

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JUNE 2021

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 – Financial 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	
Table C5C – Monthly Capital Expenditure by Vote	12
Figure 1: Capital expenditure by source of finance	12
Figure 2: Monthly capital expenditure	13
Table C6– Monthly Budget Statement Financial Position	
Table C7– Monthly Budget Statement Cash Flow	
PART 2: SUPPORTING TABLES	15
Supporting Table: SC 1 Material Variance Explanations	15
Supporting Table: SC 3 - Debtors Age Analysis	17
Figure 3: Debtors age analysis	18
Figure 4: Monthly debtors book	19
TOP TWENTY DEBTORS	20
Supporting Table: SC 4 - Creditors Age Analysis	20
TOP CREDITORS PAID	21
Supporting Table: SC 5 - Investment Portfolio	22
Supporting Table: SC 6 - Transfers and Grant Receipts	22
Supporting Table: SC 7 - Transfers and Grant Expenditure	23
Figure 5: Grants Performance	24
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs	25
Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts	27
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 June 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 2021-21 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	525,270,477	508,935,157	97%
		-		
OPERATING EXPENDITURE	512,448,796	510,356,847	411,809,901	81%
		-		
TRANSFER - CAPITAL	74,561,000	69,561,000	68,450,763	98%
SURPLUS/(DEFICIT)	93,680,187	83,804,630	163,416,350	195%
CAPITAL EXPENDITURE	89,279,520	94,293,697	88,993,806	94%

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
Financial Performance									
Property rates	35,773	38,345	38,345	3,301	39,442	38,345	1,097	3%	38,345
Service charges	95,493	110,873	99,873	7,820	97,738	99,873	(2,136)	-2%	99,873
Investment revenue	2,068	3,042	542	44	585	542	43	8%	542
Transfers and subsidies	273,218	293,916	351,806	1,038	347,058	351,806	(4,748)	-1%	351,806
Other own revenue	32,632	85,393	34,705	1,416	24,113	34,705	(10,592)	-31%	34,705
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	525,270	13,617	508,935	525,270	(16,335)	-3%	525,270
Employee costs	141,837	169,749	161,246	10,687	150,113	145,828	4,285	3%	161,246
Remuneration of Councillors	24,575	26,525	26,293	2,020	24,279	22,253	2,025	9%	26,293
Depreciation & asset impairment	56,343	55,163	57,163	-	-	-	-	-	57,163
Finance charges	3,538	1,184	2,706	(39)	2,580	2,594	(14)	-1%	2,706
Materials and bulk purchases	93,140	111,976	109,264	10,142	105,347	105,201	146	0%	109,264
Transfers and subsidies	2,984	3,468	3,642	234	2,973	3,104	(131)	-4%	3,642
Other expenditure	142,158	144,385	150,042	21,768	126,518	112,602	13,916	12%	150,042
Total Expenditure	464,574	512,449	510,357	44,812	411,810	391,582	20,228	5%	510,357
Surplus/(Deficit)	(25,390)	19,119	14,914	(31,195)	97,125	133,688	(36,563)	-27%	14,914
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	68,891	485	66,291	68,891	(2,600)	-4%	68,891
Transfers and subsidies - capital (monetary allocations)	21,471	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	83,805	(30,710)	163,416	202,579	(39,163)	-19%	83,805
Surplus/ (Deficit) for the year	66,766	93,680	83,805	(30,710)	163,416	202,579	(39,163)	-19%	83,805
Capital expenditure & funds sources									
Capital expenditure	92,168	89,280	94,294	8,967	88,994	94,294	(5,300)	-6%	94,294
Capital transfers recognised	78,193	74,561	69,561	531	68,451	69,561	(1,110)	-2%	69,561
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,975	14,719	24,733	8,436	20,543	24,733	(4,190)	-17%	24,733
Total sources of capital funds	92,168	89,280	94,294	8,967	88,994	94,294	(5,300)	-6%	94,294
Financial position									
Total current assets	129,467	134,416	116,868		194,605				119,868
Total non current assets	1,125,020	1,286,031	1,290,074		1,191,430				1,290,074
Total current liabilities	125,568	93,706	89,782		100,519				92,781
Total non current liabilities	79,251	94,548	94,548		73,611				94,548
Community wealth/Equity	1,049,667	1,232,193	1,222,612		1,211,905				1,222,613
Cash flows									
Net cash from (used) operating	25,247	108,434	124,956	(10,847)	94,585	112,385	17,800	16%	124,956
Net cash from (used) investing	(85,303)	(87,593)	(87,918)	(8,967)	(78,727)	(69,859)	8,868	-13%	(87,918)
Net cash from (used) financing	(9,474)	(11,480)	(11,480)	(957)	(10,978)	(10,534)	444	-4%	(11,480)
Cash/cash equivalents at the month/year end	(44,548)	20,356	36,552	-	6,810	42,987	36,177	84%	27,487
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	13,073	6,367	3,428	3,422	3,289	3,047	15,123	77,263	125,011
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 June is R508, 935 million and the year to date budget of R525, 270 million and this reflects a negative variance of R16, 335 million which is mostly attributable to equitable shares received amounting to R347, 525 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 8% favorable variance,
- Interest earned – outstanding debtors: 6% unfavorable variance,
- Rental on Facilities and Equipment: 6% favorable variance,
- Fines, penalties and forfeits: 96% unfavorable variance
- Services Charges – electricity revenue: 2% unfavorable variance
- Services Charges – refuse revenue: 0% favorable variance
- Licenses and permits: 15% unfavorable variance
- Property rates: 3% unfavorable variance
- Other revenue: 156% favorable
- Transfer and subsidies: 1% unfavorable

Operating Expenditure

The year to date operational expenditure as at end of June amounts to R411, 810 million and the year to date budget is R391, 582 million. This reflects underspending variance of R20, 228 million that translates to 5% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

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

- Other expenditure: 32% 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 June 2021 amounts to R88, 294 million and the year to date budget amounts to R94, 294 million and this gives rise to R5, 300 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of June is R163, 416 million that is mainly attributed over performance on capital and operating expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of June amounts to R125, 011 million and this shows an increase of R15, 773 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 R82, 016 million and other debtors amounting to R42, 995 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 June 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
Revenue - Functional									
Governance and administration	223,026	228,630	277,913	5,579	273,088	264,576	8,512	3%	277,913
Executive and council	46,559	49,315	55,860	–	56,129	55,860	269	0%	55,860
Finance and administration	167,516	169,450	208,065	5,579	203,528	194,728	8,800	5%	208,065
Internal audit	8,950	9,864	13,988	–	13,430	13,988	(558)	-4%	13,988
Community and public safety	36,265	94,154	37,006	(36)	29,655	37,328	(7,673)	-21%	37,006
Community and social services	9,633	10,636	11,376	5	11,515	11,376	139	1%	11,376
Sport and recreation	12,104	13,344	15,456	–	17,675	15,456	2,219	14%	15,456
Public safety	14,529	70,174	10,174	(41)	466	10,496	(10,030)	-96%	10,174
Economic and environmental services	132,942	121,857	130,162	588	129,400	129,581	(181)	0%	130,162
Planning and development	21,248	23,604	26,971	234	30,380	26,747	3,633	14%	26,971
Road transport	110,541	96,853	99,957	353	97,403	99,600	(2,197)	-2%	99,957
Environmental protection	1,153	1,400	3,234	–	1,617	3,234	(1,617)	-50%	3,234
Trading services	139,107	161,488	149,081	7,971	143,083	150,879	(7,796)	-5%	149,081
Energy sources	110,981	130,709	114,001	7,199	109,081	118,060	(8,980)	-8%	114,001
Waste management	28,126	30,779	35,080	773	34,003	32,819	1,184	4%	35,080
Total Revenue - Functional	531,340	606,129	594,161	14,102	575,226	582,364	(7,138)	-1%	594,161
Expenditure - Functional									
Governance and administration	210,068	216,242	235,523	34,491	215,279	188,789	26,490	14%	235,523
Executive and council	50,877	49,314	45,189	3,421	41,851	38,344	3,507	9%	45,189
Finance and administration	152,835	158,383	180,965	29,602	165,288	145,016	20,271	14%	180,965
Internal audit	6,356	8,545	9,370	1,468	8,141	5,429	2,712	50%	9,370
Community and public safety	25,269	61,707	43,097	3,404	30,699	32,471	(1,772)	-5%	43,097
Community and social services	5,097	8,269	7,540	1,799	7,138	8,100	(961)	-12%	7,540
Sport and recreation	6,833	10,698	9,684	424	7,123	8,415	(1,291)	-15%	9,684
Public safety	13,339	42,740	25,873	1,181	16,437	15,957	481	3%	25,873
Economic and environmental services	91,700	97,667	99,761	2,934	51,027	51,717	(689)	-1%	99,761
Planning and development	14,923	16,561	14,252	953	11,838	12,152	(313)	-3%	14,252
Road transport	76,178	80,487	84,883	1,941	38,571	38,988	(417)	-1%	84,883
Environmental protection	598	619	626	40	618	577	41	7%	626
Trading services	137,538	136,832	131,976	3,984	114,805	118,606	(3,801)	-3%	131,976
Energy sources	93,187	111,667	98,168	2,129	87,142	91,361	(4,219)	-5%	98,168
Waste management	44,351	25,165	33,808	1,855	27,663	27,245	418	2%	33,808
Total Expenditure - Functional	464,574	512,449	510,357	44,812	411,810	391,582	20,228	5%	510,357
Surplus/ (Deficit) for the year	66,766	93,680	83,805	(30,710)	163,416	190,782	(27,366)	-14%	83,805

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
Revenue by Vote									
Vote 1 - Executive & Council	41,231	43,443	49,146	–	49,347	49,146	200	0%	49,146
Vote 2 - Municipal Manager	35,643	39,284	48,377	–	47,408	48,377	(969)	-2%	48,377
Vote 3 - Budget & Treasury	72,301	66,279	82,337	5,557	84,252	68,975	15,277	22%	82,337
Vote 4 - Corporate Services	40,504	44,328	53,656	23	51,317	53,681	(2,364)	-4%	53,656
Vote 5 - Community Services	69,521	135,511	82,668	655	72,236	79,702	(7,466)	-9%	82,668
Vote 6 - Technical Services	239,261	241,319	234,218	7,633	226,010	238,948	(12,938)	-5%	234,218
Vote 7 - Developmental Planning	14,650	16,332	18,658	234	21,981	18,434	3,548	19%	18,658
Vote 8 - Executive Support	18,229	19,633	25,102	–	22,675	25,102	(2,427)	-10%	25,102
Total Revenue by Vote	531,340	606,129	594,161	14,102	575,226	582,364	(7,138)	-1%	594,161
Expenditure by Vote									
Vote 1 - Executive & Council	42,975	41,789	40,354	3,133	37,314	34,362	2,952	9%	40,354
Vote 2 - Municipal Manager	49,330	39,198	49,124	3,792	46,531	40,951	5,579	14%	49,124
Vote 3 - Budget & Treasury	55,077	62,769	72,500	20,398	74,961	56,701	18,260	32%	72,500
Vote 4 - Corporate Services	24,723	36,795	27,893	1,530	18,971	23,437	(4,466)	-19%	27,893
Vote 5 - Community Services	77,292	96,097	85,401	5,852	66,599	67,302	(703)	-1%	85,401
Vote 6 - Technical Services	186,065	207,387	203,442	8,036	138,781	140,109	(1,328)	-1%	203,442
Vote 7 - Developmental Planning	8,942	11,455	9,164	705	7,264	7,912	(648)	-8%	9,164
Vote 8 - Executive Support	20,169	16,960	22,479	1,366	21,390	20,809	581	3%	22,479
Total Expenditure by Vote	464,574	512,449	510,357	44,812	411,810	391,582	20,228	5%	510,357
Surplus/ (Deficit) for the year	66,766	93,680	83,805	(30,710)	163,416	190,782	(27,366)	-14%	83,805

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
Revenue By Source									
Property rates	35,773	38,345	38,345	3,301	39,442	38,345	1,097	3%	38,345
Service charges - electricity revenue	87,068	101,945	90,945	7,047	88,812	90,945	(2,133)	-2%	90,945
Service charges - refuse revenue	8,425	8,928	8,928	773	8,926	8,928	(3)	0%	8,928
Rental of facilities and equipment	897	1,220	834	57	888	834	54	6%	834
Interest earned - external investments	2,068	3,042	542	44	585	542	43	8%	542
Interest earned - outstanding debtors	12,170	6,656	17,946	1,368	16,902	17,946	(1,044)	-6%	17,946
Fines, penalties and forfeits	14,570	70,242	10,242	(100)	389	10,242	(9,854)	-96%	10,242
Licences and permits	3,939	6,344	5,044	(24)	4,297	5,044	(746)	-15%	5,044
Transfers and subsidies	273,218	293,916	351,806	1,038	347,058	351,806	(4,748)	-1%	351,806
Other revenue	1,056	931	639	115	1,637	639	998	156%	639
Gains	-								
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	525,270	13,617	508,935	525,270	(16,335)	-3%	525,270
Expenditure By Type									
Employee related costs	141,837	169,749	161,246	10,687	150,113	145,828	4,285	3%	161,246
Remuneration of councillors	24,575	26,525	26,293	2,020	24,279	22,253	2,025	9%	26,293
Debt impairment	13,246	42,658	19,858	-	-	-	-		19,858
Depreciation & asset impairment	56,343	55,163	57,163	-	-	-	-		57,163
Finance charges	3,538	1,184	2,706	(39)	2,580	2,594	(14)	-1%	2,706
Bulk purchases	81,428	94,047	80,047	5,944	79,745	77,933	1,812	2%	80,047
Other materials	11,713	17,929	29,217	4,198	25,602	27,267	(1,665)	-6%	29,217
Contracted services	83,969	60,660	82,601	1,152	71,605	71,037	567	1%	82,601
Transfers and subsidies	2,984	3,468	3,642	234	2,973	3,104	(131)	-4%	3,642
Other expenditure	46,003	41,067	47,584	20,616	54,914	41,565	13,349	32%	47,584
Losses	(1,060)	-							-
Total Expenditure	464,574	512,449	510,357	44,812	411,810	391,582	20,228	5%	510,357
Surplus/(Deficit)	(25,390)	19,119	14,914	(31,195)	97,125	133,688	(36,563)	-27%	14,914
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	68,891	485	66,291	68,891	(2,600)	-4%	68,891
Transfers and subsidies - capital (monetary allocations)	21,471	-							-
Transfers and subsidies - capital (in-kind - all)									
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	83,805	(30,710)	163,416	202,579			83,805
Taxation									
Surplus/(Deficit) after taxation	66,766	93,680	83,805	(30,710)	163,416	202,579			83,805
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	66,766	93,680	83,805	(30,710)	163,416	202,579			83,805
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	66,766	93,680	83,805	(30,710)	163,416	202,579			83,805

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.

In the 2020/21 financial year an amount of R1, 483 million has been spent to date for COVID 19 danger allowance, which is included on the year to date expenditure of R150, 113 million spent on employees related costs. For the month June 2021, no COVID 19 danger allowances were paid.

Other expenditure relating to COVID 19 amounts to R887, 228 thousands relating to 2019/20 financial year and R106, 061 relating to 2020/21 financial year.

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

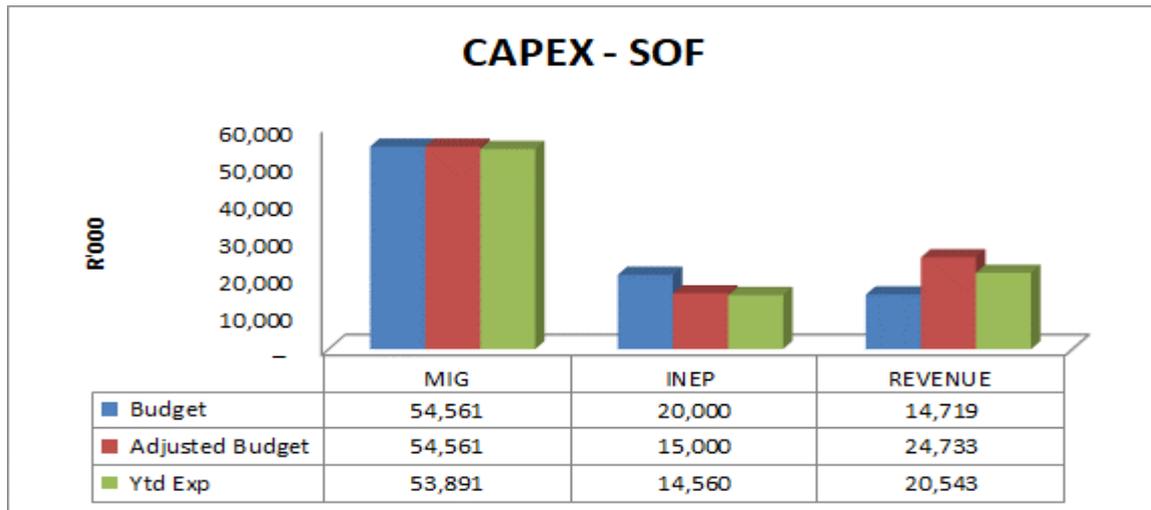
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,957	1,900	1,400	198	1,105	1,400	(295)	-21%	1,400
Executive and council							-		
Finance and administration	1,957	1,900	1,400	198	1,105	1,400	(295)	-21%	1,400
Internal audit							-		
Community and public safety	-	2,200	2,290	673	1,739	2,290	(551)	-24%	2,290
Community and social services		600	720	507	598	720	(122)	-17%	720
Sport and recreation		1,000	800	165	544	800	(256)	-32%	800
Public safety		600	770	-	597	770	(173)	-23%	770
Housing							-		
Health							-		
Economic and environmental services	69,833	64,830	69,633	1,993	66,587	69,633	(3,046)	-4%	69,633
Planning and development							-		
Road transport	69,833	64,830	69,633	1,993	66,587	69,633	(3,046)	-4%	69,633
Environmental protection							-		
Trading services	20,378	20,350	20,971	6,103	19,563	20,971	(1,408)	-7%	20,971
Energy sources	18,954	20,350	20,971	6,103	19,563	20,971	(1,408)	-7%	20,971
Waste management	1,424	-		-	-	-	-		-
Other							-		
Total Capital Expenditure - Functional Classification	92,168	89,280	94,294	8,967	88,994	94,294	(5,300)	-6%	94,294
Funded by:									
National Government	56,721	74,561	69,561	531	68,451	69,561	(1,110)	-2%	69,561
Provincial Government	21,471	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	78,193	74,561	69,561	531	68,451	69,561	(1,110)	-2%	69,561
Borrowing							-		
Internally generated funds	13,975	14,719	24,733	8,436	20,543	24,733	(4,190)	-17%	24,733
Total Capital Funding	92,168	89,280	94,294	8,967	88,994	94,294	(5,300)	-6%	94,294

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
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,050	1,050	198	1,105	1,050	55	5%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	46,151	13,240	8,262	-	7,964	8,262	(298)	-4%	8,262
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	46,151	14,290	9,312	198	9,069	9,312	(243)	-3%	9,312
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	350	-	-	350	(350)	-100%	350
Vote 4 - Corporate Services	633	500	-	-	-	-	-	-	-
Vote 5 - Community Services	1,424	2,200	2,290	673	1,573	2,290	(717)	-31%	2,290
Vote 6 - Technical Services	43,960	71,939	82,342	8,096	78,351	82,342	(3,991)	-5%	82,342
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	46,017	74,989	84,982	8,769	79,924	84,982	(5,057)	-6%	84,982
Total Capital Expenditure	92,168	89,280	94,294	8,967	88,994	94,294	(5,300)	-6%	94,294

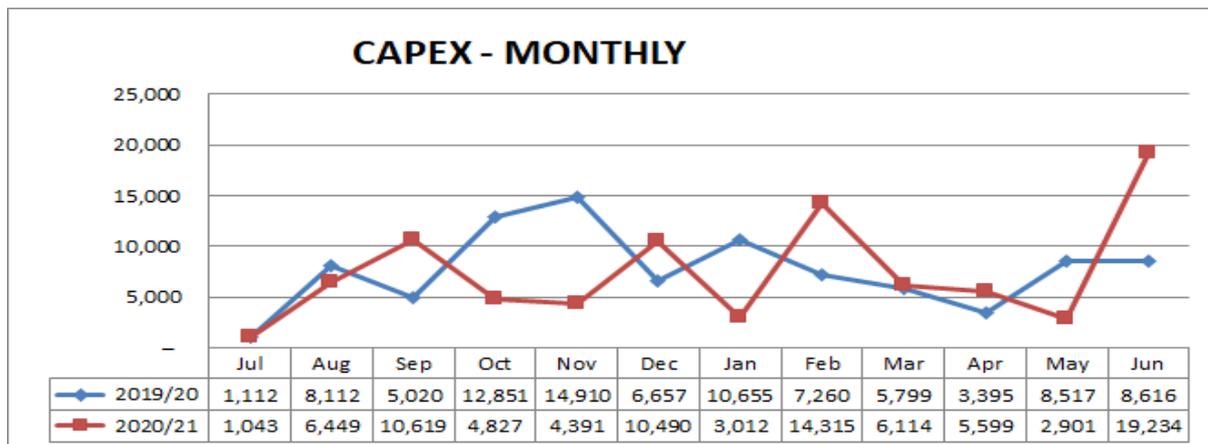
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of June 2021, R8, 967 million spending is incurred and that increased the year to date expenditure to R88, 994 million whilst the year to date budget is R94, 294 million and this gave rise to under spending variance of R5, 300 million that translates to 6%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total adjusted capital budget of R94, 294 million, R54, 561 million is funded from Municipal Infrastructure grant, R15, 000 million from Integrated National Electrification Programme and R24, 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 2019/20 and 2021/21 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	1,929	12,300	1,758	6,810	4,758
Call investment deposits	–	8,056	18,056	–	18,056
Consumer debtors	65,806	54,594	55,619	83,437	55,619
Other debtors	53,542	53,957	38,742	93,276	38,742
Current portion of long-term receivables	–	–	–	–	–
Inventory	8,190	5,510	2,693	11,082	2,693
Total current assets	129,467	134,416	116,868	194,605	119,868
Non current assets					
Long-term receivables				–	
Investments	–	–	–	–	–
Investment property	60,324	48,000	48,000	67,554	48,000
Investments in Associate					
Property, plant and equipment	1,048,853	1,223,249	1,227,292	1,121,917	1,227,292
Biological				–	
Intangible	31	30	30	31	30
Other non-current assets	15,811	14,752	14,752	1,928	14,752
Total non current assets	1,125,020	1,286,031	1,290,074	1,191,430	1,290,074
TOTAL ASSETS	1,254,487	1,420,447	1,406,942	1,386,035	1,409,942
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	10,975	10,980	10,980	3,498	10,980
Consumer deposits	5,516	5,701	5,701	5,855	5,701
Trade and other payables	106,573	71,167	67,243	88,412	70,243
Provisions	2,504	5,857	5,857	2,754	5,857
Total current liabilities	125,568	93,706	89,782	100,519	92,781
Non current liabilities					
Borrowing	2,444	–	–	–	–
Provisions	76,807	94,548	94,548	73,611	94,548
Total non current liabilities	79,251	94,548	94,548	73,611	94,548
TOTAL LIABILITIES	204,819	188,254	184,330	174,130	187,329
NET ASSETS	1,049,667	1,232,193	1,222,612	1,211,905	1,222,613
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,049,667	1,232,193	1,212,612	1,201,905	1,212,613
Reserves			10,000	10,000	10,000
TOTAL COMMUNITY WEALTH/EQUITY	1,049,667	1,232,193	1,222,612	1,211,905	1,222,613

The above table shows that community wealth amounts to R1, 201 billion, total liabilities R174, 130 million and the total assets R1, 386 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 1.9:1 that is below the 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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	24,332	26,841	26,841	3,132	25,225	26,118	(893)	-3%	26,841
Service charges	83,646	94,138	85,338	6,139	85,573	80,363	5,210	6%	85,338
Other revenue	21,376	20,268	8,968	1,838	34,462	33,139	1,323	4%	8,968
Transfers and Subsidies - Operational	273,214	293,916	351,806	-	347,058	349,896	(2,838)	-1%	351,806
Transfers and Subsidies - Capital	73,921	74,561	69,561	-	69,561	69,561	-	-	69,561
Interest	1,768	4,373	11,979	1,178	2,678	2,506	172	7%	11,979
Payments									
Suppliers and employees	(447,788)	(401,012)	(423,262)	(22,860)	(464,419)	(443,565)	20,854	-5%	(423,262)
Finance charges	(2,592)	(1,184)	(2,633)	(39)	(2,580)	(2,645)	(65)	2%	(2,633)
Transfers and Grants	(2,632)	(3,468)	(3,642)	(234)	(2,973)	(2,987)	(14)	0%	(3,642)
NET CASH FROM/(USED) OPERATING ACTIVITIES	25,247	108,434	124,956	(10,847)	94,585	112,385	17,800	16%	124,956
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(85,303)	(87,593)	(87,918)	(8,967)	(78,727)	(69,859)	8,868	-13%	(87,918)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(85,303)	(87,593)	(87,918)	(8,967)	(78,727)	(69,859)	8,868	-13%	(87,918)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	(500)	(500)	-	-	(281)	281	-100%	(500)
Increase (decrease) in consumer deposits	196	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	(9,670)	(10,980)	(10,980)	(957)	(10,978)	(10,253)	725	-7%	(10,980)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,474)	(11,480)	(11,480)	(957)	(10,978)	(10,534)	444	-4%	(11,480)
NET INCREASE/ (DECREASE) IN CASH HELD	(69,530)	9,361	25,558	(20,771)	4,881	31,993			25,558
Cash/cash equivalents at beginning:	24,982	10,995	10,995		1,929	10,995			1,929
Cash/cash equivalents at month/year end:	(44,548)	20,356	36,552		6,810	42,987			27,487

Table C7 presents details pertaining to cash flow performance. As at end of June 2021, the net cash inflow from operating activities is R94, 585 million whilst net cash outflow from investing activities is R78, 727 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R10, 978 million. The cash and cash equivalent held at end of June 2021 amounted to R6, 810 million and the net effect of the above cash flows is cash outflow movement of 4, 881 million. The cash and cash equivalent at end of the reporting period of R6, 810 million, is mainly made up of cash in the primary bank account amounting to R6, 810 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			
Property rates	3%	The projected monthly revenue appear to be lower in light of the actual revenue performance	No remedial action is needed since the variance is immaterial and the adjusted budget has been finalised.
Service charges - electricity revenue	-2%	The projected monthly revenue appear to be high in light of the actual revenue performance	No remedial action is needed
Service charges - refuse revenue	0%	The actual revenue generated is slightly more than the projected monthly revenue	No remedial action is needed
Rental of facilities and equipment	6%	The actual revenue generated is lower than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	8%	The municipality has short term investment with NEDBANK and the actual revenue is more than the projected revenue.	The municipality should draft cash flow projections pain which will assist if there is a need to invest
Interest earned - outstanding debtors	-6%	The projected revenue is lower than the actual revenue generated.	No remedial action is needed
Fines, penalties and forfeits	-96%	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	-15%	The actual revenue generated is slightly lower than the projected monthly revenue	No remedial action is needed
Transfers and subsidies	-1%	The equitable share trenches received is lower than the projections thereof.	No remedial action is needed as the adjustment budget has been finalised.
Other revenue	156%	The actual revenue generated is lower than the projected monthly revenue.	No remedial action is needed as the variance is immaterial
Expenditure By Type			
Employee related costs	3%	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 equals to the projected monthly expenditure	No remedial action is needed as the adjustment budget has been finalised.
Debt impairment		Debt impairment is still calculated at year end	The municipality should do away with this approach as it not viable
Depreciation & asset impairment		Depreciation is still calculated at year end	The municipality should do away with this approach as it not viable
Finance charges	-1%	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	2%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure thereof.	No remedial action is needed for now.
Other materials	-6%	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	1%	The actual expenditure incurred is less than the projected monthly expenditure	Major contracted payments should be captured immediately when they are paid to minimize the difference between the actual and projected.
Transfers and subsidies	-4%	The actual expenditure incurred is slightly more than the projected monthly expenditure	No remedial action is needed
Other expenditure	32%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed for now.

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-2%	The projections on capital grants is more than the spending thereof	No remedial action is needed
Provincial Government	0%		
Internally generated funds	-17%	The actual spending of internally generated funds are over projected	No remedial action is needed
Cash Flow			
Property rates	-3%	The actual collection rate on property rates is less than the projected rate	No remedial action is needed
Service charges	6%	The collection rate on service charges is slightly lower than the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas
Other revenue	4%	The collection rate on leased assets are over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-1%	All grants have been received to this date and the projections are not in line with payment schedule.	No remedial action is needed
Interest	7%	Interest on on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-5%	The actual costs incurred is slightly lower than the projected costs	No remedial action is needed
Finance charges	2%	The finance charges have been over projected.	There should be a short tern investment so the capital could earn interest
Capital assets	-13%	The projected capital expenditure on capex is slightly higher than the actual spending thereof.	All the expected first trench of the grants have been received in line with their payment schedule
Transfers and Grants	0%	The payments relating to this account are slightly lower than the projections thereof	No remedial action is needed
Increase (decrease) in consumer deposits	0%	Consumer deposits were significantly more than the projection thereof	
Repayment of borrowing	-7%	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
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	6,874	2,300	158	124	119	59	282	1,900	11,815	2,484		
Receivables from Non-exchange Transactions - Property Rates	3,298	1,883	1,368	1,315	1,233	1,223	6,482	35,066	51,870	45,321		
Receivables from Exchange Transactions - Waste Management	773	540	413	407	400	399	2,344	11,629	16,904	15,177		
Receivables from Exchange Transactions - Property Rental Debtors	57	44	28	140	130	5	31	993	1,427	1,298		
Interest on Arrear Debtor Accounts	1,368	1,495	1,444	1,397	1,342	1,307	7,188	25,298	40,839	36,531		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	703	104	17	39	66	54	(1,203)	2,377	2,156	1,332		
Total By Income Source	13,073	6,367	3,428	3,422	3,289	3,047	15,123	77,263	125,011	102,144	-	-
2019/20 - totals only	11,089	4,781	3,306	2,934	2,675	2,528	13,881	67,045	108,238	89,062		
Debtors Age Analysis By Customer Group												
Organs of State	1,917	1,479	1,075	1,160	1,085	946	3,878	25,283	36,824	32,353		
Commercial	6,406	2,049	564	542	491	454	2,056	10,732	23,293	14,274		
Households	4,720	2,824	1,780	1,711	1,703	1,638	9,143	41,048	64,567	55,244		
Other	29	15	9	9	9	9	47	199	326	273		
Total By Customer Group	13,073	6,367	3,428	3,422	3,289	3,047	15,123	77,263	125,011	102,144	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R125, 011 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 9%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 33%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

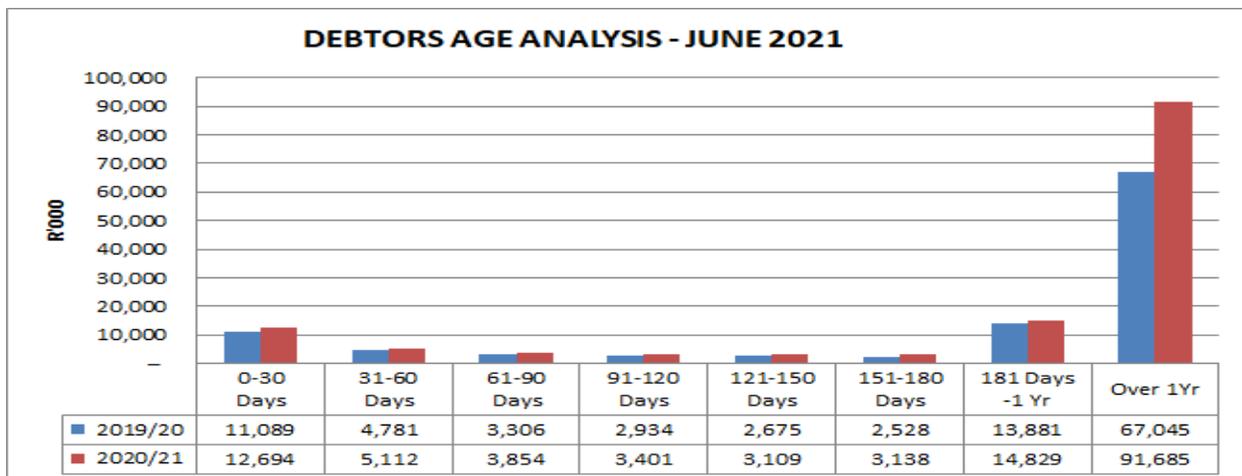
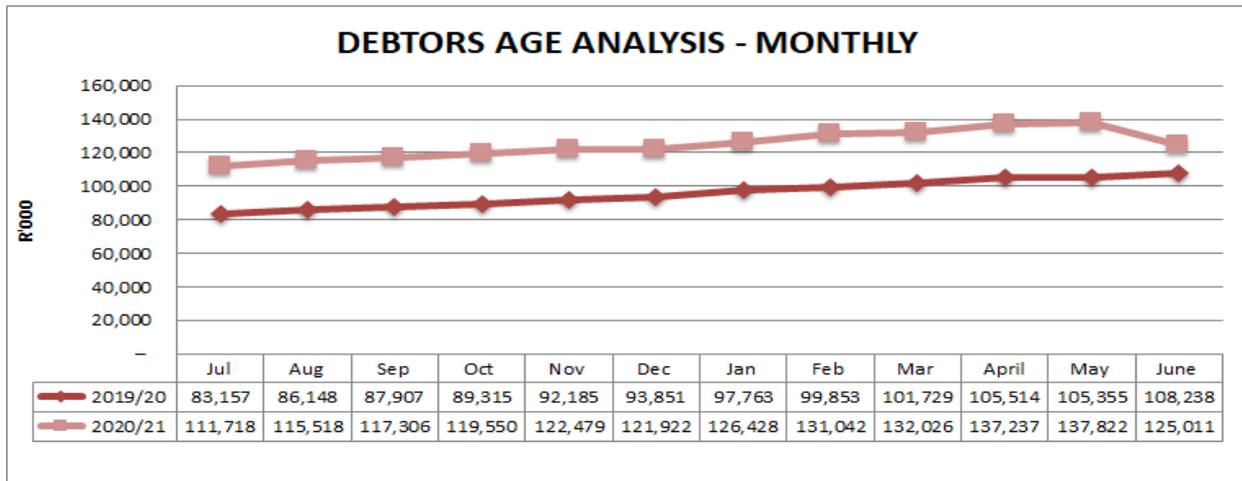


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2019/20 financial year and 2021/21 (as at end of June 2021) 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 2021/21 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	1,458,995.49
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,171,054.90
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	1,105,892.91
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	732,736.20
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	534,415.90
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	516,998.65
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	348,675.71
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	330,971.24
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	329,652.92
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	327,143.03
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	319,124.41
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	306,151.92
20494	BREAKAWAY TRUST	ACTIVE	OWNER	295,400.30
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	286,045.02
4300009	BONUREX (PTY) LTD (CHICKEN LICKEN)	ACTIVE	OCCUPIER	284,977.89
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	274,590.72
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	265,692.31
9001712	20	ACTIVE	OWNER	239,856.08
2200691	EHLERS JA	ACTIVE	OWNER	232,835.20
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	229,772.41
TOTAL				9,590,983.21

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	
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 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 R18, 012 million as outstanding creditors by the end of the month of June 2021.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	6,301,339.78
80984	GUBIS 85 SOLUTION	1,983,958.82
81035	SPECTRUM UTILITY MANAGEMENT	1,370,825.01
81148	BOAGO INFRASTRUCTURE	1,002,984.00
80900	MARKET DEMAND TRADING 773	936,287.88
80889	FLEET HORIZON SOLUTIONS	594,063.58
81042	MATUPUNUKA ICT	402,644.64
81001	JUST-BREEZE JV TLOU YA HLAKA	351,900.00
81098	AUDITOR GENERAL OF SOUTH AFRICA	335,917.15
80472	DOLMEN ENGINEERS	315,778.16
81002	SELEMA PLANT HIRE	286,816.90
80622	SIHLE CIVILS AND PROJECTS	260,492.25
81041	LEKONAKONETSI CONSULTING SERVI	239,583.33
80366	ASHCOR TRAVELS (PTY) LTD	198,000.00
80982	DR LG NEMUKONGWE INC	194,522.50
80948	TSWAKO (PTY) LTD	192,993.00
81141	SPATIAL INSTITUTE (PTY) LTD	192,203.56
81106	SLOVORAND HOLDINGS (PTY) LTD	192,000.00
1300	DEMOCRATIC CONSTRUCTION AND SE	190,095.00
40063	TLOU INTERGATED TECH	189,934.23
TOTAL		15,732,339.79

Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Interest to be realised	Withdrawal	Investment Top Up	Closing Balance
NEDBANK (037881068264/0058)	1 Month	Current Investment	4.2%		19-Apr-21	30,047,926	61,619	(30,109,545)	-	-
NEDBANK (037881068264/0059)	1 Month	Current Investment	4.2%		21-May-21	20,101,984	39,403	(20,141,386)	-	-
NEDBANK (037881068264/0060)	1 Month	Current Investment	4.3%		17-Jun-21	20,104,033	73,296	(20,177,329)	-	-
TOTAL INVESTMENTS AND INTEREST						70,253,942	174,318	(70,428,260)	-	-

The Municipality's current investment portfolio during the month June started with an opening balance of R20 104 million, earned an interest of R73 thousand, withdrew R20, 177 million and closed with zero balance.

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
RECEIPTS:									
Operating Transfers and Grants									
National Government:	273,218	293,320	351,806	-	351,806	351,806	-		351,806
Local Government Equitable Share	269,013	289,039	347,525	-	347,525	347,525	-		347,525
Finance Management	2,235	2,600	2,600	-	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681	1,681	-	1,681	1,681	-		1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-		-
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Operating Transfers and Grants	273,218	293,320	351,806	-	351,806	351,806	-		351,806
Capital Transfers and Grants									
National Government:	73,921	74,561	69,561	-	69,561	69,561	-		69,561
Municipal Infrastructure Grant (MIG)	54,921	54,561	54,561	-	54,561	54,561	-		54,561
Intergrated National Electrification Grant	19,000	20,000	15,000	-	15,000	15,000			15,000
Provincial Government:	21,771	-	-	-	-	-	-		-
Coghsta - Development	21,771	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	95,692	74,561	69,561	-	69,561	69,561	-		69,561
TOTAL RECEIPTS OF TRANSFERS & GRANTS	368,910	367,881	421,367	-	421,367	421,367	-		421,367

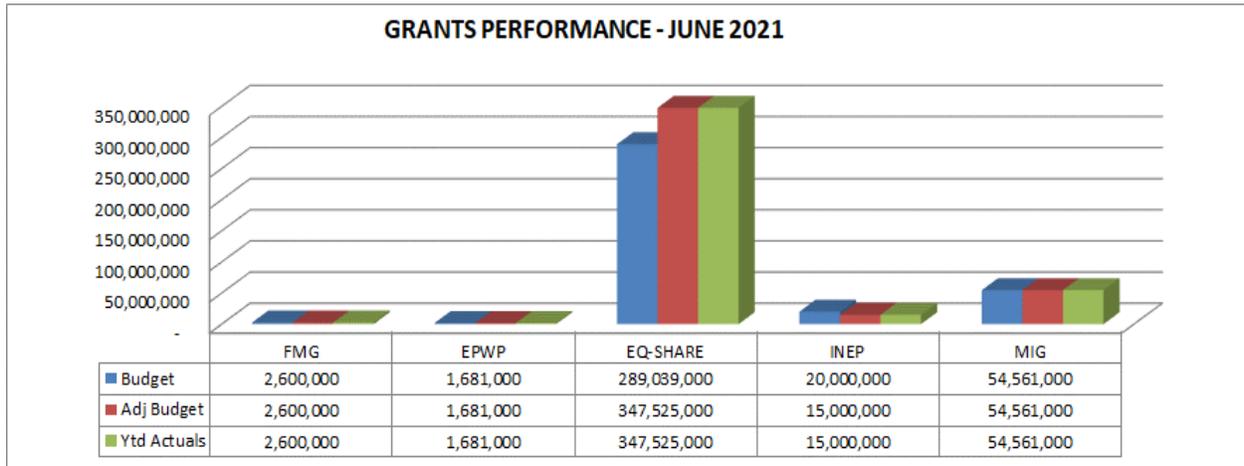
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R421, 367 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R347, 525 million; Municipal Infrastructure Grant amounting to R54, 651 million; Integrated National Energy Grant R15, 000 million, Financial Management Grant R2, 600 million and Expanded Public Works Programme R1,681 million 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
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	273,218	293,320	351,806	35,925	351,806	351,806	0	0%	351,806
Local Government Equitable Share	269,013	289,039	347,525	34,888	347,525	347,525	0	0%	347,525
Finance Management	2,235	2,600	2,600	843	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681	1,681	194	1,681	1,681	-		1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-		-
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total operating expenditure of Transfers and Grants:	273,218	293,320	351,806	35,925	351,806	351,806	0	0%	351,806
Capital expenditure of Transfers and Grants									
National Government:	70,685	74,561	69,561	1,110	68,451	69,561	(1,110)	-2%	69,561
Municipal Infrastructure Grant (MIG)	51,731	54,561	54,561	670	53,891	54,561	(670)	-1%	54,561
Integrated National Electrification Grant	18,954	20,000	15,000	440	14,560	15,000	(440)	-3%	15,000
Provincial Government:	21,471	-	-	-	-	-	-		-
Coghsta - Development	21,471	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total capital expenditure of Transfers and Grants	92,156	74,561	69,561	1,110	68,451	69,561	(1,110)	-2%	69,561
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	365,374	367,881	421,367	37,036	420,257	421,367	(1,110)	0%	421,367

An amount of R37, 036 million has been spent on grants during the month of June 2021 and the year to date actuals is R420, 257 million whilst the year to date budget amounts to R421, 367 million and this results in under spending variance of R1, 110 million that translates to 0%. Of the total spending amounting to R37, 036 million, R35, 925 million is spent on operational grants whilst capital grants amounts to R1, 110 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 June 2021. The grants expenditure are shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Integrated National Electrification Grant 100%
- Municipal Infrastructure Grant 100%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor 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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,458	15,692	15,392	1,179	14,184	15,392	(1,208)	-8%	15,392
Pension and UIF Contributions	1,713	1,761	1,776	132	1,600	1,776	(176)	-10%	1,776
Medical Aid Contributions	319	340	394	34	396	394	2	1%	394
Motor Vehicle Allowance	5,149	5,622	5,622	431	5,167	5,622	(455)	-8%	5,622
Cellphone Allowance	2,701	2,877	2,877	226	2,708	2,877	(168)	-6%	2,877
Other benefits and allowances	235	234	234	19	223	234	(10)	-4%	234
Sub Total - Councillors	24,575	26,525	26,293	2,020	24,279	26,293	(2,014)	-8%	26,293
% increase		8%	7%						7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,938	6,540	4,855	264	3,947	4,855	(908)	-19%	4,855
Pension and UIF Contributions	178	202	288	7	141	288	(147)	-51%	288
Medical Aid Contributions	82	85	88	4	81	88	(8)	-9%	88
Motor Vehicle Allowance	661	791	649	16	420	649	(229)	-35%	649
Cellphone Allowance	168	-	145	7	114	145	(31)	-21%	145
Other benefits and allowances	446	376	526	0	460	526	(66)	-13%	526
Payments in lieu of leave	18	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,491	7,993	6,551	298	5,163	6,551	(1,388)	-21%	6,551
% increase		23%	1%						1%
Other Municipal Staff									
Basic Salaries and Wages	87,892	99,984	95,277	6,437	93,585	95,277	(1,692)	-2%	95,277
Pension and UIF Contributions	17,806	26,133	19,706	1,591	18,983	19,706	(723)	-4%	19,706
Medical Aid Contributions	5,555	8,477	5,274	442	5,228	5,274	(47)	-1%	5,274
Overtime	1,443	974	2,064	113	1,353	2,064	(712)	-34%	2,064
Motor Vehicle Allowance	11,056	12,848	12,527	1,026	12,066	12,527	(461)	-4%	12,527
Cellphone Allowance	1,786	102	1,897	160	1,901	1,897	4	0%	1,897
Housing Allowances	179	17	208	17	206	208	(2)	-1%	208
Other benefits and allowances	5,710	12,488	15,352	193	9,232	15,352	(6,120)	-40%	15,352
Payments in lieu of leave	3,479	-	818	174	992	818	174	21%	818
Long service awards	439	733	1,572	234	1,405	1,572	(167)	-11%	1,572
Post-retirement benefit obligations							-		
Sub Total - Other Municipal Staff	135,345	161,756	154,696	10,389	144,951	154,696	(9,745)	-6%	154,696
% increase		20%	14%						14%
Total Parent Municipality	166,412	196,274	187,539	12,707	174,392	187,539	(13,147)	-7%	187,539
		18%	13%						13%
TOTAL SALARY, ALLOWANCES & BENEFITS	166,412	196,274	187,539	12,707	174,392	187,539	(13,147)	-7%	187,539
% increase		18%	13%						13%
TOTAL MANAGERS AND STAFF	141,837	169,749	161,246	10,687	150,113	161,246	(11,133)	-7%	161,246

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2021 amounts to R174, 392 million and the year to date budget is R187, 539 million and the expenditure for remuneration of councilors amounts to R24, 279 million while the year to date budget is R26, 279 million. The year to date actual expenditure for senior managers is R5, 163 million and the year to date budget thereof is R6, 551 million. There is four senior management vacant position (Budget and Treasury, Executive Support, Infrastructure and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R144, 951 million and the year to date budget is R154, 696 million. The remuneration of councilors and other municipal staff category has under spending variance, and there is four vacant positions in the senior management level and the positions should be filled in the new financial year 2021/22.

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

Description	Budget Year 2020/21												2020/21 Medium Term Revenue &		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Year 2020/21	Year +1 2021/22	Year +2 2022/23
Cash Receipts By Source															
Property rates	2,023	1,960	2,294	2,510	2,072	1,645	1,195	1,820	2,509	1,726	2,340	3,132	25,225	28,076	29,367
Service charges - electricity revenue	5,482	6,173	7,122	6,798	7,023	6,488	6,835	6,906	8,921	5,459	8,333	5,769	81,309	92,772	97,039
Service charges - refuse	339	290	392	397	368	342	357	314	392	332	371	370	4,264	5,697	5,959
Rental of facilities and equipment	38	58	41	43	30	23	24	187	85	25	62	31	648	899	941
Interest earned - external investments	-	-	83	29	-	-	-	-	-	202	73	-	388	3,182	3,328
Interest earned - outstanding debtors	80	91	158	141	75	88	74	119	117	80	88	1,178	2,290	1,392	1,457
Fines, penalties and forfeits	39	35	39	31	1	36	96	87	200	40	116	100	819	12,554	12,994
Licences and permits	367	347	469	535	434	218	325	436	449	309	433	24	4,344	6,635	6,941
Transfers and Subsidies - Operational	130,489	2,600	-	756	-	140,449	-	504	72,260	-	-	-	347,058	314,089	333,501
Other revenue	1,735	1,183	1,374	1,618	1,296	2,323	1,386	7,623	5,713	1,032	1,683	1,683	28,651	974	1,018
Cash Receipts by Source	140,592	12,737	11,972	12,859	11,300	151,613	10,291	17,996	90,647	9,204	13,499	12,287	494,996	466,270	492,544
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	16,470	5,000	-	14,830	8,000	15,650	-	2,000	7,611	-	-	-	69,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)															
Proceeds on Disposal of Fixed and Intangible Assets															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	157,062	17,737	11,972	27,689	19,300	167,263	10,291	19,996	98,258	9,204	13,499	12,287	564,557	542,997	564,630
Cash Payments by Type															
Employee related costs	12,071	11,833	11,686	11,691	11,767	19,642	13,128	12,277	11,971	11,731	11,630	10,687	150,113	177,557	185,725
Remuneration of councillors	2,020	2,020	2,020	2,020	2,020	2,056	2,020	2,020	2,020	2,020	2,020	2,020	24,279	27,745	29,021
Interest paid	-	115	1,185	101	90	608	270	75	61	72	44	(39)	2,580	83	15
Bulk purchases - Electricity	22,318	9,105	8,055	8,682	268	6,421	6,204	7,258	6,961	6,251	6,153	5,944	93,620	98,937	107,743
Other materials	178	1,016	1,779	877	237	361	563	975	6,407	2,665	3,799	1,141	19,998	12,707	13,522
Contracted services	33,407	2,528	4,351	11,653	3,057	10,605	7,867	6,396	6,736	7,444	7,020	1,152	102,215	57,320	59,107
Grants and subsidies paid - other	244	192	358	260	244	354	252	-	463	132	239	234	2,973	3,605	3,747
General expenses	1,676	5,029	2,117	11,838	146	23,011	11,939	1,331	2,654	2,904	9,634	1,917	74,194	39,436	41,140
Cash Payments by Type	71,914	31,838	31,551	47,121	17,829	63,057	42,242	30,332	37,273	33,218	40,539	23,056	469,972	417,391	440,021
Other Cash Flows/Payments by Type															
Capital assets	1,043	6,449	10,619	4,827	4,391	10,490	3,012	14,315	6,114	5,599	2,901	8,967	78,727	93,994	94,483
Repayment of borrowing	872	881	888	896	903	911	918	926	934	942	949	957	10,978	2,489	-
Other Cash Flows/Payments															
Total Cash Payments by Type	73,830	39,168	43,059	52,844	23,123	74,459	46,173	45,573	44,321	39,758	44,390	32,980	559,676	513,874	534,504
NET INCREASE/(DECREASE) IN CASH HELD	83,232	(21,430)	(31,087)	(25,155)	(3,823)	92,804	(35,882)	(25,577)	53,937	(30,554)	(30,891)	(20,693)	4,881	29,123	30,126
Cash/cash equivalents at the month/year beginning:	1,929	85,161	63,731	32,644	7,489	3,666	96,470	60,589	35,012	88,948	58,395	27,503	1,929	6,810	35,934
Cash/cash equivalents at the month/year end:	85,161	63,731	32,644	7,489	3,666	96,470	60,589	35,012	88,948	58,395	27,503	6,810	6,810	35,934	66,060

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 R12, 287 million and the total cash payment for the month were R32, 980 million and this resulted in net decrease in cash held amounting to R20, 693 million. With cash and cash equivalent of R27, 503 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R6, 810 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
Monthly expenditure performance trend									
July	1,112	6,438	6,438	1,043	1,043	6,438	5,394	84%	1%
August	8,112	4,370	4,370	6,449	7,492	10,808	3,316	31%	8%
September	5,020	8,862	8,862	10,619	18,111	19,670	1,558	8%	20%
October	12,851	6,303	6,303	4,827	22,938	25,973	3,035	12%	26%
November	14,910	8,248	8,248	4,391	27,329	34,221	6,892	20%	31%
December	6,657	9,508	9,508	10,490	37,819	43,729	5,910	14%	42%
January	10,655	3,141	3,141	3,012	40,832	46,870	6,038	13%	46%
February	7,260	6,205	6,205	14,315	55,146	53,075	(2,071)	-4%	62%
March	5,799	5,653	9,231	6,114	61,260	62,306	1,045	2%	69%
April	3,395	8,602	10,186	5,599	66,859	72,491	5,632	8%	75%
May	8,517	11,684	7,968	2,901	69,760	80,459	10,699	13%	78%
June	13,671	10,265	13,834	19,234	88,994	94,294	5,300	6%	100%
Total Capital expenditure	97,961	89,280	94,294	88,994					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of June amounts to R19, 234 million. The year to date actual expenditure incurred is R88, 994 million whilst the year to date budget is R94, 294 million that gives rise to under spending variance of R5, 300 million that translate to 6%.

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
Capital expenditure on new assets by Asset Class									
Infrastructure	67,457	20,000	19,224	4,356	18,784	19,224	440	2%	19,224
Roads Infrastructure	51,346	-	-	-	-	-	-		-
Roads	51,346	-					-		-
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	16,111	20,000	19,224	4,356	18,784	19,224	440	2%	19,224
HV Substations							-		
HV Transmission Conductors							-		
MV Networks	16,111	20,000	15,000	132	14,560	15,000	440	3%	15,000
LV Networks			4,224	4,224	4,224	4,224	0	0%	4,224
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	-	2,339	2,120	-	1,947	2,120	173	8%	2,120
Municipal Offices		600	770	-	597	770	173	23%	770
Workshops		1,739	1,350	-	1,350	1,350	0	0%	1,350
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	38	250	679	198	626	679	53	8%	679
Computer Equipment	38	250	679	198	626	679	53	8%	679
Furniture and Office Equipment	526	800	371	-	479	371	(109)	-29%	371
Furniture and Office Equipment	526	800	371	-	479	371	(109)	-29%	371
Machinery and Equipment	1,492	1,200	1,196	220	766	1,196	430	36%	1,196
Machinery and Equipment	1,492	1,200	1,196	220	766	1,196	430	36%	1,196
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on new assets	69,514	24,589	23,590	4,775	22,602	23,590	989	4%	23,590

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

Infrastructure	10,527	46,940	53,233	3,245	51,428	53,233	1,805	3%	53,233
Roads Infrastructure	10,527	39,222	51,387	1,498	49,516	51,387	1,870	4%	51,387
Roads	10,527	39,222	51,387	1,498	49,516	51,387	1,870	4%	51,387
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure		-	-	-	-	-	-		-
Electrical Infrastructure		-	1,747	1,747	1,912	1,747	(165)	-9%	1,747
HV Substations							-		
MV Networks	-						-		
LV Networks		-	1,747	1,747	1,912	1,747	(165)	-9%	1,747
Solid Waste Infrastructure		7,719	100	-	-	100	100	100%	100
Landfill Sites		7,719	100			100	100	100%	100
Waste Transfer Stations							-		
Community Assets	-	600	720	507	598	720	122	17%	720
Libraries							-		
Cemeteries/Crematoria		600	720	507	598	720	122	17%	720
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	10,527	47,540	53,953	3,752	52,026	53,953	1,927	3.6%	53,953

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
Repairs and maintenance expenditure by Asset Class									
Infrastructure	5,119	9,729	14,800	766	13,034	14,800	1,765	12%	14,800
Roads Infrastructure	161	4,892	8,116	-	8,116	8,116	0	0%	8,116
Roads	161	4,892	8,116	-	8,116	8,116	0	0%	8,116
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	2,180	1,845	2,749	387	2,026	2,749	723	26%	2,749
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	1,845	2,749	387	2,026	2,749	723	26%	2,749
Solid Waste Infrastructure	2,778	2,993	3,935	379	2,893	3,935	1,042	26%	3,935
Landfill Sites	2,778	2,993	3,935	379	2,893	3,935	1,042	26%	3,935
Waste Transfer Stations							-		
Community Assets	-	306	950	-	-	950	950	100%	950
Community Facilities	-	306	950	-	-	950	950	100%	950
Libraries							-		
Parks		306	950	-	-	950	950	100%	950
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	1,497	1,845	2,490	46	2,074	2,490	416	17%	2,490
Operational Buildings	1,497	1,845	2,490	46	2,074	2,490	416	17%	2,490
Workshops							-		
Intangible Assets	-	425	80	-	5	80	75	93%	80
Servitudes							-		
Computer Software and Applications		425	80	-	5	80	75	93%	80
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,306	1,214	1,655	107	1,636	1,655	18	1%	1,655
Machinery and Equipment	1,306	1,214	1,655	107	1,636	1,655	18	1%	1,655
Transport Assets	2,727	1,854	3,168	481	3,059	3,168	110	3%	3,168
Transport Assets	2,727	1,854	3,168	481	3,059	3,168	110	3%	3,168
Total Repairs and Maintenance Expenditure	10,649	15,373	23,143	1,400	19,809	23,143	3,334	14.4%	23,143

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
Depreciation by Asset Class/Sub-class									
Infrastructure	41 654	40 059	40 059	-	-	17 873	17 873	100%	40 059
Roads Infrastructure	36 797	29 935	29 935	-	-	14 807	14 807	100%	29 935
Roads	36 797	29 935	29 935			14 807	14 807	100%	29 935
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	4	3 953	3 953	-	-	1 308	1 308	100%	3 953
Attenuation							-		
Electrical Infrastructure	4 156	5 501	5 501	-	-	1 586	1 586	100%	5 501
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	4 156	5 501	5 501			1 586	1 586	100%	5 501
Solid Waste Infrastructure	697	670	670	-	-	172	172	100%	670
Landfill Sites	697	670	670			172	172	100%	670
Waste Transfer Stations							-		
Community Assets	1 209	3 108	3 108	-	-	2	2	100%	3 108
Cemeteries/Crematoria	1 209	3 108	3 108			2	2	100%	3 108
Police							-		
Other assets	4 079	500	500	-	-	499	499	0	500
Operational Buildings	4 079	500	500	-	-	499	499	100%	500
Workshops							-		
Intangible Assets	1 169	402	402	-	-	-	-		402
Servitudes							-		
Computer Software and Applications	1 169	402	402				-		402
Computer Equipment	644	1 616	1 616	-	-	278	278	100%	1 616
Computer Equipment	644	1 616	1 616			278	278	100%	1 616
Furniture and Office Equipment	672	3 390	3 390	-	-	236	236	100%	3 390
Furniture and Office Equipment	672	3 390	3 390			236	236	100%	3 390
Machinery and Equipment	-	2 316	2 316	-	-	689	689	100%	2 316
Machinery and Equipment	-	2 316	2 316			689	689	100%	2 316
Transport Assets	3 849	3 772	3 772	-	-	2 306	2 306	100%	3 772
Transport Assets	3 849	3 772	3 772			2 306	2 306	100%	3 772
Total Depreciation	53 277	55 163	55 163	-	-	21 883	21 883	100%	55 163

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
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	10,828	16,150	15,950	275	13,987	15,950	1,963	12%	15,950
Roads Infrastructure	10,828	16,150	15,950	275	13,987	15,950	1,963	12%	15,950
Roads	10,828	16,150	15,950	275	13,987	15,950	1,963	12%	15,950
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	1,000	800	165	379	800	421	53%	800
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Parks		1,000	800	165	379	800	421	0	800
Other assets	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
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	12,127	17,150	16,750	440	14,366	16,750	2,384	14%	16,750

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 R22, 602 million and the year to date budget is R23, 590 million that reflects under spending variance of R989 thousand that translates to 4% variance.

The year to date actuals on renewal of existing assets amounts R52, 026 million and with the year to date budget of R53, 953 million and this reflects under spending variance of R1, 927 million that translates to 3.6% variance.

The year to date actual expenditure on repairs and maintenance is R19, 809 million, and the year to date budget is R23, 143 million, reflecting over spending variance of R3, 334 million that translates to 14.4%.

The year to date actual expenditure on upgrading of existing assets is R14, 366 million, and the year to date budget is R16, 750 million, reflecting under spending variance of R2, 384 million that translates to 12%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R21, 883 million, reflecting spending variance of R21, 883 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	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	16,500	16,492	100%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	15,250	14,590	96%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	10,734	10,125	94%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	10,058	10,065	100%
Technical Services	Goblersdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	100	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	7,263	7,263	100%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	11,654	10,425	89%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	–	0%
Technical Services	Kgaphamadi Bus Road	Renewal	Infrastructure	Roads Infrastructure	–	4,913	4,649	95%
Technical Services	Electrification of Ntswelemotse	New	Infrastructure	Electrical Infrastructure	2,430	2,190	2,033	93%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	2,076	2,076	100%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,350	1,350	100%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	800	379	47%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	700	609	87%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	371	479	129%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	720	598	83%
Community Services	Mobile Offices	New	Community assets	Operational building	600	770	597	77%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	999	690	69%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	400	380	95%
Finance	Machinery and Equipment: Forklift	New	Machinery and Equipment	Machinery and Equipment	350	350	–	0%
Technical Services	Machinery and Equipment: Aircons Conditioner	New	Infrastructure	Machinery and Equipment	350	446	386	86%
Technical Services	LV Networks	New	Infrastructure	Electrical Infrastructure		4,224	3,438	81%
Technical Services	LV Networks	Renewal	Infrastructure	Electrical Infrastructure		1,747	1,747	100%
Corporate Services	Computer Equipment	New	Machinery and Equipment	Machinery and Equipment	250	679	626	92%

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 June 2021 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