

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

MAY 2019

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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 Mayor and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results.

IN YEAR BUDGET STATEMENT TABLES

SUMMARY OF BUDGET AND ACTUALS 2018/19				
DESCRIPTION	2018/19			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	476,783,655	455,696,660	391,686,422	86%
OPERATING EXPENDITURE	471,307,984	449,168,594	396,867,300	88%
TRANSFER - CAPITAL	63,830,003	94,049,724	58,482,771	62%
SURPLUS/(DEFICIT)	69,305,674	100,577,790	53,301,892	53%
CAPITAL EXPENDITURE	75,869,282	97,257,642	58,465,114	60%

Table C1 – Budget Statement Summary

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	25,978	36,650	33,010	2,367	30,860	30,112	748	2%	33,010
Service charges	74,874	101,546	89,925	6,719	80,600	82,826	(2,226)	-3%	89,925
Investment revenue	2,928	3,000	2,800	184	1,889	2,643	(753)	-29%	2,800
Transfers and subsidies	226,163	245,278	245,278	405	241,624	245,508	(3,884)	-2%	245,278
Other own revenue	94,037	90,309	84,683	1,641	36,713	76,745	(40,033)	-52%	84,683
Total Revenue (excluding capital transfers and contributions)	423,980	476,783	455,697	11,315	391,686	437,834	(46,148)	-11%	455,697
Employee costs	127,202	134,149	130,473	21,344	138,127	121,004	17,123	14%	130,473
Remuneration of Councillors	22,874	25,070	24,291	1,936	21,299	22,117	(819)	-4%	24,291
Depreciation & asset impairment	53,654	51,181	51,181	-	25,989	46,994	(21,005)	-45%	51,181
Finance charges	281	2,500	2,900	281	1,678	2,413	(734)	-30%	2,900
Materials and bulk purchases	78,408	97,093	78,829	6,422	71,074	67,893	3,181	5%	78,909
Transfers and subsidies	841	4,404	3,580	182	2,101	2,987	(886)	-30%	3,580
Other expenditure	238,169	156,909	157,915	11,346	136,600	143,928	(7,328)	-5%	157,835
Total Expenditure	521,428	471,306	449,169	41,512	396,867	407,336	(10,469)	-3%	449,169
Surplus/(Deficit)	(97,448)	5,477	6,528	(30,196)	(5,181)	30,498	(35,679)	-117%	6,528
Transfers and subsidies - capital (monetary allocations)	97,901	63,830	94,050	6,977	58,483	84,828	(26,346)	-31%	64,279
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	453	69,307	100,578	(23,219)	53,302	115,327	(62,025)	-54%	70,807
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	453	69,307	100,578	(23,219)	53,302	115,327	(62,025)	-54%	70,807
Capital expenditure & funds sources									
Capital expenditure	107,563	75,869	97,258	6,712	58,465	80,708	(22,243)	-28%	97,258
Capital transfers recognised	83,864	55,504	81,841	6,563	52,226	67,895	(15,669)	-23%	81,841
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	23,699	20,365	15,417	148	6,239	12,812	(6,573)	-51%	15,417
Total sources of capital funds	107,563	75,869	97,258	6,712	58,465	80,708	(22,243)	-28%	97,258
Financial position									
Total current assets	65,342	120,845	127,079		187,558				127,079
Total non current assets	1,018,848	1,083,492	1,083,492		1,139,933				1,083,492
Total current liabilities	91,339	73,138	66,949		137,469				66,949
Total non current liabilities	93,955	116,629	109,192		123,443				109,192
Community wealth/Equity	898,896	1,014,570	1,034,431		1,066,579				1,034,431
Cash flows									
Net cash from (used) operating	96,019	83,769	120,291	(24,557)	93,580	120,291	26,711	22%	90,520
Net cash from (used) investing	(103,972)	(71,869)	(95,572)	(6,712)	(51,592)	(95,339)	(43,748)	46%	(65,801)
Net cash from (used) financing	(6,900)	(9,829)	(6,640)	(175)	(9,198)	(9,593)	(395)	4%	(6,640)
Cash/cash equivalents at the month/year end	6,194	18,039	24,273	-	38,985	21,553	(17,432)	-81%	24,273

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of May is R391, 686 million and the year to date budget of R437, 834 million and this reflects a negative variance of R46, 148 million that can be attributed to the understated traffic fines revenue that is not wholly accounted for in the financial system due to non-integration of traffic fine management system and core financial system. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 29% unfavorable variance,
- Interest earned – outstanding debtors: 18% unfavorable variance,
- Rental on Facilities and Equipment: 27% unfavorable variance,
- Fines, penalties and forfeits: 65% unfavorable variance
- Transfer and Subsidies: 2% unfavorable variance
- Services Charges – electricity revenue: 3% favorable variance
- Services Charges – refuse revenue: 3% unfavorable variance
- Licenses and permits: 7% unfavorable variance
- Property rates: 2% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of May amounts to R396, 867 million and the year to date budget is R407, 336 million. This reflects underspending variance of R10, 469 million that translates to 3% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

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

- Finance charges: 30% under performance variance,
- Other Materials: 15% over performance
- Depreciation and asset impairment: 45% under performance variance
- Debt impairment: 38% under performance variance
- Transfers and subsidies: 30% under performance variance
- Other expenditure: 15% over performance variance
- Employee related costs: 14% over performance variance

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 May 2019 amounts to R58, 465 million and the year to date budget amounts to R80, 708 million and this gives rise to R22, 243 million under performance variance that is attributed to delays in the appointment of service providers for internally funded capital projects. The budget for internally funded capital projects had to be adjusted downwards during the main adjustment budget due to unfavorable cash flow position that the municipality is faced with. The procurement plans have been developed however, they are not fully implemented. These procurement plans were intended to guide the spending pattern on capital projects and partial implementation thereof makes it difficult for the municipality to forecast the cash flow projections.

Surplus/Deficit

Taking the total revenue and expenditure performance into consideration, the net operating surplus for the month of May 2019 is R76, 914 million that is mainly used for funding internally funded capital projects.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of May amounts to R76, 426 million and this shows an increase of R13, 745 million as compared to R62, 681 million as at end of 2017/18 financial year. This increase portrays improved revenue collection of the municipality as the higher the collection rates the lesser the increase in consumer debtors.

Consumer debtors is made up of service charges and property rates that amount to R55, 701 million and other debtors amounting to R20, 725 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, they do not form part of consumer debtors.

Creditors

The municipality is currently striving for paying its creditors within 30 days of receipt of invoice as required by MFMA. However, the municipality has instances where the cash flow position was quite unfavorable and it was then unable to service certain creditors as and when they became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

Table C2 – Financial Performance (Standard Classification)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183,232	203,714	198,283	3,972	188,193	195,543	(7,351)	-4%	198,283
Executive and council	35,581	42,873	42,873	–	40,562	42,873	(2,311)	-5%	42,873
Finance and administration	141,249	152,939	147,508	3,972	139,699	144,769	(5,070)	-4%	147,508
Internal audit	6,402	7,902	7,902	–	7,932	7,902	30	0%	7,902
Community and public safety	9,881	18,637	18,650	11	21,021	18,647	2,373	13%	18,650
Community and social services	3,412	7,973	7,973	9	11,310	7,971	3,340	42%	7,973
Sport and recreation	6,469	10,664	10,677	1	9,710	10,677	(967)	-9%	10,677
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	206,569	185,532	212,010	7,479	126,616	188,477	(61,860)	-33%	182,239
Planning and development	6,605	17,319	17,107	34	13,106	17,029	(3,924)	-23%	17,107
Road transport	199,121	167,196	193,885	7,445	112,481	170,429	(57,948)	-34%	164,114
Environmental protection	842	1,018	1,018	–	1,030	1,018	12	1%	1,018
Trading services	122,199	132,730	120,804	6,831	114,340	119,996	(5,656)	-5%	120,804
Energy sources	91,510	109,537	102,039	6,175	94,242	101,968	(7,725)	-8%	102,039
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	30,689	23,193	18,765	656	20,097	18,028	2,069	11%	18,765
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	521,880	540,613	549,746	18,293	450,169	522,663	(72,494)	-14%	519,975
Expenditure - Functional									
Governance and administration	213,465	176,004	184,556	22,548	188,245	169,921	18,324	11%	184,555
Executive and council	39,711	42,558	39,998	4,903	39,597	36,589	3,009	8%	39,998
Finance and administration	167,531	125,652	135,446	17,220	141,507	124,841	16,665	13%	135,446
Internal audit	6,223	7,795	9,111	425	7,141	8,491	(1,350)	-16%	9,111
Community and public safety	14,010	18,191	15,276	1,575	10,528	13,615	(3,086)	-23%	15,276
Community and social services	6,687	7,709	5,563	756	4,683	4,976	(292)	-6%	5,563
Sport and recreation	7,323	10,481	9,713	818	5,845	8,639	(2,794)	-32%	9,713
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	125,722	149,194	133,138	8,397	102,715	120,780	(18,065)	-15%	133,138
Planning and development	14,195	23,848	15,813	1,782	13,093	13,516	(423)	-3%	15,813
Road transport	110,877	124,365	116,597	6,502	88,974	106,599	(17,625)	-17%	116,597
Environmental protection	650	981	728	113	647	665	(17)	-3%	728
Trading services	168,230	127,918	116,200	8,992	95,379	103,020	(7,641)	-7%	116,200
Energy sources	140,094	105,653	92,646	5,956	69,432	79,509	(10,077)	-13%	92,646
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	28,136	22,265	23,554	3,036	25,947	23,511	2,436	10%	23,554
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	521,428	471,306	449,169	41,512	396,867	407,336	(10,469)	-3%	449,169
Surplus/ (Deficit) for the year	453	69,307	100,578	(23,219)	53,302	115,327	(62,025)	-54%	70,807

Table C3 – Fin’ Performance (Revenue and Expenditure by vote)

Vote Description	2017/18	Budget Year 2018/19							
	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	31,540	38,168	38,168	–	35,733	38,168	(2,436)	-6%	38,168
Vote 2 - Municipal Manager	15,805	31,469	31,469	–	24,626	31,469	(6,843)	-22%	31,469
Vote 3 - Budget & Treasury	83,272	64,695	59,272	3,918	60,266	56,521	3,744	7%	59,272
Vote 4 - Corporate Services	34,041	39,939	39,931	54	43,334	39,943	3,392	8%	39,931
Vote 5 - Community Services	131,423	127,644	120,478	1,195	75,524	112,511	(36,987)	-33%	120,478
Vote 6 - Technical Services	211,539	211,110	233,051	13,092	187,581	216,752	(29,171)	-13%	203,280
Vote 7 - Developmental Planning	1,529	11,493	11,282	34	7,092	11,204	(4,112)	-37%	11,282
Vote 8 - Executive Support	12,731	16,094	16,094	–	16,013	16,094	(82)	-1%	16,094
Total Revenue by Vote	521,880	540,613	549,746	18,293	450,169	522,663	(72,494)	-14%	519,975
Expenditure by Vote									
Vote 1 - Executive & Council	36,404	37,886	35,307	4,583	34,544	32,088	2,456	8%	35,307
Vote 2 - Municipal Manager	20,075	31,112	37,306	4,051	41,933	34,876	7,057	20%	37,306
Vote 3 - Budget & Treasury	89,906	47,233	51,072	6,391	62,434	49,737	12,696	26%	51,072
Vote 4 - Corporate Services	39,301	37,865	30,600	4,042	23,545	26,145	(2,600)	-10%	30,600
Vote 5 - Community Services	123,541	105,457	100,333	8,070	76,599	92,327	(15,728)	-17%	100,333
Vote 6 - Technical Services	188,616	185,027	167,702	10,912	132,795	148,504	(15,709)	-11%	167,702
Vote 7 - Developmental Planning	7,999	11,188	9,977	984	7,331	8,125	(794)	-10%	9,977
Vote 8 - Executive Support	15,585	15,539	16,872	2,479	17,687	15,534	2,153	14%	16,872
Total Expenditure by Vote	521,428	471,306	449,169	41,512	396,867	407,336	(10,469)	-3%	449,168
Surplus/ (Deficit) for the year	453	69,307	100,578	(23,219)	53,302	115,327	(62,025)	-54%	70,807

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25,978	36,650	33,010	2,367	30,860	30,112	748	2%	33,010
Service charges - electricity revenue	67,575	89,297	81,798	6,063	73,370	75,389	(2,019)	-3%	81,798
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	7,299	12,249	8,127	656	7,230	7,437	(207)	-3%	8,127
Service charges - other	-						-		
Rental of facilities and equipment	944	1,220	1,000	31	637	872	(235)	-27%	1,000
Interest earned - external investments	2,928	3,000	2,800	184	1,889	2,643	(753)	-29%	2,800
Interest earned - outstanding debtors	9,693	8,161	6,692	448	5,366	6,570	(1,204)	-18%	6,692
Dividends received	-						-		
Fines, penalties and forfeits	67,325	73,218	70,209	(1)	21,890	63,187	(41,297)	-65%	70,209
Licences and permits	4,956	4,950	5,200	529	4,412	4,762	(350)	-7%	5,200
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278	245,278	405	241,624	245,508	(3,884)	-2%	245,278
Other revenue	11,118	2,761	1,582	634	4,408	1,355	3,053	225%	1,582
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	423,980	476,783	455,697	11,315	391,686	437,834	(46,148)	-11%	455,697
Expenditure By Type									
Employee related costs	127,202	134,149	130,473	21,344	138,127	121,004	17,123	14%	130,473
Remuneration of councillors	22,874	25,070	24,291	1,936	21,299	22,117	(819)	-4%	24,291
Debt impairment	74,839	53,421	55,000	-	31,176	49,997	(18,821)	-38%	55,000
Depreciation & asset impairment	53,654	51,181	51,181	-	25,989	46,994	(21,005)	-45%	51,181
Finance charges	281	2,500	2,900	281	1,678	2,413	(734)	-30%	2,900
Bulk purchases	68,602	80,000	70,000	5,283	62,293	60,277	2,016	3%	70,000
Other materials	9,806	17,093	8,829	1,139	8,781	7,616	1,165	15%	8,909
Contracted services	67,951	60,020	59,841	5,362	61,611	55,751	5,860	11%	59,841
Transfers and subsidies	841	4,404	3,580	182	2,101	2,987	(886)	-30%	3,580
Other expenditure	93,908	43,468	43,074	5,984	43,813	38,180	5,632	15%	42,994
Loss on disposal of PPE	1,470			-	-		-		
Total Expenditure	521,428	471,306	449,169	41,512	396,867	407,336	(10,469)	-3%	449,169
Surplus/(Deficit)	(97,448)	5,477	6,528	(30,196)	(5,181)	30,498	(36,679)	-117%	6,528
Transfers and subsidies - capital (monetary allocations)	97,901	63,830	94,050	6,977	58,483	84,828	(26,346)	-31%	64,279
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	453	69,307	100,578	(23,219)	53,302	115,327			70,807
Taxation									
Surplus/(Deficit) after taxation	453	69,307	100,578	(23,219)	53,302	115,327			70,807
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	453	69,307	100,578	(23,219)	53,302	115,327			70,807
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	453	69,307	100,578	(23,219)	53,302	115,327			70,807

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.

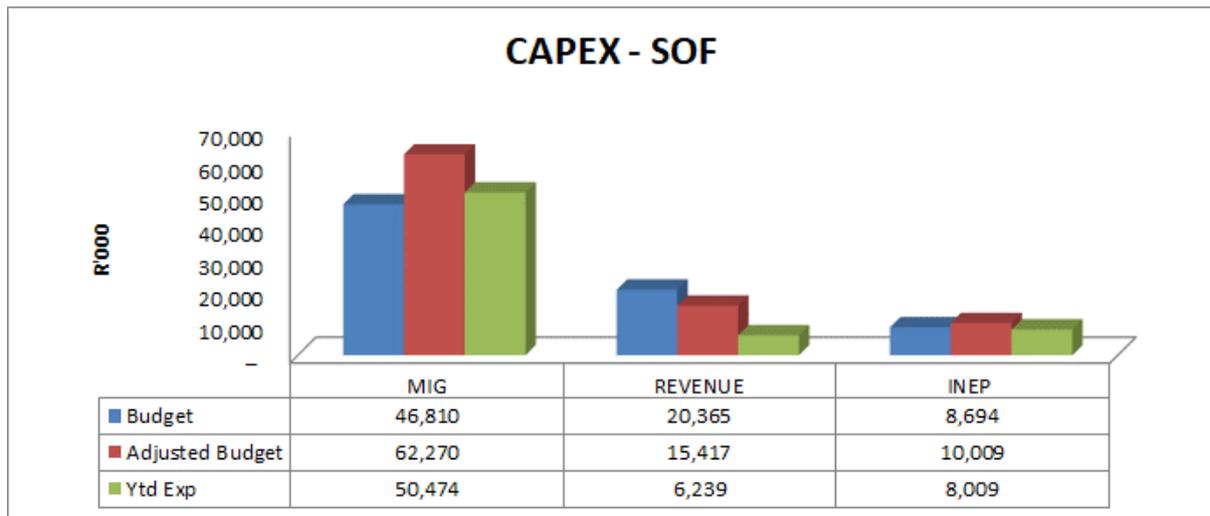
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2017/18	Budget Year 2018/19							
	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	1,110	1,700	2,200	33	1,322	1,826	(505)	-28%	2,200
Executive and council							-		
Finance and administration	1,110	1,700	2,200	33	1,322	1,826	(505)	-28%	2,200
Internal audit							-		
Community and public safety	8,834	522	522	-	-	424	(424)	-100%	522
Community and social services		522	522	-	-	424	(424)	-100%	522
Sport and recreation	8,834	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	84,672	59,779	79,449	6,626	47,427	65,678	(18,251)	-28%	57,039
Planning and development		-					-		-
Road transport	84,672	59,779	79,449	6,626	47,427	65,678	(18,251)	-28%	57,039
Environmental protection		-					-		-
Trading services	12,946	13,868	15,087	52	9,717	12,779	(3,063)	-24%	11,609
Energy sources	12,946	10,868	13,487	52	8,482	11,515	(3,033)	-26%	10,009
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000	1,600	-	1,234	1,264	(30)	-2%	1,600
Other		-					-		-
Total Capital Expenditure - Functional Classification	107,563	75,869	97,258	6,712	58,465	80,708	(22,243)	-28%	71,370
Funded by:									
National Government	83,864	55,504	81,841	6,563	52,226	67,895	(15,669)	-23%	81,841
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	83,864	55,504	81,841	6,563	52,226	67,895	(15,669)	-23%	81,841
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	23,699	20,365	15,417	148	6,239	12,812	(6,573)	-51%	15,417
Total Capital Funding	107,563	75,869	97,258	6,712	58,465	80,708	(22,243)	-28%	97,258

Table C5C: Monthly Capital Expenditure by Vote

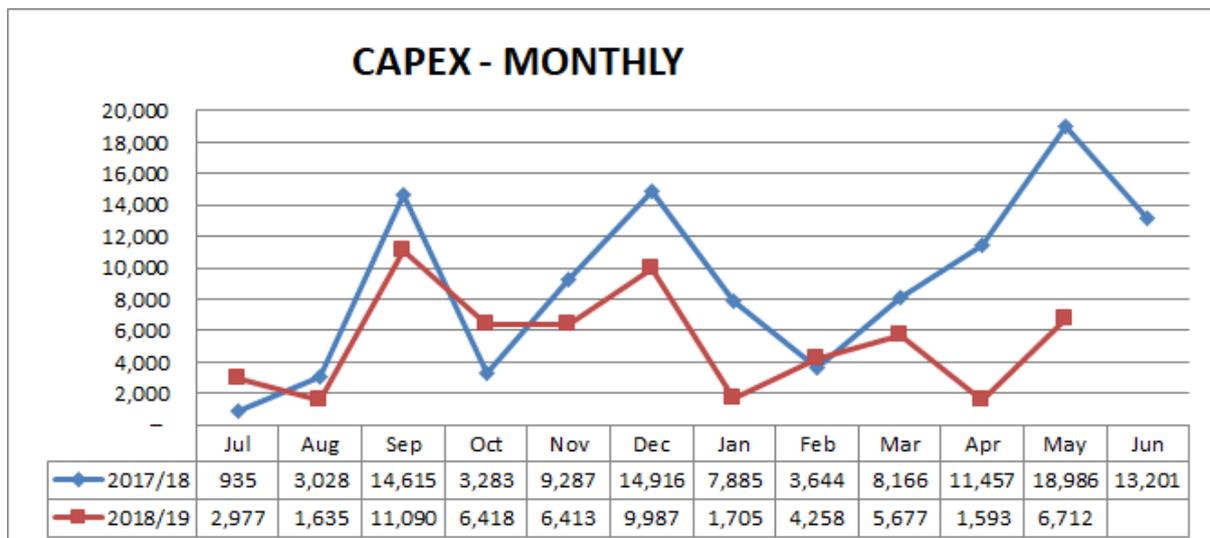
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,110	1,400	1,400	41	702	1,178	(476)	-40%	1,400
Vote 5 - Community Services	434	3,000	1,600	-	1,234	1,264	(30)	-2%	1,600
Vote 6 - Technical Services	77,883	27,513	25,714	1,030	18,241	21,512	(3,271)	-15%	25,714
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	79,427	31,913	28,714	1,071	20,178	23,955	(3,777)	-16%	28,714
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	300	800	(8)	620	648	(28)	-4%	800
Vote 5 - Community Services	1,005	522	522	-	-	424	(424)	-100%	522
Vote 6 - Technical Services	27,131	42,634	67,222	5,649	37,668	55,681	(18,014)	-32%	67,222
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,136	43,956	68,544	5,640	38,287	56,753	(18,466)	-33%	68,544
Total Capital Expenditure	107,563	75,869	97,258	6,712	58,465	80,708	(22,243)	-28%	97,258

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 May 2019, R6, 712 million spending was incurred and that increased the year to date expenditure to R58, 465 million whilst the year to date budget is R80, 708 million and this gave rise to under spending variance of R22, 243 million that translates to 28%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R87, 695 million, R62, 270 million is funded from Municipal Infrastructure grant, R10, 009 million from INEP and R15, 417 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 2017/18 and 2018/19 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6,194	2,457	8,691	16,839	8,691
Call investment deposits	–	15,582	15,582	22,146	15,582
Consumer debtors	24,953	40,483	40,483	52,584	40,483
Other debtors	30,866	58,923	58,924	89,584	58,924
Current portion of long-term receivables	–	–	–	–	–
Inventory	3,328	3,400	3,400	6,405	3,400
Total current assets	65,342	120,845	127,079	187,558	127,079
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	53,739	53,728	53,728	55,728	53,728
Investments in Associate		–	–	–	–
Property, plant and equipment	952,317	1,016,632	1,016,632	1,082,968	1,016,632
Agricultural		–	–	–	–
Biological		–	–	–	–
Intangible	85	291	291	–	291
Other non-current assets	12,706	12,841	12,841	1,237	12,841
Total non current assets	1,018,848	1,083,492	1,083,492	1,139,933	1,083,492
TOTAL ASSETS	1,084,189	1,204,337	1,210,572	1,327,492	1,210,572
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	–	10,000	6,811	3,087	6,811
Consumer deposits	5,249	5,260	5,260	5,942	5,260
Trade and other payables	81,839	52,466	52,466	126,449	52,466
Provisions	4,251	5,412	2,412	1,991	2,412
Total current liabilities	91,339	73,138	66,949	137,469	66,949
Non current liabilities					
Borrowing	–	30,677	23,240	26,422	23,240
Provisions	93,955	85,952	85,952	97,022	85,952
Total non current liabilities	93,955	116,629	109,192	123,443	109,192
TOTAL LIABILITIES	185,294	189,767	176,141	260,913	176,141
NET ASSETS	898,896	1,014,570	1,034,431	1,066,579	1,034,431
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	898,896	1,014,570	1,034,431	1,066,579	1,034,431
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	898,896	1,014,570	1,034,431	1,066,579	1,034,431

The above table shows that community wealth amounts to R1, 066 billion, total liabilities R260, 913 million and the total assets R1, 327 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1,5:1 that is slightly above the

norm of 1. The municipality still needs to reduce the current liabilities and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2017/18	Budget Year 2018/19							
	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	20,409	28,587	20,797	1,745	19,774	20,797	(1,023)	-5%	20,797
Service charges	68,403	89,922	80,709	5,244	75,105	80,709	(5,605)	-7%	80,709
Other revenue	14,831	18,225	18,724	1,507	31,905	18,724	13,181	70%	18,724
Government - operating	226,165	245,278	245,278	–	186,331	245,278	(58,947)	-24%	245,278
Government - capital	97,899	63,830	93,601	–	93,601	93,601	(0)	0%	63,830
Interest	12,621	4,632	4,170	324	3,817	4,170	(353)	-8%	4,170
Dividends		–		–	–		–		–
Payments									
Suppliers and employees	(343,186)	(359,801)	(336,508)	(32,913)	(313,173)	(336,508)	(23,335)	7%	(336,508)
Finance charges	(281)	(2,500)	(2,900)	(281)	(1,678)	(2,900)	(1,222)	42%	(2,900)
Transfers and Grants	(841)	(4,404)	(3,580)	(182)	(2,101)	(3,580)	(1,479)	41%	(3,580)
NET CASH FROM/(USED) OPERATING ACTIVITIES	96,019	83,769	120,291	(24,557)	93,580	120,291	26,711	22%	90,520
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2,400	2,000	2,000	–	3,022	2,000	1,022	51%	2,000
Decrease (Increase) in non-current debtors		2,000	–	–	–		–		–
Decrease (increase) other non-current receivables	–	–	–	–	150	233	(83)	-36%	
Decrease (increase) in non-current investments		–	–	–	–		–		
Payments									
Capital assets	(106,372)	(75,869)	(97,572)	(6,712)	(54,763)	(97,572)	(42,809)	44%	(67,801)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(103,972)	(71,869)	(95,572)	(6,712)	(51,592)	(95,339)	(43,748)	46%	(65,801)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–		–
Increase (decrease) in consumer deposits	–	171	171	568	692	171	521	305%	171
Payments									
Repayment of borrowing	(6,900)	(10,000)	(6,811)	(743)	(9,890)	(9,764)	126	-1%	(6,811)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(6,900)	(9,829)	(6,640)	(175)	(9,198)	(9,593)	(395)	4%	(6,640)
NET INCREASE/ (DECREASE) IN CASH HELD	(14,854)	2,071	18,079	(31,443)	32,791	15,359			18,079
Cash/cash equivalents at beginning:	21,048	15,968	6,194		6,194	6,194			6,194
Cash/cash equivalents at month/year end:	6,194	18,039	24,273		38,985	21,553			24,273

Table C7 presents details pertaining to cash flow performance. As at end of May 2019, the net cash inflow from operating activities is R93, 580 million whilst net cash outflow from investing activities is R51, 592 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R9, 198 million. The cash and cash equivalent held at end of May 2019 amounted to R38, 985 million and the net effect of the above cash flows is cash inflow movement of R32, 791 million. The cash and cash equivalent at end of the reporting period of R38, 985 million is made up of cash in the primary bank account amounting to R16, 839 million and short-term investments amounting to R22, 146 million.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19										Actual Bad Debts Written Off	Impairment - Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5,978	1,112	127	111	69	60	348	3,502	11,306	4,090	-	-	
Receivables from Non-exchange Transactions - Property Rates	2,626	1,264	936	761	948	936	5,028	21,903	34,402	29,575	-	-	
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	602	416	369	359	354	352	2,049	5,491	9,993	8,606	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	26	4	4	(7)	62	4	69	975	1,137	1,103	-	-	
Interest on Arrear Debtor Accounts	868	836	801	772	746	721	3,826	15,077	23,648	21,143	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(2,692)	(56)	(127)	293	(32)	(33)	(161)	(1,252)	(4,060)	(1,185)	-	-	
Total By Income Source	7,409	3,576	2,110	2,289	2,148	2,040	11,159	45,696	76,426	63,332	-	-	
2017/18 - totals only	10,210	4,510	2,412	1,983	1,828	1,793	10,328	29,617	62,681	45,549	-	-	
Debtors Age Analysis By Customer Group													
Organs of State	1,427	809	530	535	514	504	2,653	11,200	18,172	15,405	-	-	
Commercial	2,115	907	193	73	219	223	1,417	6,807	11,955	8,739	-	-	
Households	3,179	1,453	967	1,266	942	909	4,758	16,382	29,856	24,257	-	-	
Other	686	407	420	416	473	404	2,331	11,306	16,443	14,930	-	-	
Total By Customer Group	7,409	3,576	2,110	2,289	2,148	2,040	11,159	45,696	76,426	63,332	-	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of May amount to R76, 426 million. The debtors' book is made up as follows:

- Rates 45%
- Electricity 15%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 31%
- Other -5%

The negative 1 on other debtors is caused mainly by accounts that have credit balances and the system cannot split nor transfer the credits to “received in advance” accounts without manual intervention.

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

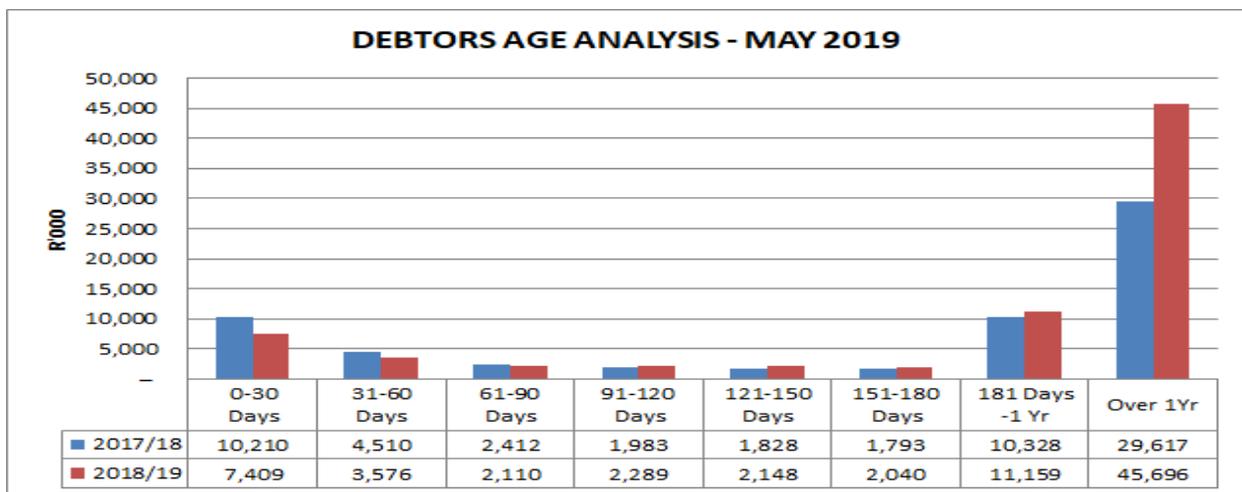
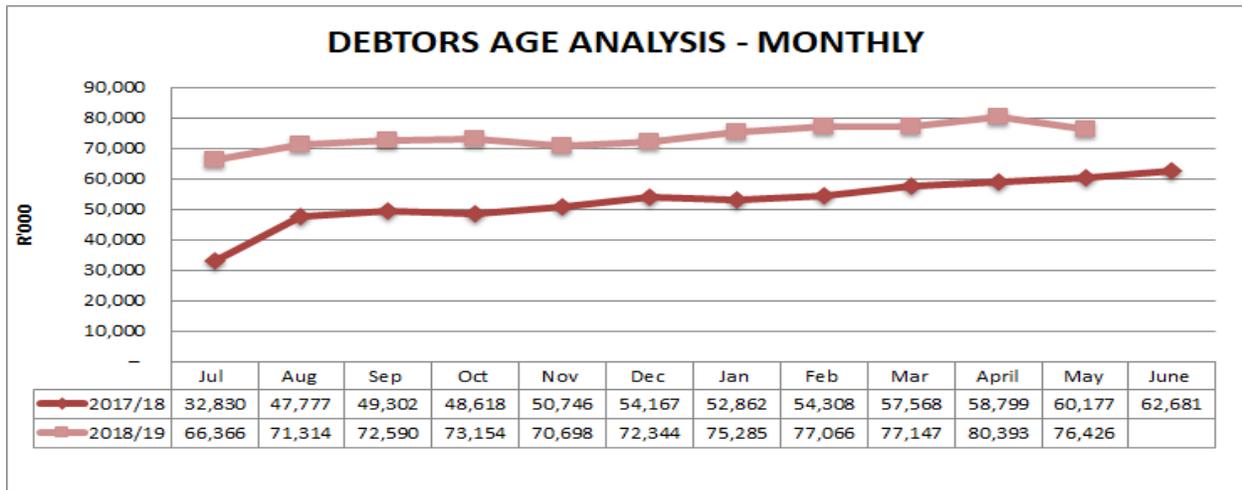


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of May 2019) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

The debtors book is materially less than the 2017/18 monthly figures and this is attributed to debtors write off done at end of 2017/18 financial year.

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	TOTAL BALANCE
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,086,994.59
214913	MEAT SPOT	ACTIVE	OCCUPIER	583,135.70
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	OWNER	483,413.68
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	463,478.66
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	OWNER	400,088.24
136	LIZINEX (PTY) LTD	ACTIVE	OCCUPIER	379,189.20
9053280	LIMPOPO GOVERNMENT PROV(BEN VILJOEN)	ACTIVE	OWNER	371,651.80
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	ACTIVE	OWNER	341,197.09
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	333,376.65
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	289,639.55
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	282,650.98
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	256,175.36
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	237,439.98
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	234,471.21
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	230,544.28
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	220,707.60
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	200,366.91
9000802	FARM	ACTIVE	OWNER	189,441.03
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	182,710.25
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	178,184.08
TOTAL				6,944,856.84

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2018/19									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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

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

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80654	MPOFU ELECTRICAL SERVICES	909,841.36
80568	KGAKILWE TRADING AND PROJECTS	435,200.00
504	SEKHOBHA PROJECTS	238,910.00
41027	KDM TRAVEL EXPRESS	209,231.23
80909	IN EXCESS TRADING 22 t/a ATTI	195,200.00
80147	MARAGE AND MAKANYANE TRADING	192,600.00
530	RENA BATSWAKO TRANSPORT AND CO	189,000.00
32604	SEGOKGOME TRADING AND PROJECTS	179,534.99
37800	ASSIST COMMUNICATION AGENCY	98,000.00
41095	REAKGONA TRAVEL SERVICES	35,150.00
80928	PAPASAU CONSTRUCTION	29,300.00
80923	MMUSI AND SONS	29,000.00
80447	GIVMON TRADING	28,500.00
80924	KHOLOFELO TRADING	28,250.00
80919	LULAMA AMO TRADING ENTERPRISE	27,850.00
35585	LAKWENA CORPERATES (PTY) LTD	24,130.00
48	NOMPI HIRE CONSTRUCTION	23,862.50
80927	NDLOVU SUNRISE TRADING	23,000.00
80926	ONKABETSE BUSINESS SOLUTIONS	20,700.00
32085	LONAH TRADING AND PROJECTS	10,000.00
TOTAL		2,927,260.08

The above table presents the top creditors paid during the month of May 2019 and an amount of R2, 927 million will paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest	Yield for the month (%)	Market value - Opening	Change in market value	Market value - Closing
Nedbank (03/7881068264/0050)	2 Month	Current Investment	20-May-19	81	7.80%	20,180	(20,261)	-
Nedbank (03/7881068264/0051)	3 Month	Current Investment	19-Jun-19	145	7.85%	21,968	-	22,113
Nedbank (03/7881068264/0051)	0 Month	Current Investment	31-May-19	33	5.45%	20,261	(20,261)	33
TOTAL INVESTMENTS AND INTEREST				260		62,408	(40,521)	22,146

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R62, 408 million and this has yielded interests amounting to R260 thousand, withdrew R40, 521 and closing of R22, 146 million.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2017/18	Budget Year 2018/19							
	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:	226,163	245,278	245,278	-	245,278	245,278	-		245,278
Local Government Equitable Share	223,019	237,506	237,506	-	237,506	237,506	-		237,506
Finance Management	1,700	1,770	1,770	-	1,770	1,770			1,770
EPWP Incentive	1,444	1,002	1,002	-	1,002	1,002			1,002
Energy Efficiency and Demand Management	-	5,000	5,000	-	5,000	5,000			5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
Not applicable									
District Municipality:	-	-	-	-	-	-	-	-	-
Not applicable									
Other grant providers:	-	-	-	-	-	-	-	-	-
Not applicable									
Total Operating Transfers and Grants	226,163	245,278	245,278	-	245,278	245,278	-		245,278
Capital Transfers and Grants									
National Government:	81,860	63,830	72,279	-	72,279	64,161	8,118	13%	72,279
Municipal Infrastructure Grant (MIG)	66,860	53,832	62,270	-	62,270	54,152	8,118	15%	62,270
Integrated National Electrification Grant	15,000	9,998	10,009	-	10,009	10,009	-		10,009
Provincial Government:	-	-	-	-	21,771	13,751	8,021	58%	-
CoGHSTA - Development of Masakaneng	-	-	-	-	21,771	13,751	8,021	58%	
District Municipality:	-	-	-	-	-	-	-		-
Not applicable									
Other grant providers:	-	-	-	-	-	-	-		-
Not applicable									
Total Capital Transfers and Grants	81,860	63,830	72,279	-	94,050	77,911	16,138	21%	72,279
TOTAL RECEIPTS OF TRANSFERS & GRANTS	308,023	309,108	317,557	-	339,328	323,189	16,138	5%	317,557

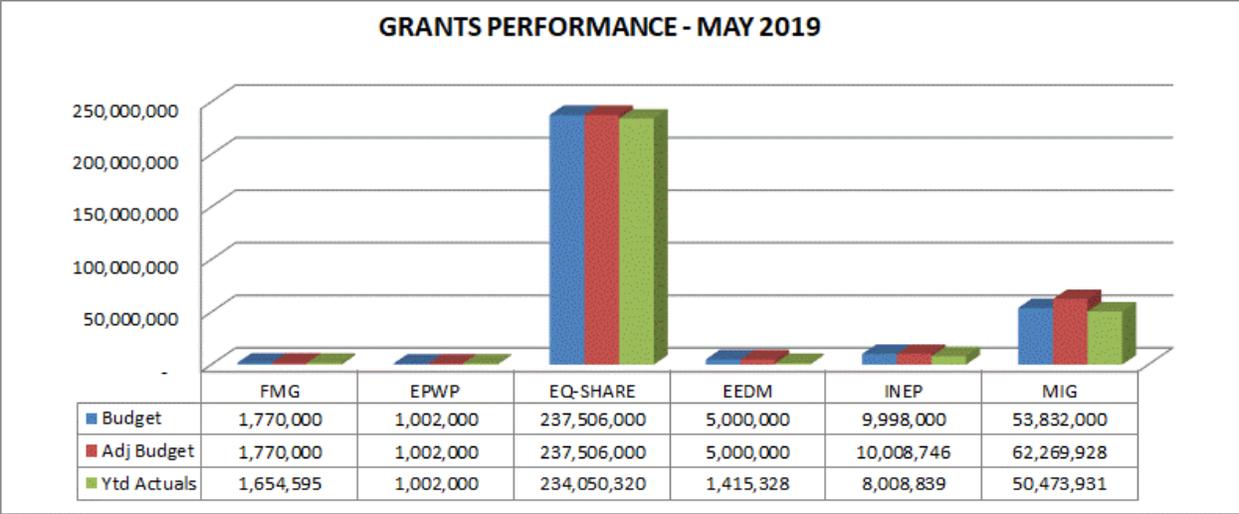
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R339, 328 million of which the major portion is attributed to equitable share. For the reporting period at least R62, 270 million was received for MIG, Equitable share and CoGHSTA grant. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2017/18	Budget Year 2018/19							
	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:	226,163	245,278	245,278	21,407	238,122	245,278	(7,156)	-3%	245,278
Local Government Equitable Share	223,019	237,506	237,506	21,043	234,050	237,506	(3,456)	-1%	237,506
Finance Management	1,700	1,770	1,770	364	1,655	1,770	(115)	-7%	1,770
EPWP Incentive	1,444	1,002	1,002	-	1,002	1,002	-		1,002
Energy Efficiency and Demand Management	-	5,000	5,000	-	1,415,328	5,000	(3,585)	-72%	5,000
Provincial Government:	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]									
District Municipality:	-	-	-	-	-	-	-		-
[insert description]									
Other grant providers:	-	-	-	-	-	-	-		-
[insert description]									
Total operating expenditure of Transfers and Grants:	226,163	245,278	245,278	21,407	238,122	245,278	(7,156)	-3%	245,278
Capital expenditure of Transfers and Grants									
National Government:	97,901	63,830	72,279	6,977	58,483	64,161	(5,678)	-9%	63,830
Municipal Infrastructure Grant (MIG)	82,722	53,832	62,270	6,865	50,474	54,152	(3,678)	-7%	53,832
Intergrated National Electrification Grant	15,179	9,998	10,009	112	8,009	10,009	(2,000)	-20%	9,998
Provincial Government:	-	-	21,771	-	-	13,751	(13,751)	-100%	21,771
CoGHSTA - Development of Masakaneng			21,771	-	-	13,751	(13,751)	-100%	21,771
District Municipality:	-	-	-	-	-	-	-		-
Not applicable									
Other grant providers:	-	-	-	-	-	-	-		-
Not applicable									
Total capital expenditure of Transfers and Grants	97,901	63,830	94,050	6,977	58,483	77,911	(19,429)	-25%	85,601
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	324,064	309,108	339,328	28,384	296,605	323,189	(26,584)	-8%	330,879

An amount of R28, 384 million has been spent on grants during the month of May 2019 and the year to date actuals is 296, 605 million whilst the year to date budget amounts to R323, 189 million and this results in underspending variance of R26, 584 million that translates to negative 8%. Of the total spending amounting to R28, 384 million, R21, 704 million is spent on operational grants whilst R6, 977 million is spent of capital grants.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of May 2019. The grants expenditure is shown below in percentages:

- Financial Management Grant 93%
- Expanded Public Work Programme 100%
- Equitable Share 98%
- Municipal Infrastructure Grant 94%
- Integrated National Electrification Grant 80%
- Energy Efficiency and Demand Side Management Grant 28%

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

Description	Budget Year 2018/19				
	Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Local Government Equitable Share	-	-	-	-	-
Finance Management	-	-	-	-	-
EPWP Incentive	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total operating expenditure of Approved Roll-overs	-	-	-	-	-
Capital expenditure of Approved Roll-overs					
National Government:	449	-	-	449	100%
Municipal Infrastructure Grant (MIG)	438			438	100%
Intergrated National Electrification Grant	11			11	100%
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total capital expenditure of Approved Roll-overs	449	-	-	449	100%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	449	-	-	449	100%

Table SC7 (2) provides details for expenditure on approved roll-overs, for May 2019 there is no spending on approved roll-overs.

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	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	12,690	15,073	14,450	1,115	12,280	13,122	(842)	-6%	14,450
Pension and UIF Contributions	1,778	1,857	1,657	133	1,472	1,510	(38)	-3%	1,657
Medical Aid Contributions	295	317	351	33	335	320	15	5%	351
Motor Vehicle Allowance	4,947	5,324	5,334	429	4,716	4,857	(141)	-3%	5,334
Cellphone Allowance	2,708	2,489	2,499	226	2,483	2,308	175	8%	2,499
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	454	10	-	-	13	-	13	-	-
Sub Total - Councillors	22,874	25,070	24,291	1,936	21,299	22,117	(819)	-4%	24,291
% increase		10%	6%						6%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,073	4,718	4,532	359	4,289	4,164	125	3%	4,532
Pension and UIF Contributions	234	1,095	245	14	186	224	(38)	-17%	245
Medical Aid Contributions	92	252	102	7	80	93	(13)	-14%	102
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	672	907	760	55	675	701	(26)	-4%	760
Cellphone Allowance	41	84	141	14	144	130	15	11%	141
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	221	81	528	18	522	512	10	2%	528
Payments in lieu of leave	103	-	-	-	40	-	40	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,436	7,137	6,308	465	5,936	5,823	113	2%	6,308
% increase		11%	-2%						-2%
Other Municipal Staff									
Basic Salaries and Wages	73,490	85,022	79,451	13,866	82,226	73,054	9,172	13%	79,451
Pension and UIF Contributions	14,304	16,149	16,141	2,802	16,785	14,845	1,941	13%	16,141
Medical Aid Contributions	7,931	4,826	4,726	921	5,316	4,366	950	22%	4,726
Overtime	2,357	1,774	2,108	437	2,266	1,902	364	19%	2,108
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7,782	8,965	10,043	1,753	10,397	9,225	1,172	13%	10,043
Cellphone Allowance	507	986	1,147	293	1,526	1,068	457	43%	1,147
Housing Allowances	143	161	160	27	171	148	23	16%	160
Other benefits and allowances	11,264	8,057	8,638	271	7,864	8,382	(518)	-6%	8,638
Payments in lieu of leave	677	892	1,173	345	1,152	1,063	89	8%	1,173
Long service awards	559	180	578	164	1,010	549	461	84%	578
Post-retirement benefit obligations	1,752	-	-	-	3,477	580	2,898	500%	-
Sub Total - Other Municipal Staff	120,766	127,011	124,165	20,879	132,191	115,181	17,010	15%	124,165
% increase		5%	3%						3%
Total Parent Municipality	150,075	159,219	154,764	23,280	159,425	143,121	16,304	11%	154,764
		6%	3%						3%
TOTAL SALARY, ALLOWANCES & BENEFITS	150,075	159,219	154,764	23,280	159,425	143,121	16,304	11%	154,764
% increase		6%	3%						3%
TOTAL MANAGERS AND STAFF	127,202	134,149	130,473	21,344	138,127	121,004	17,123	14%	130,473

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of May 2019 amounts to R159, 425 million and the year to date budget is R143, 121 million and the expenditure for remuneration of councilors amounts to R21, 299 million while the year to date budget is R22, 117 million. The year to date actual expenditure for senior managers is R5, 936 million and the year to date budget thereof is R5, 823 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 R132, 191 million and the year to date budget is R115, 181 million. The higher increase in employee related costs for other municipal staff is a result of interface journal mistakenly authorized during month end closure, hence a double figure. However the it was corrected under the month of June. The remuneration of councilors category has under spending variance, and senior managers' expenditure is in line with the projected budget and there is only one vacant position in the senior management level and the position will be filled by year end. The other municipal staff category has over spending variance that is attributed to post retirement benefit, pension and UIF, and other benefits and allowance.

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

Description	Budget Year 2018/19												2018/19 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 Budget	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	1,905	1,271	1,939	1,806	2,068	1,592	1,847	2,092	1,957	1,550	1,745	8,813	28,587	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,815	6,695	8,360	6,242	6,238	7,151	7,501	5,362	4,937	8,986	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	245	496	335	378	323	328	335	325	289	307	5,831	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	15	27	161	16	53	17	29	44	26	24	173	610	643	678
Interest earned - external investments	123	254	204	68	23	135	208	82	56	408	260	1,181	3,000	3,162	3,336
Interest earned - outstanding debtors	81	31	55	74	683	131	103	651	81	45	64	(366)	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	0	548	0	28	2,325	-	459	847	-	-	6,038	10,248	10,801	11,395
Licences and permits	445	458	398	497	460	309	349	279	211	477	529	538	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	19,953	21,814	2,000	-	450	79,169	1,000	300	59,376	2,269	-	58,947	245,278	269,940	293,775
Other revenue	764	1,114	1,124	1,611	13,040	89	1,021	386	1,620	1,124	954	(20,429)	2,417	2,548	2,688
Cash Receipts by Source	30,040	30,904	13,605	11,248	25,504	90,367	11,110	11,764	72,018	11,551	8,820	69,712	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	-	-	4,000	-	24,808	-	-	37,683	-	-	(29,771)	63,830	67,721	70,734
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	3,022	-	-	(1,022)	2,000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	97	501	(548)	29	-	(39)	41	(579)	601	21	568	(521)	171	203	227
Receipt of non-current debtors	-	-	150	-	-	-	-	-	-	-	-	1,850	2,000	2,500	2,700
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	57,247	31,404	13,207	15,277	25,504	115,136	11,152	11,186	113,324	11,572	9,388	40,248	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	11,367	10,048	10,552	10,401	20,768	11,087	10,164	10,894	10,680	13,209	4,827	134,149	142,723	152,000
Remuneration of councillors	2,635	1,875	1,875	1,875	1,875	1,876	1,875	2,366	1,938	1,936	1,936	3,011	25,070	26,675	28,409
Interest paid	-	-	-	239	260	(499)	313	305	297	482	281	822	2,500	2,300	2,000
Bulk purchases - Electricity	729	7,331	7,286	103	1,069	16,313	7,383	5,146	4,970	5,182	5,283	19,206	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	778	940	635	637	1,238	835	452	897	729	1,139	8,560	17,093	18,017	19,007
Contracted services	5,676	4,532	3,492	4,767	6,157	9,573	3,856	2,652	6,180	6,760	5,362	1,014	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	107	109	-	-	1,063	-	-	557	82	182	2,303	4,404	4,642	4,897
General expenses	849	1,062	469	2,628	3,288	3,987	2,799	742	1,231	3,555	5,984	16,873	43,468	45,289	47,780
Cash Payments by Type	20,294	27,052	24,218	20,799	23,687	54,319	28,147	21,827	26,963	29,406	33,377	56,616	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	1,635	9,235	8,567	6,413	9,987	1,705	2,258	4,277	1,593	6,712	21,105	75,869	85,123	84,647
Repayment of borrowing	-	-	-	2,710	549	3,026	711	719	712	720	743	110	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	6,863	-	-	-	-	-	(6,863)	-	-	-
Total Cash Payments by Type	22,675	28,686	33,453	32,076	30,649	74,196	30,563	24,804	31,953	31,719	40,831	70,968	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(16,799)	(5,145)	40,939	(19,411)	(13,618)	81,371	(20,147)	(31,443)	(30,720)	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	40,765	43,483	23,238	6,438	1,294	42,233	22,822	9,204	90,575	70,428	38,985	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	40,765	43,483	23,238	6,438	1,294	42,233	22,822	9,204	90,575	70,428	38,985	8,265	8,265	13,198	30,242

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 R9, 388 million and the total cash payment for the month were R40, 831 million and this resulted in net decrease in cash held amounting to R31, 443 million. With cash and cash equivalent of R70, 428 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R38, 985 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2017/18	Budget Year 2018/19							
	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	6,624	6,722	4,292	2,977	2,977	4,292	1,315	31%	4%
August	8,720	9,189	1,635	1,635	4,612	5,927	1,315	22%	6%
September	7,500	11,637	9,816	11,090	15,702	15,743	41	0%	21%
October	9,227	9,283	5,461	6,418	22,119	21,204	(916)	-4%	29%
November	11,572	8,482	6,413	6,413	28,532	27,617	(916)	-3%	38%
December	10,917	8,697	7,217	9,987	38,519	34,834	(3,686)	-11%	51%
January	7,350	3,979	2,762	1,705	40,225	37,595	(2,630)	-7%	53%
February	10,580	6,249	5,583	4,258	44,483	43,178	(1,305)	-3%	59%
March	6,580	5,136	2,500	5,677	50,160	45,678	(4,482)	-10%	66%
April	7,221	2,938	5,844	1,593	51,754	51,522	(231)	0%	68%
May	14,033	2,052	8,105	6,712	58,465	59,627	1,162	2%	77%
June	7,239	1,505	11,742			71,370	-		
Total Capital expenditure	107,563	75,869	71,370	58,465					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of May amounts to R6, 712 million. The year to date actual expenditure incurred is R58, 465 million whilst the year to date budget is R59, 627 million that gives rise to under spending variance of R1, 162 million that translate to 2%.

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets									
Infrastructure	52,811	32,150	47,545	2,163	24,143	38,473	14,330	37%	47,545
Roads Infrastructure	39,865	21,283	34,057	2,111	15,661	26,957	11,297	42%	34,057
Roads	39,865	21,283	34,057	2,111	15,661	26,957	11,297	42%	34,057
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
Electrical Infrastructure	12,946	10,868	13,487	52	8,482	11,515	3,033	26%	13,487
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,946	10,868	13,487	52	8,482	11,515	3,033	26%	13,487
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Cemeteries/Crematoria	-	-	-	-	-	-	-		-
Police							-		
Libraries							-		
Other assets	-	4,447	4,947	115	3,683	4,426	743	17%	4,947
Operational Buildings	-	4,447	4,947	115	3,683	4,426	743	17%	4,947
Municipal Offices	-	4,447	4,947	115	3,683	4,426	743	17%	4,947
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Computer Equipment	749	500	1,000	41	594	856	262	31%	1,000
Computer Equipment	749	500	1,000	41	594	856	262	31%	1,000
Furniture and Office Equipment	362	400	400	-	108	322	214	66%	400
Furniture and Office Equipment	362	400	400	-	108	322	214	66%	400
Machinery and Equipment	3,138	1,300	300	(8)	620	245	(375)	-153%	300
Machinery and Equipment	3,138	1,300	300	(8)	620	245	(375)	-153%	300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	57,060	38,798	54,192	2,311	29,148	44,322	15,175	34%	54,192

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	42,135	33,550	40,944	4,401	28,083	34,698	6,615	19%	40,944
Roads Infrastructure	42,135	33,550	40,944	4,401	28,083	34,698	6,615	19%	40,944
Roads	42,135	33,550	40,944	4,401	28,083	34,698	6,615	19%	40,944
Road Structures							-		
Road Furniture	-	-	-	-	-	-	-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	522	522	-	-	424	424	100%	522
Community Facilities	-	522	522	-	-	424	424	100%	522
Libraries							-		
Cemeteries/Crematoria	-	522	522	-	-	424	424	100%	522
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	434	-	-	-	-	-	-		-
Operational Buildings	434	-	-	-	-	-	-		-
Municipal Offices	434	-	-	-	-	-	-		-
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	42,569	34,071	41,466	4,401	28,083	35,121	7,038	20.0%	41,466

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

Description	2017/18	Budget Year 2018/19							
	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	5,694	10,400	6,704	1,264	6,573	5,809	(764)	-13%	6,704
Roads Infrastructure	1,266	4,000	2,000	-	2,704	1,750	(954)	-54%	2,000
Roads	1,266	4,000	2,000	-	2,704	1,750	(954)	-54%	2,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,891	3,000	1,000	57	891	932	41	4%	1,000
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,891	3,000	1,000	57	891	932	41	4%	1,000
Solid Waste Infrastructure	2,538	3,400	3,704	1,207	2,978	3,127	149	5%	3,704
Landfill Sites	2,538	3,400	3,704	1,207	2,978	3,127	149	5%	3,704
Waste Transfer Stations							-		
Other assets	929	2,000	1,000	278	747	835	88	10%	1,000
Operational Buildings	929	2,000	1,000	278	747	835	88	10%	1,000
Municipal Offices	929	2,000	1,000	278	747	835	88	10%	1,000
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Solid Waste Licenses							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	4,905	3,550	1,670	29	295	1,291	995	77%	1,670
Machinery and Equipment	4,905	3,550	1,670	29	295	1,291	995	77%	1,670
Transport Assets	777	2,000	920	346	1,550	809	(742)	-92%	1,000
Transport Assets	777	2,000	920	346	1,550	809	(742)	-92%	1,000
Total Repairs and Maintenance Expenditure	12,305	17,950	10,294	1,917	9,166	8,744	(422)	-5%	10,374

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

Description	2017/18	Budget Year 2018/19							
	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	43,138	34,653	34,653	–	16,139	28,877	12,739	44%	34,653
Roads Infrastructure	3,039	25,147	25,147	–	13,116	20,956	7,839	37%	25,147
Roads	3,039	25,147	25,147	–	13,116	20,956	7,839	37%	25,147
Road Structures			–			–	–		
Road Furniture			–				–		
Storm water Infrastructure	(767)	3,712	3,712	–	–	3,093	3,093	100%	3,712
Storm water Conveyance	(767)	3,712	3,712	–	–	3,093	3,093	100%	3,712
Attenuation			–				–		
Electrical Infrastructure	40,326	5,166	5,166	–	2,694	4,305	1,610	37%	5,166
HV Substations			–				–		
HV Switching Station			–				–		
HV Transmission Conductors	40,326	5,166	5,166	–	2,694	4,305	1,610	37%	5,166
MV Networks			–				–		
Solid Waste Infrastructure	540	629	629	–	328	524	196	37%	629
Landfill Sites	540	629	629	–	328	524	196	37%	629
Waste Transfer Stations			–				–		
Community Assets	1,161	2,918	2,918	–	1,522	2,432	910	37%	2,918
Community Facilities	1,161	2,918	2,918	–	1,522	2,432	910	37%	2,918
Libraries			–				–		
Cemeteries/Crematoria	1,161	2,918	2,918	–	1,522	2,432	910	37%	2,918
Police			–				–		
Other assets	5,033	2,180	2,180	–	1,137	1,817	680	0	2,180
Operational Buildings	5,033	2,180	2,180	–	1,137	1,817	680	37%	2,180
Municipal Offices	5,033	2,180	2,180	–	1,137	1,817	680	37%	2,180
Workshops			–				–		
Intangible Assets	–	378	378	–	197	315	118	37%	378
Servitudes			–				–		
Licences and Rights	–	378	378	–	197	315	118	37%	378
Computer Software and Applications		378	378	–	197	315	118	37%	378
Computer Equipment	526	1,518	1,518	–	–	1,291	1,291	100%	1,518
Computer Equipment	526	1,518	1,518	–	–	1,291	1,291	100%	1,518
Furniture and Office Equipment	685	3,817	3,817	–	1,991	3,180	1,190	37%	3,817
Furniture and Office Equipment	685	3,817	3,817	–	1,991	3,180	1,190	37%	3,817
Machinery and Equipment	1,188	2,175	2,175	–	3,070	1,813	(1,258)	-69%	2,175
Machinery and Equipment	1,188	2,175	2,175	–	3,070	1,813	(1,258)	-69%	2,175
Transport Assets	1,716	3,542	3,542	–	1,848	2,952	1,104	37%	3,542
Transport Assets	1,716	3,542	3,542	–	1,848	2,952	1,104	37%	3,542
Total Depreciation	53,449	51,181	51,181	–	25,904	42,676	16,773	39%	51,181

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

Description	2017/18	Budget Year 2018/19							
	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									
Infrastructure	-	3,000	1,600	-	1,234	1,264	30	2%	1,600
Roads Infrastructure	-	-	-	-	-	-	-		-
Roads							-		
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	3,000	1,600	-	1,234	1,264	30	2%	1,600
Landfill Sites							-		
Waste Processing Facilities		3,000	1,600	-	1,234	1,264	30	2%	1,600
Community Assets	7,829	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Sport and Recreation Facilities	7,829	-	-	-	-	-	-		-
Outdoor Facilities	7,829						-		
Other assets	105	-	-	-	-	-	-		-
Operational Buildings	105	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops	105						-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	7,934	3,000	1,600	-	1,234	1,264	30	2%	1,600

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 R29, 148 million and the year to date budget is R44, 322 million that reflects under spending variance of R15, 175 million that translates to 34% variance. The year to date actuals on renewal of existing assets amounts R28, 083 million and with the year to date budget of R35, 121 million and this reflects under spending variance of R7, 038 million that translates to 20% variance.

The year to date actual expenditure on repairs and maintenance is R9, 166 million and the year to date budget is R8, 744 million, reflecting over spending variance of R422 thousands that translates to 5%.

The year to date actual expenditure on upgrading of existing assets is R1, 234 million and the year to date budget is R1, 264 million, reflecting under-spending variance of R30 thousand that translates to 2%.

The year to date actual expenditure on depreciation and asset impairment is R25, 904 million and the year to date budget is R42, 676 million, reflecting under spending variance of R16, 773 million that translates to 39% which means the integration between Asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying with some of mSCOA requirements.

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework			
					Budget Year 2018/19			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Budgetand Treasury	Mobile Office	New	Other assets	Municipal Offices	500	–	–	–
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community	Cemeteries/Crematoria	522	522	–	0%
Community Services	Grobblersdal Landfill site	Upgrading	Infrastructure	Waste Management Machinery and Equipment	3,000	1,600	1,234	77%
Corporate Services	Air Conditioner	New	Equipment	Furniture and Office Equipment	300	500	297	59%
Corporate Services	Furniture and Office Equipment	New	Equipment	Furniture and Office Equipment	400	400	108	27%
Corporate Services	Machinery and Equipment	New	Equipment	Machinery and Equipment	500	300	323	108%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	1,000	594	59%
Technical Services	Electrification of Mabose	New	Infrastructure	Electrical Infrastructure	0	0	–	0%
Technical Services	Electrification of Makaepa	New	Infrastructure	Electrical Infrastructure	2,870	2,871	2,837	99%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	2,912	5,965	2,908	49%
Technical Services	Electrification of Tambo Village- New Town	New	Infrastructure	Electrical Infrastructure	2,912	2,912	2,737	94%
Technical Services	Electrification of Uitspanning A	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Electrification of Zuma Park	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Installation of high mast light in various villages	New	Infrastructure	Electrical Infrastructure	–	–	–	0%
Technical Services	Installation of electrical meters in Groblersdal	New	Infrastructure	Electrical Infrastructure	1,304	1,304	–	0%
Technical Services	Upgrading of Groblersdal subsation	Upgrading	Infrastructure	Electrical Infrastructure	870	(0)	–	0%
Technical Services	Monsterlus to Makgopheng Road, Kgoshi Mathebe and Kgoshi Matsepe Construction	New	Infrastructure	Roads Infrastructure	7,826	7,826	7,184	92%
Technical Services	Mogaung Road	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Mpheleng Road Construction	New	Infrastructure	Roads Infrastructure	8,478	8,478	8,483	100%
Technical Services	Hlogotlou street and stormwater	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	800	–	0%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Kgoshi Rammupudu Road	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	6,087	15,059	9,886	66%
Technical Services	Naganeng Bus Route	Renewal	Infrastructure	Roads Infrastructure	8,817	5,500	5,601	102%
Technical Services	Grobblersdal Roads and Streets	Renewal	Infrastructure	Roads Infrastructure	1,739	1,739	–	0%
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	15,602	17,341	12,596	73%
Technical Services	Electrification Designs	New	Infrastructure	Electrical Infrastructure	–	870	–	0%
Technical Services	Masakaneng internal Roads	New	Infrastructure	Roads Infrastructure	–	15,453	–	0%
Technical Services	Nyakoroane Road	Renewal	Infrastructure	Roads Infrastructure	1,304	1,304	–	0%
Technical Services	Development of workshop Ramogwerane to Nkadimeng	New	Other assets	Operational Buildings	4,447	4,447	3,683	83%
Technical Services	Road and Stormwater	New	Infrastructure	Roads Infrastructure	1,500	1,500	–	0%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Upgrading of streets of Elansdoreen	Upgrading	Infrastructure	Roads Infrastructure	–	–	–	–
Technical Services	Upgrading of Tafelkop stadium	Upgrading	Community Assets	Sport and Recreation Facilities	–	–	–	–

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 May 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date 14/06/2019

