowing	17,328	–			–
Provisions	85,088	94,548		90,763	94,548
<b>Total non current liabilities</b>	<b>102,417</b>	<b>94,548</b>	<b>–</b>	<b>90,763</b>	<b>94,548</b>
<b>TOTAL LIABILITIES</b>	<b>211,917</b>	<b>188,254</b>	<b>–</b>	<b>206,569</b>	<b>188,254</b>
<b>NET ASSETS</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,169,203</b>	<b>1,232,193</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,069,926</b>	<b>1,232,193</b>		<b>1,169,203</b>	<b>1,232,193</b>
<b>Reserves</b>					
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,069,926</b>	<b>1,232,193</b>	<b>–</b>	<b>1,169,203</b>	<b>1,232,193</b>

The above table shows that community wealth amounts to R1, 169 billion, total liabilities R206, 569 million and the total assets R1, 375 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 1.8:1 that is below acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

**Table C7: Monthly Budget Statement Cash Flow**

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	24,332	26,841		1,960	3,983	4,534	(550)	-12%	26,841
Service charges	83,646	94,138		6,463	12,284	15,600	(3,316)	-21%	94,138
Other revenue	21,376	20,268		1,623	3,206	3,223	(17)	-1%	20,268
Transfers and Subsidies - Operational	273,214	293,916		2,600	133,685	124,689	8,996	7%	293,916
Transfers and Subsidies - Capital	73,921	74,561		5,000	21,470	31,301	(9,831)	-31%	74,561
Interest	2,405	4,373		91	171	802	(632)	-79%	4,373
<b>Payments</b>									
Suppliers and employees	(447,788)	(401,012)		(31,531)	(103,729)	(69,705)	34,025	-49%	(401,012)
Finance charges	(2,592)	(1,184)		(115)	(115)	(434)	(319)	74%	(1,184)
Transfers and Grants	(2,632)	(3,468)		(192)	(436)	(545)	(108)	20%	(3,468)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>25,884</b>	<b>108,434</b>	<b>-</b>	<b>(14,101)</b>	<b>70,518</b>	<b>109,466</b>	<b>38,947</b>	<b>36%</b>	<b>108,434</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
<b>Payments</b>									
Capital assets	(85,303)	(87,593)		(6,449)	(7,492)	(11,731)	(4,239)	36%	(87,593)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(85,303)</b>	<b>(87,593)</b>	<b>-</b>	<b>(6,449)</b>	<b>(7,492)</b>	<b>(11,731)</b>	<b>(4,239)</b>	<b>36%</b>	<b>(87,593)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	(500)					-		(500)
Increase (decrease) in consumer deposits	196	-					-		-
<b>Payments</b>									
Repayment of borrowing	(9,670)	(10,980)		(881)	(1,753)	(892)	862	-97%	(10,980)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,474)</b>	<b>(11,480)</b>	<b>-</b>	<b>(881)</b>	<b>(1,753)</b>	<b>(892)</b>	<b>862</b>	<b>-97%</b>	<b>(11,480)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(68,893)</b>	<b>9,361</b>	<b>-</b>	<b>(21,430)</b>	<b>61,273</b>	<b>96,843</b>			<b>9,361</b>
Cash/cash equivalents at beginning:	24,982	10,995			2,458	10,995			2,458
Cash/cash equivalents at month/year end:	(43,911)	20,356	-		63,731	107,837			11,819

Table C7 presents details pertaining to cash flow performance. As at end of August 2020, the net cash inflow from operating activities is R70, 518 million whilst net cash outflow from investing activities is R7, 492 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 753 million. The cash and cash equivalent held at end of August 2020 amounted to R63, 731 million and the net effect of the above cash flows is cash outflow movement of R61, 273 million. The cash and cash equivalent at end of the reporting period of R63, 731 million, is mainly made up of cash in the primary bank account amounting to R63, 731 million and no short-term investment .

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	3%	The projected monthly revenue appear to be low in light of the actual revenue performance	No remedial action is needed since the variance is immaterial.
Service charges - electricity revenue	-19%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed since it the first month of the new year. And again it could be due to corona virus pandemic since the government has requested municipalities not switch off overdue accounts
Service charges - refuse revenue	-1%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	-55%	The actual revenue generated is lower than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The variance is immaterial, therefore no remedial action is needed
Interest earned - external investments	-100%	The municipality has no external short term investment	The revenue unit should consider on investing so that interest can be earned
Interest earned - outstanding debtors	114%	The projected interest seems to be underprojected considering the interest earned	This could be as the result of lockdown due to COVID 19 as most of the customers accounts were overdue and now customers are settling their accounts.
Fines, penalties and forfeits	-99%	The contract of the speed fine cameras has been appointed however there is still challenges on revenue collection.	No remedial action is needed
Licences and permits	-45%	The actual revenue generated is lower than the projected monthly revenue	No remedial action is needed
Transfers and subsidies	191%	The first tranche of equitable share was higher than the projection thereof	An upward projections could be needed during budget adjustments, however it is still early
Other revenue	-16%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed as the variance is immaterial
<b>Expenditure By Type</b>			
Employee related costs	-11%	The actual expenditure incurred on employee related costs are less than the projections thereof	The expenditure should improve as soon as the appoint of vacant positions are filled
Remuneration of councillors	-9%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed as the variance is immaterial
Debt impairment	-100%	Debt impairment is still calculated at year end	The municipality should do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	The municipality should do away with this approach as it not viable
Finance charges	-74%	Finance charges is mainly for finance lease and the leased invoices are not captured before System closure	The expenditure unit should priorities the capturing of invoice prior to month end closure
Bulk purchases	-21%	The municipal licenced electrification areas have increased and the projections are lower that the actual expenditure thereof.	No remedial action is needed for now. This should be monitoted so that an upward adjustment will be considered should this continues
Other materials	-74%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials as the results of lockdown since the fewer material is consumed.	No remedial action is needed
Contracted services	-47%	The actual expenditure incurred is less than the projected monthly expenditure	Major contracted payments should be captured immediatly when they are paid to minimize the difference between the actual and projected.
Transfers and subsidies	-20%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	-65%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed for now. This should be monitoted so that an upward adjustment will be considered should this continues

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-48%	No spending on capital grants as the majority of projects have not started due to lockdown	No remedial action is needed
Provincial Government	0%		
Internally generated funds	122%	The actual spending of internally generated funds are slightly under projected	No remedial action is needed
<b>Cash Flow</b>			
Property rates	-12%	The actual collection rate on property rates is less than the projected rate	No remedial action is needed
Service charges	-21%	The collection rate on service charges is below the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	-1%	The collection rate on leased assets are not rented out as projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	7%	All grants have been received to this date and the projections are not in line with payment schedule.	The national treasury has uploaded payment schedule late and final budget was already submitted. No remedial action is needed
Interest	-79%	Interest on on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-49%	The actual costs incurred is way above the projected costs	This is the results of accruals paid during the current financial year
Finance charges	74%	The municipality hasn't invested the cash in the bank account.	There should be a short term investment so the capital could earn interest
Capital assets	36%	The projected capital expenditure on capex is higher than the actual spending thereof.	The expected first trench of INEP has not yet received from National treasury
Transfers and Grants	20%	The payments relating to this account are slightly lower the projections thereof	No remedial action is needed
Increase (decrease) in consumer deposits	0%	Consumer deposits were significantly more than the projection thereof	
Repayment of borrowing	-97%	Projected repayments is higher than the actual Payment	No remedial action is needed

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

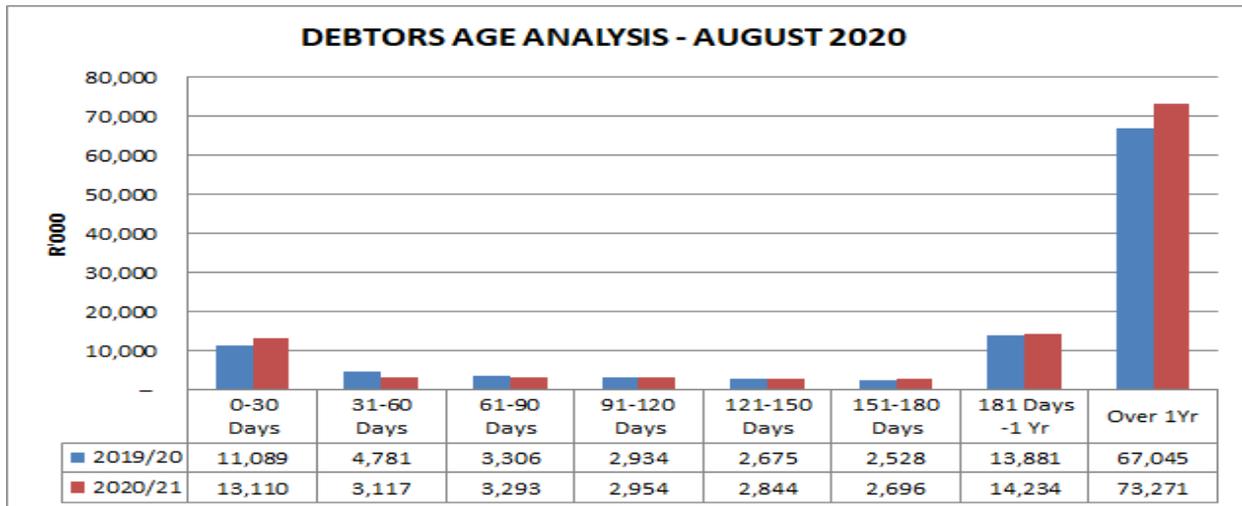
Description	Budget Year 2020/21											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	7,020	1,422	491	237	197	154	381	3,130	13,032	4,099		
Receivables from Non-exchange Transactions - Property Rates	3,280	1,528	1,284	1,179	1,148	1,101	5,855	32,511	47,886	41,793		
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	739	521	426	393	383	376	2,178	10,283	15,299	13,613		
Receivables from Exchange Transactions - Property Rental Debtors	53	12	6	6	9	9	49	971	1,114	1,043		
Interest on Arrear Debtor Accounts	1,252	1,198	1,162	1,127	1,091	1,055	5,698	23,630	36,213	32,601		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	765	(1,564)	(76)	12	17	1	72	2,746	1,974	2,849		
<b>Total By Income Source</b>	<b>13,110</b>	<b>3,117</b>	<b>3,293</b>	<b>2,954</b>	<b>2,844</b>	<b>2,696</b>	<b>14,234</b>	<b>73,271</b>	<b>115,518</b>	<b>95,999</b>	<b>-</b>	<b>-</b>
<b>2019/20 - totals only</b>	<b>11,089</b>	<b>4,781</b>	<b>3,306</b>	<b>2,934</b>	<b>2,675</b>	<b>2,528</b>	<b>13,881</b>	<b>67,045</b>	<b>108,238</b>	<b>89,062</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	1,799	(782)	512	603	599	540	3,149	17,391	23,810	22,282		
Commercial	5,934	885	615	485	447	430	1,838	9,806	20,441	13,006		
Households	4,515	2,403	1,582	1,309	1,249	1,189	6,248	28,773	47,267	38,767		
Other	863	610	584	558	549	536	2,998	17,302	23,999	21,943		
<b>Total By Customer Group</b>	<b>13,110</b>	<b>3,117</b>	<b>3,293</b>	<b>2,954</b>	<b>2,844</b>	<b>2,696</b>	<b>14,234</b>	<b>73,271</b>	<b>115,518</b>	<b>95,999</b>	<b>-</b>	<b>-</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R115, 518 million. The debtors' book is made up as follows:

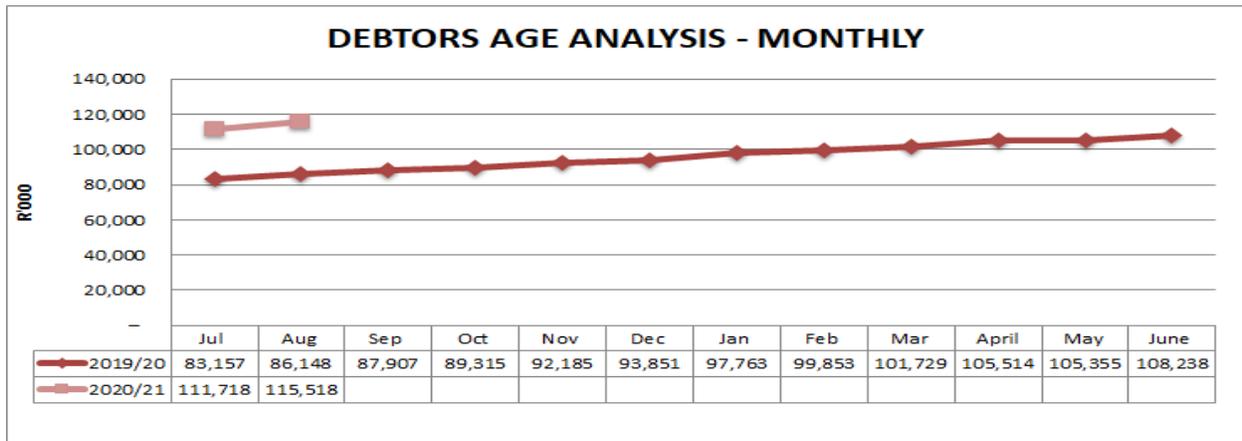
- Rates 41%
- Electricity 11%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 31%
- Other 2%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



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

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

## TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,321,162.48
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,042,954.00
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	639,684.11
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	501,143.77
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	466,412.90
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	464,643.33
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	300,498.36
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	297,314.04
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	274,736.46
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	260,303.21
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	253,884.16
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	230,795.76
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	225,659.79
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	224,826.27
20494	BREAKAWAY TRUST	ACTIVE	OWNER	224,440.46
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	224,001.32
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	220,555.43
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	217,575.99
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	208,328.23
9001712	20	ACTIVE	OWNER	200,192.08
<b>TOTAL</b>				<b>7,799,112.15</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2020/21									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

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

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are to be paid through order system payments and that should feed the age analysis module.

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

## TOP CREDITORS PAID

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

CODE	CREDITOR NAME	AMOUNT
81012	GREYLING PROPERTY	381,600.00
37545	PHOGOLE A NOKO CONSTRUCTION	162,453.90
35398	BOMASHA TRANSPORT AND PROJECTS	68,000.00
80558	MMUSI BUSINESS SOLUTION	29,000.00
81019	PEBETSI LE LE MMASECHABA	27,600.00
80972	MAMAFAKE SERVICES (PTY) LTD	27,000.00
80495	BLUE DIC E PTY LTD	25,000.00
80974	LETHURAND HOLDINGS	24,300.00
35380	SYLOVIAL TRADING & PROJECTS CC	24,000.00
80978	PHUMLANI MMT ENTERPRISE	24,000.00
81018	MMESHI GROUP	22,940.00
80432	DUMITRI HOLDING PTY LTD	21,800.00
81016	YOUTH IMPACT TRADERS	17,945.00
<b>TOTAL</b>		<b>855,638.90</b>

## Supporting Table: SC 5 - Investment Portfolio

The Municipality has no current investment portfolio during the month of August 2020

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>273,214</b>	<b>293,916</b>	<b>-</b>	<b>2,600</b>	<b>133,685</b>	<b>44,751</b>	<b>88,934</b>	<b>199%</b>	<b>293,916</b>
Local Government Equitable Share	269,009	289,039		-	130,068	41,311	88,757	215%	289,039
Finance Management	2,235	2,600		2,600	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681		-	421	344	77	22%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	596		-	596	497	99	20%	596
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total Operating Transfers and Grants</b>	<b>273,214</b>	<b>293,916</b>	<b>-</b>	<b>2,600</b>	<b>133,685</b>	<b>44,751</b>	<b>88,934</b>	<b>199%</b>	<b>293,916</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>5,000</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		-	16,470	22,968	(6,498)	-28%	54,561
Integrated National Electrification Grant	19,000	20,000		5,000	5,000	8,000			20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total Capital Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>5,000</b>	<b>21,470</b>	<b>30,968</b>	<b>(6,498)</b>	<b>-21%</b>	<b>74,561</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>368,906</b>	<b>368,477</b>	<b>-</b>	<b>7,600</b>	<b>155,155</b>	<b>75,719</b>	<b>82,436</b>	<b>109%</b>	<b>368,477</b>

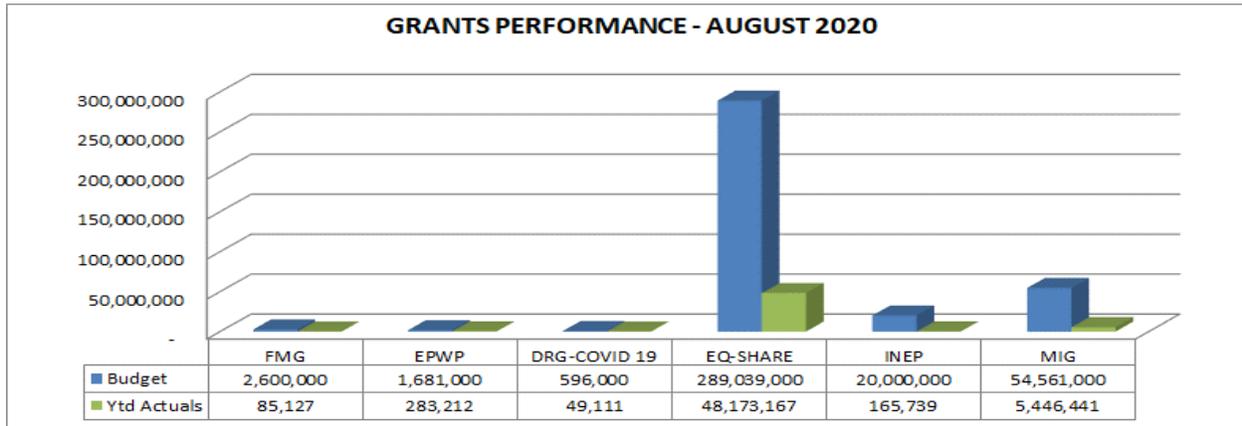
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R155, 155 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R130, 068 million; Municipal Infrastructure Grant amounting to R16, 470 million; Integrated National Energy Grant R5, 000 million, Financial Management Grant R2, 600 million, Expanded Public Works Programme R273 thousands and Disaster Relief Grant (COVID 19) R596 thousands were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>272,618</b>	<b>293,916</b>	<b>-</b>	<b>24,315</b>	<b>48,591</b>	<b>44,751</b>	<b>3,839</b>	<b>9%</b>	<b>293,916</b>
Local Government Equitable Share	269,009	289,039		24,087	48,173	41,311	6,863	17%	289,039
Finance Management	2,235	2,600		43	85	2,600	(2,515)	-97%	2,600
EPWP Incentive	1,374	1,681		135	283	344	(61)	-18%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	-	596		49	49	497	(448)	-90%	596
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>272,618</b>	<b>293,916</b>	<b>-</b>	<b>24,315</b>	<b>48,591</b>	<b>44,751</b>	<b>3,839</b>	<b>9%</b>	<b>293,916</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>73,921</b>	<b>74,561</b>	<b>-</b>	<b>5,612</b>	<b>5,612</b>	<b>30,968</b>	<b>(25,356)</b>	<b>-82%</b>	<b>74,561</b>
Municipal Infrastructure Grant (MIG)	54,921	54,561		5,446	5,446	22,968	(17,522)	-76%	54,561
Intergrated National Electrification Grant	19,000	20,000		166	166	8,000	(7,834)	-98%	20,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Total capital expenditure of Transfers and Grants</b>	<b>95,692</b>	<b>74,561</b>	<b>-</b>	<b>5,612</b>	<b>5,612</b>	<b>30,968</b>	<b>(25,356)</b>	<b>-82%</b>	<b>74,561</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>368,310</b>	<b>368,477</b>	<b>-</b>	<b>29,927</b>	<b>54,203</b>	<b>75,719</b>	<b>(21,516)</b>	<b>-28%</b>	<b>368,477</b>

An amount of R29, 927 million has been spent on grants during the month of August 2020 and the year to date actuals is R54, 203 million whilst the year to date budget amounts to R75, 719 million and this results in underspending variance of R21, 516 million that translates to negative 28%. Of the total spending amounting to R29, 927 million, R24, 315 million is spent on operational grants whilst capital grants amounts to R5, 612 million.

**Figure 5: Grants performance**



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

- Financial Management Grant 3.27%
- Expanded Public Work Programme 16.85%
- Equitable Share 16.67%
- Integrated National Electrification Grant 0.83%
- Disaster Relief Grant (COVID 19) 8.24%
- Municipal Infrastructure Grant 9.98%

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

Summary of Employee and Councilor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,458	15,692		1,178	2,357	2,615	(259)	-10%	15,692
Pension and UIF Contributions	1,712	1,761		135	270	308	(38)	-12%	1,761
Medical Aid Contributions	319	340		32	64	42	22	52%	340
Motor Vehicle Allowance	5,149	5,622		431	861	937	(76)	-8%	5,622
Cellphone Allowance	2,701	2,877		226	451	479	(28)	-6%	2,877
Housing Allowances	-	-					-		-
Other benefits and allowances	235	234		19	37	39	(2)	-4%	234
<b>Sub Total - Councillors</b>	<b>24,574</b>	<b>26,525</b>	<b>-</b>	<b>2,020</b>	<b>4,040</b>	<b>4,421</b>	<b>(380)</b>	<b>-9%</b>	<b>26,525</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,938	6,540		396	876	1,090	(214)	-20%	6,540
Pension and UIF Contributions	178	202		18	35	36	(1)	-2%	202
Medical Aid Contributions	82	85		7	14	14	-		85
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance	661	791		46	102	132	(30)	-23%	791
Cellphone Allowance	168	-		12	26	28	(2)	-7%	-
Housing Allowances							-		
Other benefits and allowances	446	376		70	80	10	70	701%	376
Payments in lieu of leave	18	-					-		-
Long service awards							-		
Post-retirement benefit obligations							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,491</b>	<b>7,993</b>	<b>-</b>	<b>548</b>	<b>1,133</b>	<b>1,309</b>	<b>(176)</b>	<b>-13%</b>	<b>7,993</b>
<b>% increase</b>		<b>23%</b>							<b>23%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	88,856	99,984		7,754	15,518	16,664	(1,146)	-7%	99,984
Pension and UIF Contributions	17,801	26,133		1,572	3,143	4,355	(1,212)	-28%	26,133
Medical Aid Contributions	5,555	8,477		436	870	1,413	(542)	-38%	8,477
Overtime	1,443	974		93	185	162	22	14%	974
Motor Vehicle Allowance	11,056	12,848		974	1,947	2,141	(194)	-9%	12,848
Cellphone Allowance	1,786	102		154	305	17	288	1695%	102
Housing Allowances	179	17		16	33	3	30	1056%	17
Other benefits and allowances	8,248	12,488		134	261	716	(456)	-64%	12,488
Payments in lieu of leave	407	-		73	82	85	(3)	-3%	-
Long service awards	439	733		79	427	122	305	250%	733
Post-retirement benefit obligations							-		
<b>Sub Total - Other Municipal Staff</b>	<b>135,771</b>	<b>161,756</b>	<b>-</b>	<b>11,285</b>	<b>22,771</b>	<b>25,679</b>	<b>(2,908)</b>	<b>-11%</b>	<b>161,756</b>
<b>% increase</b>		<b>19%</b>							<b>19%</b>
<b>Total Parent Municipality</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>13,853</b>	<b>27,944</b>	<b>31,409</b>	<b>(3,465)</b>	<b>-11%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>166,836</b>	<b>196,274</b>	<b>-</b>	<b>13,853</b>	<b>27,944</b>	<b>31,409</b>	<b>(3,465)</b>	<b>-11%</b>	<b>196,274</b>
<b>% increase</b>		<b>18%</b>							<b>18%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>142,262</b>	<b>169,749</b>	<b>-</b>	<b>11,833</b>	<b>23,904</b>	<b>26,988</b>	<b>(3,084)</b>	<b>-11%</b>	<b>169,749</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of August 2020 amounts to R27, 944 million and the year to date budget is R31, 409 million and the expenditure for remuneration of councilors amounts to R4, 040 million while the year to date budget is R4, 421 million. The year to date actual expenditure for senior managers is R1, 133 million and the year to date budget thereof is R1, 309 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 R22, 771 million and the year to date budget is R25, 679 million. The remuneration of councilors and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position in the new financial year 2020/21.

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

Description	Budget Year 2020/21												2020/21 Medium Term Revenue			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget	
	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2	
<b>Cash Receipts By Source</b>																
Property rates	2,023	1,960	2,236	2,237	2,234	2,239	2,246	2,260	2,216	2,237	2,224	2,731	26,841	28,076	29,367	
Service charges - electricity revenue	5,482	6,173	7,341	7,251	7,561	7,681	7,131	7,021	7,391	7,591	7,389	10,680	88,692	92,772	97,039	
Service charges - refuse	339	290	455	458	459	470	490	460	459	484	464	620	5,446	5,697	5,959	
Rental of facilities and equipment	38	58	72	71	73	73	72	71	72	71	72	118	860	899	941	
Interest earned - external investments	-	-	492	389	-	343	111	-	392	-	722	593	3,042	3,182	3,328	
Interest earned - outstanding debtors	80	91	130	80	111	159	81	70	82	60	210	178	1,331	1,392	1,457	
Fines, penalties and forfeits	39	35	981	1,061	1,061	1,181	1,298	981	821	931	991	2,753	12,134	12,554	12,994	
Licences and permits	367	347	267	1,016	932	1,061	271	56	86	79	1,135	728	6,344	6,635	6,941	
Transfers and Subsidies - Operational	131,085	2,600	-	-	543	89,999	-	1,549	77,136	-	-	(8,996)	293,916	314,089	333,501	
Other revenue	1,139	1,183	89	65	81	74	60	76	90	62	100	(2,086)	931	974	1,018	
<b>Cash Receipts by Source</b>	<b>140,592</b>	<b>12,737</b>	<b>12,063</b>	<b>12,627</b>	<b>13,054</b>	<b>103,280</b>	<b>11,759</b>	<b>12,543</b>	<b>88,744</b>	<b>11,514</b>	<b>13,306</b>	<b>7,318</b>	<b>439,537</b>	<b>466,270</b>	<b>492,544</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital	16,470	5,000	-	-	6,263	17,355	-	4,263	15,378	-	-	9,831	74,561	77,207	72,606	
Transfers and subsidies - capital																
Proceeds on Disposal of Fixed and Intangible Assets				236		190		126		236		(787)	-	-	-	
Short term loans																
Borrowing long term/refinancing				(59)	(97)		(45)		(62)		(39)	(198)	(500)	(480)	(520)	
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
<b>Total Cash Receipts by Source</b>	<b>157,062</b>	<b>17,737</b>	<b>12,063</b>	<b>12,804</b>	<b>19,221</b>	<b>120,825</b>	<b>11,714</b>	<b>16,932</b>	<b>104,060</b>	<b>11,750</b>	<b>13,268</b>	<b>16,165</b>	<b>513,598</b>	<b>542,997</b>	<b>564,630</b>	
<b>Cash Payments by Type</b>																
<b>Employee related costs</b>	<b>12,071</b>	<b>11,833</b>	<b>13,242</b>	<b>13,242</b>	<b>13,242</b>	<b>24,082</b>	<b>13,242</b>	<b>13,242</b>	<b>13,242</b>	<b>13,242</b>	<b>13,242</b>	<b>15,823</b>	<b>169,749</b>	<b>177,557</b>	<b>185,725</b>	
Remuneration of councillors	2,020	2,020	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,837	26,525	27,745	29,021	
Interest paid	-	115	190	170	140	130	50	40	30	-	-	319	1,184	83	15	
Bulk purchases - Electricity	22,318	9,105	7,090	7,110	8,060	8,012	8,300	8,559	8,410	8,760	8,800	(10,477)	94,047	98,937	107,743	
Other materials	178	1,016	487	597	621	866	953	756	926	757	966	843	8,964	12,707	13,522	
Contracted services	33,935	2,528	9,104	3,526	2,833	8,207	3,783	4,177	3,045	3,572	3,850	(17,900)	60,660	57,320	59,107	
Grants and subsidies paid - other	244	192	247	267	247	247	577	347	247	247	247	356	3,468	3,605	3,747	
General expenses	1,676	5,029	2,928	2,202	2,830	3,077	2,838	2,407	4,361	3,036	3,025	7,657	41,067	39,436	41,140	
<b>Cash Payments by Type</b>	<b>72,443</b>	<b>31,838</b>	<b>35,472</b>	<b>29,298</b>	<b>30,157</b>	<b>46,804</b>	<b>31,926</b>	<b>31,713</b>	<b>32,444</b>	<b>31,798</b>	<b>32,314</b>	<b>(541)</b>	<b>405,664</b>	<b>417,391</b>	<b>440,021</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	1,043	6,449	6,525	6,985	8,799	7,549	8,127	6,265	7,965	6,846	7,987	13,053	87,593	93,994	94,483	
Repayment of borrowing	872	881	880	890	899	909	918	928	938	948	958	959	10,980	2,489	-	
Other Cash Flows/Payments																
<b>Total Cash Payments by Type</b>	<b>74,358</b>	<b>39,168</b>	<b>42,878</b>	<b>37,173</b>	<b>39,855</b>	<b>55,261</b>	<b>40,971</b>	<b>38,906</b>	<b>41,347</b>	<b>39,591</b>	<b>41,258</b>	<b>13,470</b>	<b>504,236</b>	<b>513,874</b>	<b>534,504</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>82,703</b>	<b>(21,430)</b>	<b>(30,815)</b>	<b>(24,369)</b>	<b>(20,634)</b>	<b>65,563</b>	<b>(29,257)</b>	<b>(21,975)</b>	<b>62,712</b>	<b>(27,842)</b>	<b>(27,990)</b>	<b>2,695</b>	<b>9,361</b>	<b>29,123</b>	<b>30,126</b>	
Cash/cash equivalents at the month/year beginning:	2,458	85,161	63,731	32,916	8,547	(12,087)	53,476	24,219	2,245	64,957	37,115	9,125	2,458	11,819	40,943	
Cash/cash equivalents at the month/year end:	85,161	63,731	32,916	8,547	(12,087)	53,476	24,219	2,245	64,957	37,115	9,125	11,819	11,819	40,943	71,069	

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R17, 737 million and the total cash payment for the month were R39, 168 million and this resulted in net decrease in cash held amounting to 21, 430 million. With cash and cash equivalent of R85, 161 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R63, 731 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

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

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of August amounts to R6, 449 million. The year to date actual expenditure incurred is R7, 492 million whilst the year to date budget is R10, 808 million that gives rise to under spending variance of R3, 316 million that translate to 31%.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	58,011	20,000	-	144	144	2,621	2,477	95%	20,000
<b>Roads Infrastructure</b>	41,899	-	-	-	-	-	-		-
Roads	41,899	-					-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	16,111	20,000	-	144	144	2,621	2,477	95%	20,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000		144	144	2,621	2,477	95%	20,000
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,339	-	-	1,043	-	(1,043)	0%	2,339
Municipal Offices		600				-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops		1,739		-	1,043	-	(1,043)	0%	1,739
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	38	250	-	-	-	100	100	100%	250
Computer Equipment	38	250				100	100	100%	250
<b>Furniture and Office Equipment</b>	526	800	-	-	-	300	300	100%	800
Furniture and Office Equipment	526	800				300	300	100%	800
<b>Machinery and Equipment</b>	1,492	1,200	-	-	-	561	561	100%	1,200
Machinery and Equipment	1,492	1,200				561	561	100%	1,200
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	60,068	24,589	-	144	1,187	3,582	2,395	67%	24,589

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	13,885	46,940	-	6,305	6,305	5,580	(724)	-13%	46,940
<b>Roads Infrastructure</b>	13,885	39,222	-	6,305	6,305	4,080	(2,224)	-55%	39,222
Roads	13,885	39,222		6,305	6,305	4,080	(2,224)	-55%	39,222
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	7,719	-	-	-	1,500	1,500	100%	7,719
Landfill Sites		7,719				1,500	1,500	100%	7,719
Waste Transfer Stations							-		
<b>Community Assets</b>	-	600	-	-	-	-	-		600
Community Facilities	-	600	-	-	-	-	-		600
Libraries							-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	13,885	47,540	-	6,305	6,305	5,580	(724)	-13.0%	47,540

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	5,119	8,729	-	78	327	2,364	2,037	86%	8,729
<b>Roads Infrastructure</b>	161	2,892	-	78	78	790	713	90%	2,892
Roads	161	2,892		78	78	790	713	90%	2,892
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	2,180	2,845	-	-	-	1,075	1,075	100%	2,845
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	2,845				1,075	1,075	100%	2,845
<b>Solid Waste Infrastructure</b>	2,778	2,993	-	-	249	499	249	50%	2,993
Landfill Sites	2,778	2,993		-	249	499	249	50%	2,993
Waste Transfer Stations							-		
<b>Community Assets</b>	-	306	-	-	-	36	36	100%	306
Community Facilities	-	306	-	-	-	36	36	100%	306
Libraries							-		
Parks		306				36	36	100%	306
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	1,497	1,845	-	7	7	401	394	98%	1,845
Operational Buildings	1,497	1,845	-	7	7	401	394	98%	1,845
Workshops							-		
<b>Intangible Assets</b>	-	425	-	-	-	174	174	100%	425
Servitudes							-		
Licences and Rights	-	425	-	-	-	174	174	100%	425
Computer Software and Applications		425				174	174	100%	425
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,306	1,214	-	100	153	434	281	65%	1,214
Machinery and Equipment	1,306	1,214		100	153	434	281	65%	1,214
<b>Transport Assets</b>	2,727	1,854	-	336	434	344	(90)	-26%	1,854
Transport Assets	2,727	1,854		336	434	344	(90)	-26%	1,854
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,649</b>	<b>14,373</b>	<b>-</b>	<b>520</b>	<b>921</b>	<b>3,754</b>	<b>2,832</b>	<b>75.5%</b>	<b>14,373</b>

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	40,414	-	-	-	6,736	6,736	100%	40,414
<b>Roads Infrastructure</b>	-	35,538	-	-	-	5,923	5,923	100%	35,538
Roads		35,538				5,923	5,923	100%	35,538
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	384	-	-	-	64	64	100%	384
Attenuation							-		
<b>Electrical Infrastructure</b>	-	3,806	-	-	-	634	634	100%	3,806
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks		3,806				634	634	100%	3,806
<b>Solid Waste Infrastructure</b>	-	687	-	-	-	114	114	100%	687
Landfill Sites		687				114	114	100%	687
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,190	-	-	-	198	198	100%	1,190
Cemeteries/Crematoria		5				1	1	100%	5
Public Open Space		1,185				198	198	0	1,185
<b>Other assets</b>	-	3,985	-	-	-	664	664	0	3,985
Operational Buildings	-	3,985	-	-	-	664	664	100%	3,985
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes							-		
Computer Software and Applications		-					-		-
<b>Computer Equipment</b>	-	666	-	-	-	111	111	100%	666
Computer Equipment		666				111	111	100%	666
<b>Furniture and Office Equipment</b>	-	567	-	-	-	95	95	100%	567
Furniture and Office Equipment		567				95	95	100%	567
<b>Machinery and Equipment</b>	-	649	-	-	-	459	459	100%	649
Machinery and Equipment		649				459	459	100%	649
<b>Transport Assets</b>	273	5,535	-	-	-	923	923	100%	5,535
Transport Assets	273	5,535				923	923	100%	5,535
<b>Total Depreciation</b>	<b>273</b>	<b>53,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,186</b>	<b>9,186</b>	<b>100%</b>	<b>53,007</b>

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	9,050	16,150	-	-	-	1,270	1,270	100%	16,150
<b>Roads Infrastructure</b>	9,050	16,150	-	-	-	1,270	1,270	100%	16,150
Roads	9,050	16,150				1,270	1,270	100%	16,150
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,000	-	-	-	-	-		1,000
Community Facilities	-	1,000	-	-	-	-	-		1,000
Libraries							-		
Cemeteries/Crematoria							-		
Parks		1,000					-		1,000
<b>Other assets</b>	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>10,349</b>	<b>17,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,270</b>	<b>1,270</b>	<b>100%</b>	<b>17,150</b>

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 R1, 187 million and the year to date budget is R3, 582 million that reflects under spending variance of R3, 395 million that translates to 67% variance.

The year to date actuals on renewal of existing assets amounts R6, 605 and with the year to date budget of R5, 580 million and this reflects over spending variance of R724 thousands that translates to 13% variance.

The year to date actual expenditure on repairs and maintenance is R921 thousand, and the year to date budget is R3, 754 million, reflecting under spending variance of R2, 832 million that translates to 75.5%.

The year to date actual expenditure on upgrading of existing assets is R0, and the year to date budget is R1, 270 million, reflecting under spending variance of R1, 270 million that translates to 100%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R9, 186 million, reflecting spending variance of R9, 186 million, that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework Budget Year 2020/21		
					Original Budget	YTD Actuals	Percentage
					<b>Parent municipality:</b>		
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	–	0%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	–	0%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	1,565	16%
Technical Services	Goblersdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	1,605	21%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	3,134	57%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	0%
Technical Services	Electrification of Ntswelemotse	New	Infrastructure	Electrical Infrastructure	2,430	144	6%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	–	0%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,043	60%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	–	0%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	–	0%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	–	0%
Community Services	Mobile Offices	New	Community assets	Operational building	600	–	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	–	0%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	–	0%
Finance	Machinery and Equipment: Forklift	New	Machinery and Equipment	Machinery and Equipment	350	–	0%
Technical Services	Aircons Conditioner	New	Infrastructure	Machinery and Equipment	350	–	0%
Corporate Services	Computer Equipment	New	Equipment	Machinery and Equipment	250	–	0%

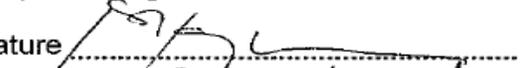
# Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of August 2020 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date

  
15 September 2020

**Elias Motsoaledi Local  
Municipality**  
15 SEP 2020  
**Municipal Manager**