

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

MAY 2022

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	3
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	18
TOP TWENTY DEBTORS	19
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 Mayor and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2020-21 financial year amounts are completely audited.

IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2021/22			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	546,626,097	546,753,316	461,207,064	84%
OPERATING EXPENDITURE	532,674,879	525,975,343	400,054,554	76%
TRANSFER - CAPITAL	79,332,000	80,071,762	58,709,583	73%
SURPLUS/(DEFICIT)	93,283,218	100,849,735	119,862,093	119%
CAPITAL EXPENDITURE	88,032,000	94,234,423	65,418,285	69%

Table C1 – Budget Statement Summary

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	39,442	38,865	42,616	3,327	36,568	38,277	(1,709)	-4%	42,616
Service charges	97,738	113,490	130,911	8,406	99,550	117,242	(17,692)	-15%	130,911
Investment revenue	585	1,900	2,432	62	1,632	2,111	(479)	-23%	2,432
Transfers and subsidies	351,908	307,637	307,637	653	297,185	307,256	(10,071)	-3%	307,637
Other own revenue	27,313	84,734	63,158	2,908	26,272	47,162	(20,890)	-44%	63,158
Total Revenue (excluding capital transfers and contributions)	516,985	546,626	546,753	15,356	461,207	512,048	(50,841)	-10%	546,753
Employee costs	150,619	163,212	154,891	12,249	143,227	142,708	519	0%	154,891
Remuneration of Councillors	24,279	27,334	25,386	2,069	22,714	23,194	(480)	-2%	25,386
Depreciation & asset impairment	58,788	58,392	57,692	-	-	48,467	(48,467)	-100%	57,692
Finance charges	3,516	3,729	745	(193)	40	821	(782)	-95%	845
Materials and bulk purchases	114,603	129,586	134,252	12,028	122,806	119,333	3,473	3%	132,762
Transfers and subsidies	1,402	3,784	3,771	50	2,478	3,030	(552)	-18%	3,271
Other expenditure	189,313	146,638	149,238	9,102	108,790	132,676	(23,886)	-18%	151,128
Total Expenditure	542,520	532,675	525,975	35,306	400,055	470,229	(70,175)	-15%	525,975
Surplus/(Deficit)	(25,535)	13,951	20,778	(19,950)	61,153	41,819	19,334	46%	20,778
Transfers and subsidies - capital (monetary allocations)	68,450	79,332	80,072	2,386	58,710	67,395	(8,685)	-13%	80,072
Surplus/(Deficit) after capital transfers & contributions	42,916	93,283	100,850	(17,564)	119,862	109,214	10,648	10%	100,850
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	42,916	93,283	100,850	(17,564)	119,862	109,214	10,648	10%	100,850
Capital expenditure & funds sources									
Capital expenditure	85,102	88,032	94,234	1,635	65,418	80,460	(15,042)	-19%	94,234
Capital transfers recognised	79,029	79,332	80,072	1,541	51,516	66,585	(15,069)	-23%	80,072
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	6,073	8,700	14,163	94	13,902	13,875	27	0%	14,163
Total sources of capital funds	85,102	88,032	94,234	1,635	65,418	80,460	(15,042)	-19%	94,234
Financial position									
Total current assets	155,157	165,299	151,516		197,361				151,516
Total non current assets	1,138,294	1,305,435	1,302,263		1,203,940				1,302,263
Total current liabilities	122,770	111,087	112,685		119,433				112,685
Total non current liabilities	74,813	114,907	114,907		77,486				114,907
Community wealth/Equity	1,095,868	1,244,739	1,226,187		1,204,382				1,226,187
Cash flows									
Net cash from (used) operating	102,726	97,304	101,165	(12,412)	94,519	120,023	25,505	21%	101,165
Net cash from (used) investing	(84,301)	(80,993)	(78,458)	(1,635)	(65,418)	(63,889)	1,529	-2%	(78,458)
Net cash from (used) financing	(13,938)	(11,947)	(11,947)	24	(2,457)	(3,445)	(988)	29%	(11,947)
Cash/cash equivalents at the month/year end	6,415	31,852	17,609	-	33,058	59,537	26,478	44%	17,176
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	(679)	13,329	5,096	3,688	3,695	3,367	18,466	106,975	153,937
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 May is R461,207 million and the year to date budget of R512,048 million and this reflects a negative variance of R50 841 million which is mostly attributable to equitable shares received amounting to R302, 789 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 23% unfavorable variance,
- Interest earned – outstanding debtors: 3% favorable variance,
- Rental on Facilities and Equipment: 8% unfavorable variance,
- Fines, penalties and forfeits: 98% unfavorable variance
- Services Charges – electricity revenue: 16% unfavorable variance
- Services Charges – refuse revenue: 2% favorable variance
- Licenses and permits: 1% unfavorable variance
- Property rates: 4% favorable variance
- Other revenue: 112% favorable
- Transfer and subsidies: 3% unfavorable

Operating Expenditure

The year to date operational expenditure as at end of May amounts to R400,055 million and the year to date budget is R470,229 million. This reflects underspending variance of R70,175 million that translates to 15% 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:

- Debt impairment: 100% under performance
- Depreciation and asset impairment: 100% under performance
- Finance charges: 95% under performance
- Other material: 30% over performance
- Contracted services: 19% over performance
- Transfer and subsidies: 18% under performance
- Other expenditure: 12% over performance

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

Capital Expenditure

The year to date actual capital expenditure as at end of May 2022 amounts to R65,418 million and the year to date budget amounts to R80,460 million and this gives rise to R15,042 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of May is R119,862 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 May amounts to R153,937 million and this shows an increase of R28,926 million as compared to R125,011 million as at end of 2020/21 financial year.

Consumer debtors is made up of service charges and property rates that amount to R94,235 million and other debtors amounting to R59, 702 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 May as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	273,364	245,185	263,642	6,014	248,441	252,524	(4,083)	-2%	263,642
Executive and council	56,129	48,669	48,669	–	53,432	53,139	293	1%	48,669
Finance and administration	203,805	184,328	202,786	6,014	184,222	187,197	(2,976)	-2%	202,786
Internal audit	13,430	12,188	12,188	–	10,787	12,188	(1,401)	-11%	12,188
Community and public safety	32,043	88,396	54,277	82	21,699	48,155	(26,456)	-55%	54,277
Community and social services	11,515	9,924	9,914	5	10,177	13,524	(3,347)	-25%	9,914
Sport and recreation	17,675	13,472	13,438	–	11,148	11,618	(469)	-4%	13,438
Public safety	2,853	65,000	30,925	77	374	23,013	(22,639)	-98%	30,925
Economic and environmental services	136,383	126,286	127,453	854	117,582	120,538	(2,955)	-2%	127,453
Planning and development	30,386	24,295	24,422	333	23,493	23,437	56	0%	24,422
Road transport	104,380	99,173	100,213	521	91,284	92,090	(806)	-1%	100,213
Environmental protection	1,617	2,818	2,818	–	2,806	5,011	(2,205)	-44%	2,818
Trading services	143,645	166,092	181,452	10,792	132,194	158,227	(26,033)	-16%	181,452
Energy sources	109,642	134,030	149,100	9,999	104,591	131,038	(26,446)	-20%	149,100
Waste management	34,003	32,062	32,353	793	27,602	27,189	413	2%	32,353
Total Revenue - Functional	585,436	625,958	626,825	17,742	519,917	579,443	(59,527)	-10%	626,825
Expenditure - Functional									
Governance and administration	239,954	199,255	198,346	16,682	189,270	181,013	8,258	5%	198,126
Executive and council	43,307	42,577	38,500	5,884	37,012	34,556	2,456	7%	38,500
Finance and administration	188,602	148,683	149,540	10,421	142,561	136,524	6,037	4%	149,321
Internal audit	8,045	7,995	10,305	377	9,697	9,933	(235)	-2%	10,305
Community and public safety	73,578	76,374	69,101	2,447	27,967	56,990	(29,022)	-51%	69,071
Community and social services	7,157	7,280	5,977	499	5,488	5,466	22	0%	5,947
Sport and recreation	8,292	12,783	8,609	602	6,916	6,814	102	1%	8,609
Public safety	58,129	56,311	54,515	1,346	15,564	44,710	(29,146)	-65%	54,515
Economic and environmental services	89,082	103,751	99,891	5,272	54,333	90,948	(36,615)	-40%	98,721
Planning and development	12,907	17,950	13,868	1,059	12,738	12,766	(28)	0%	14,188
Road transport	75,556	85,136	85,826	4,213	41,398	77,985	(36,587)	-47%	84,336
Environmental protection	618	665	197	–	197	197	–		197
Trading services	139,906	153,295	158,638	10,906	128,484	141,279	(12,795)	-9%	160,058
Energy sources	99,470	128,242	125,419	8,923	100,899	110,692	(9,793)	-9%	126,809
Waste management	40,435	25,053	33,219	1,983	27,585	30,587	(3,002)	-10%	33,249
Total Expenditure - Functional	542,520	532,675	525,975	35,306	400,055	470,229	(70,175)	-15%	525,975
Surplus/ (Deficit) for the year	42,916	93,283	100,850	(17,564)	119,862	109,214	10,648	10%	100,850

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

Vote Description	2020/21	Budget Year 2021/22							
	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	49,347	42,820	42,820	-	47,876	47,174	701	1%	42,820
Vote 2 - Municipal Manager	47,408	42,149	42,149	-	36,327	42,256	(5,929)	-14%	42,149
Vote 3 - Budget & Treasury	84,415	74,785	93,243	6,006	81,275	83,014	(1,739)	-2%	93,243
Vote 4 - Corporate Services	51,431	46,749	46,748	8	44,120	42,651	1,469	3%	46,748
Vote 5 - Community Services	75,047	130,531	97,480	1,330	59,693	88,842	(29,149)	-33%	97,480
Vote 6 - Technical Services	233,125	250,001	265,336	10,065	210,562	237,689	(27,127)	-11%	265,336
Vote 7 - Developmental Planning	21,988	17,052	17,179	333	16,243	15,947	297	2%	17,179
Vote 8 - Executive Support	22,675	21,871	21,871	-	23,821	21,871	1,950	9%	21,871
Total Revenue by Vote	585,436	625,958	626,825	17,742	519,917	579,443	(59,527)	-10%	626,825
Expenditure by Vote									
Vote 1 - Executive & Council	37,311	37,114	33,832	5,609	32,658	30,368	2,290	8%	33,832
Vote 2 - Municipal Manager	47,145	36,199	38,707	3,107	41,215	38,114	3,101	8%	38,707
Vote 3 - Budget & Treasury	78,812	56,980	58,943	3,741	58,186	53,986	141,626	262%	58,943
Vote 4 - Corporate Services	31,806	35,707	26,629	1,492	23,205	23,798	(593)	-2%	26,629
Vote 5 - Community Services	122,250	109,512	110,688	5,093	63,305	95,288	(31,983)	-34%	110,688
Vote 6 - Technical Services	195,386	228,211	226,006	13,855	152,474	200,142	(47,669)	-24%	226,006
Vote 7 - Developmental Planning	8,333	13,293	9,215	686	8,517	8,380	137	2%	9,215
Vote 8 - Executive Support	21,476	15,657	21,955	1,722	20,496	20,152	343	2%	21,955
Total Expenditure by Vote	542,520	532,675	525,975	35,306	400,055	470,229	67,252	14%	525,975
Surplus/ (Deficit) for the year	42,916	93,283	100,850	(17,564)	119,862	109,214	(126,778)	-116%	100,850

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	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	39,442	38,865	42,616	3,327	36,568	38,277	(1,709)	-4%	42,616
Service charges - electricity revenue	88,812	104,214	121,343	7,613	90,948	108,422	(17,474)	-16%	121,343
Service charges - refuse revenue	8,926	9,276	9,568	793	8,602	8,820	(218)	-2%	9,568
Rental of facilities and equipment	956	898	958	66	740	800	(61)	-8%	958
Interest earned - external investments	585	1,900	2,432	62	1,632	2,111	(479)	-23%	2,432
Interest earned - outstanding debtors	17,041	12,860	18,360	1,710	16,997	16,473	524	3%	18,360
Fines, penalties and forfeits	2,861	65,071	30,986	77	366	23,058	(22,692)	-98%	30,986
Licences and permits	4,635	5,240	6,026	455	5,513	5,581	(68)	-1%	6,026
Transfers and subsidies	351,908	307,637	307,637	653	307,256	307,256	(10,071)	-3%	307,637
Other revenue	1,819	664	6,829	600	2,656	1,250	1,406	112%	6,829
Gains							-		
Total Revenue (excluding capital transfers and contributions)	516,985	546,626	546,753	15,356	461,207	512,048	(50,841)	-10%	546,753
Expenditure By Type									
Employee related costs	150,619	163,212	154,891	12,249	143,227	142,708	519	0%	154,891
Remuneration of councillors	24,279	27,334	25,386	2,069	22,714	23,194	(480)	-2%	25,386
Debt impairment	61,327	48,632	48,932	-	-	39,146	(39,146)	-100%	48,932
Depreciation & asset impairment	58,788	58,392	57,692	-	-	48,467	(48,467)	-100%	57,692
Finance charges	3,516	3,729	745	(193)	40	821	(782)	-95%	845
Bulk purchases	88,182	110,035	100,035	6,689	82,263	88,093	(5,830)	-7%	100,035
Other materials	26,421	19,551	34,217	5,340	40,543	31,239	9,303	30%	32,727
Contracted services	75,365	60,088	59,987	6,240	71,593	60,210	11,383	19%	61,570
Transfers and subsidies	1,402	3,784	3,771	50	2,478	3,030	(552)	-18%	3,271
Other expenditure	52,620	37,918	40,320	2,862	37,197	33,320	3,877	12%	40,626
Losses							-		
Total Expenditure	542,520	532,675	525,975	35,306	400,055	470,229	(70,175)	-15%	525,975
Surplus/(Deficit)	(25,535)	13,951	20,778	(19,950)	61,153	41,819	19,334	46%	20,778
Transfers and subsidies - capital (monetary allocations)	68,450	79,332	80,072	2,386	58,710	67,395	(8,685)	-13%	80,072
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		-
Surplus/(Deficit) after capital transfers & contributions	42,916	93,283	100,850	(17,564)	119,862	109,214			100,850
Taxation									
Surplus/(Deficit) after taxation	42,916	93,283	100,850	(17,564)	119,862	109,214			100,850
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	42,916	93,283	100,850	(17,564)	119,862	109,214			100,850
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	42,916	93,283	100,850	(17,564)	119,862	109,214		-	100,850

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 May 2022, no COVID 19 danger allowances were paid.

Other expenditure relating to COVID 19 amounts to R106, 061 thousand relating to 2020/21 financial year and no COVID 19 expenditure of May, year to date expenditure amounted to R24, 358 thousand for the 2021/22 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

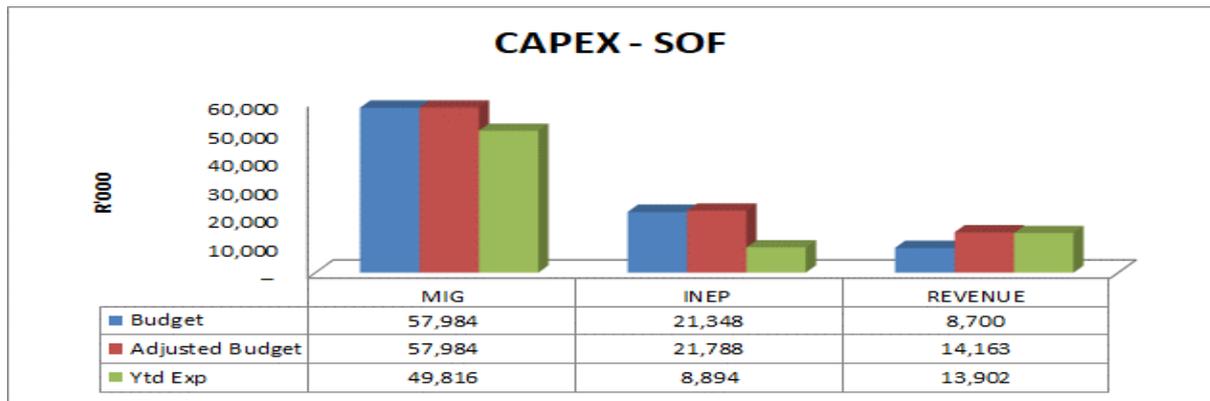
Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,111	1,360	1,939	77	646	1,839	(1,192)	-65%	1,939
Executive and council							-		
Finance and administration	1,111	1,360	1,939	77	646	1,839	(1,192)	-65%	1,939
Internal audit							-		
Community and public safety	2,063	800	500	40	538	498	40	8%	500
Community and social services	598	600	500	-	498	498	-		500
Sport and recreation	1,465	200	-	40	40	-	40		-
Public safety	-					-	-		
Housing							-		
Health							-		
Economic and environmental services	62,035	63,584	58,284	-	43,692	52,910	(9,217)	-17%	58,284
Planning and development		1,100	-	-	-	-	-		-
Road transport	62,035	62,484	58,284	-	43,692	52,910	(9,217)	-17%	58,284
Environmental protection							-		
Trading services	19,894	22,288	33,512	1,518	19,462	25,214	(5,752)	-23%	33,512
Energy sources	19,894	21,988	33,512	1,518	19,462	25,214	(5,752)	-23%	33,512
Waste management	-	300	-	-	-	-	-		-
Other							-		
Total Capital Expenditure - Functional Classification	85,102	88,032	94,234	1,635	64,339	80,460	(16,121)	-20%	94,234
Funded by:									
National Government	79,029	79,332	79,772	1,541	51,516	66,285	(14,769)	-22%	79,772
Provincial Government			300	-	-	300	(300)	-100%	300
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	79,029	79,332	80,072	1,541	51,516	66,585	(15,069)	-23%	80,072
Borrowing							-		
Internally generated funds	6,073	8,700	14,163	94	13,902	13,875	27	0%	14,163
Total Capital Funding	85,102	88,032	94,234	1,635	65,418	80,460	(15,042)	-19%	94,234

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2020/21	Budget Year 2021/22							
	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	1,105	460	860	77	646	760	(114)	-15%	860
Vote 5 - Community Services	-	300	-	40	40	-	40	#DIV/0!	-
Vote 6 - Technical Services	7,468	40,840	58,280	(23)	43,027	52,180	(9,153)	-18%	58,280
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	8,574	41,600	59,140	94	43,713	52,940	(9,227)	-17%	59,140
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	100	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,972	800	500	-	498	498	-	-	500
Vote 6 - Technical Services	74,557	44,432	34,595	1,541	21,207	27,022	(5,815)	-22%	34,595
Vote 7 - Developmental Planning	-	1,100	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	76,528	46,432	35,095	1,541	21,705	27,520	(5,815)	-21%	35,095
Total Capital Expenditure	85,102	88,032	94,234	1,635	65,418	80,460	(15,042)	-19%	94,234

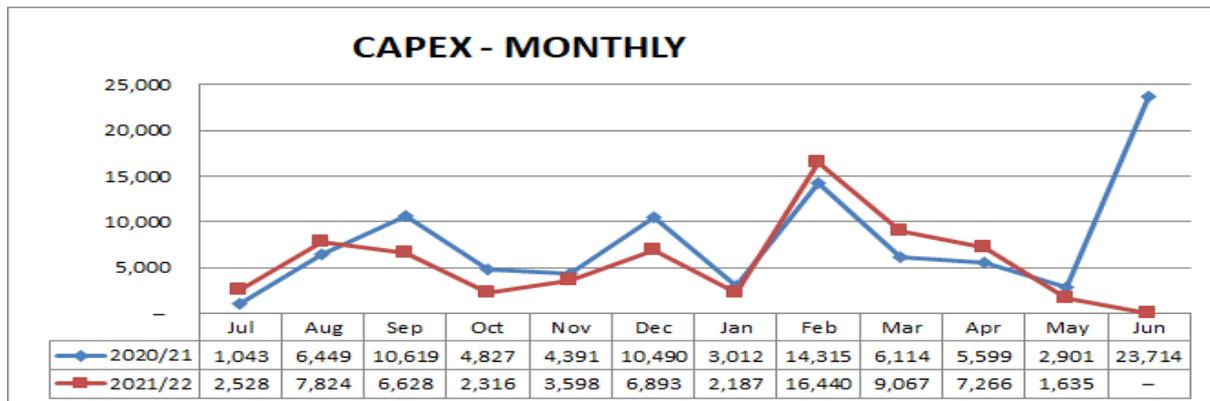
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of May 2022, R6 304 million spending is incurred and that increased the year to date expenditure to R65 418 million whilst the year to date budget is R80 3460 million and this gave rise to under spending variance of R15 042 million that translates to 19%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R94, 234 million, R57, 984 million is funded from Municipal Infrastructure grant, R21, 348 million from Integrated National Electrification Programme and R14, 163 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 2020/21 and 2022/22 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2020/21	Budget Year 2021/22			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	6,857	8,536	17,310	12,873	17,310
Call investment deposits	–	23,315	–	20,185	–
Consumer debtors	85,665	63,924	62,496	106,412	62,496
Other debtors	51,435	60,917	62,766	45,618	62,766
Current portion of long-term receivables	119	–	119	–	119
Inventory	11,082	8,606	8,826	12,273	8,826
Total current assets	155,157	165,299	151,516	197,361	151,516
Non current assets					
Long-term receivables				–	
Investments	1,465	–	15,039	–	15,039
Investment property	80,022	60,343	55,840	80,312	55,840
Investments in Associate	–				
Property, plant and equipment	1,056,321	1,229,559	1,230,890	1,121,677	1,230,890
Biological	–			–	
Intangible	23	31	31	23	31
Other non-current assets	463	15,502	463	1,928	463
Total non current assets	1,138,294	1,305,435	1,302,263	1,203,940	1,302,263
TOTAL ASSETS	1,293,451	1,470,733	1,453,779	1,401,300	1,453,779
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	3,014	12,271	12,271	1,872	12,271
Consumer deposits	5,797	5,700	5,700	5,768	5,700
Trade and other payables	110,690	87,165	88,763	109,540	88,763
Provisions	3,269	5,950	5,950	2,253	5,950
Total current liabilities	122,770	111,087	112,685	119,433	112,685
Non current liabilities					
Borrowing	(386)	19,467	19,467	2,058	19,467
Provisions	75,199	95,439	95,439	75,428	95,439
Total non current liabilities	74,813	114,907	114,907	77,486	114,907
TOTAL LIABILITIES	197,583	225,994	227,592	196,919	227,592
NET ASSETS	1,095,868	1,244,739	1,226,187	1,204,382	1,226,187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,095,868	1,234,739	1,216,187	1,204,382	1,216,187
Reserves		10,000	10,000	–	10,000
TOTAL COMMUNITY WEALTH/EQUITY	1,095,868	1,244,739	1,226,187	1,204,382	1,226,187

The above table shows that community wealth amounts to R1,204 billion, total liabilities R196,919 million and the total assets R1, 401 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 1.7:1 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	2020/21	Budget Year 2021/22							
	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	47,281	29,997	34,083	2,550	26,459	25,783	677	3%	34,083
Service charges	128,148	107,419	99,738	7,614	89,178	87,042	2,137	2%	99,738
Other revenue	13,218	20,923	22,389	12,797	63,845	50,164	13,681	27%	22,389
Transfers and Subsidies - Operational	249,240	307,637	307,637	-	307,637	307,637	-	0%	307,637
Transfers and Subsidies - Capital	70,918	79,332	79,772	-	79,332	79,332	-	0%	79,772
Interest	941	3,018	2,432	318	3,150	2,805	345	12%	2,432
Payments									
Suppliers and employees	(404,748)	(443,509)	(443,527)	(35,448)	(472,690)	(449,204)	23,486	-5%	(443,527)
Finance charges	(786)	(3,729)	(845)	(193)	(44)	(984)	(940)	96%	(845)
Transfers and Grants	(1,487)	(3,784)	(513)	(50)	(2,478)	(3,130)	(652)	21%	(513)
NET CASH FROM/(USED) OPERATING ACTIVITIES	102,726	97,304	101,165	(12,412)	94,519	99,575	5,056	5%	101,165
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(58)	-	5,544	-	-	-	-	-	5,544
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(84,243)	(80,993)	(84,002)	(1,635)	(65,418)	(76,435)	(11,017)	14%	(84,002)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(84,301)	(80,993)	(78,458)	(1,635)	(65,418)	(76,435)	(11,017)	14%	(78,458)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		325	325	24	(16)	(45)	29	-64%	325
Payments									
Repayment of borrowing	(13,938)	(12,271)	(12,271)	-	(2,441)	(3,401)	(959)	28%	(12,271)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(13,938)	(11,947)	(11,947)	24	(2,457)	(3,445)	(988)	29%	(11,947)
NET INCREASE/ (DECREASE) IN CASH HELD	4,486	4,364	10,761	(14,023)	26,643	19,694			10,761
Cash/cash equivalents at beginning:	1,929	27,487	6,848		6,415	6,848			6,415
Cash/cash equivalents at month/year end:	6,415	31,852	17,609		33,058	26,542			17,176

Table C7 presents details pertaining to cash flow performance. As at end of May 2022, the net cash inflow from operating activities is R94,519 million whilst net cash outflow from investing activities is R65,418 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2,457 million. The cash and cash equivalent held at end of May 2022 amounted to R33,058 million and the net effect of the above cash flows is cash inflow movement of 26,643 million. The cash and cash equivalent at end of the reporting period of R33,058 million, is mainly made up of cash in the primary bank account amounting to R12,873, with a short term investment amounting to R20,185 million at the end of May 2022.

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	-4%	The projected monthly revenue appear to be higher in light of the actual revenue performance	The variance is immaterial and no remedial action is needed.
Service charges - electricity revenue	-16%	The projected monthly revenue appear to be higher in light of the actual revenue performance	No remedial action is needed as it shows the municipality has improved on the electricity revenue.
Service charges - refuse revenue	-2%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed as the variance is immaterial.
Rental of facilities and equipment	-8%	The actual revenue generated is less 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	-23%	The municipality has short term portfolio investments with Nedbank.	The municipality should draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	3%	The projected revenue is less than the actual revenue generated.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	-98%	The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue.	The municipality has cut down the revenue budget during the main adjustment with a hope that the actual revenue collected with to date will agree with projected monthly revenue collection.
Licences and permits	-1%	The actual revenue generated is less than the projected monthly revenue	No remedial action is needed as the variance is immaterial.
Transfers and subsidies	0%	The equitable share trenches received are in line with the projections thereof.	The budget unit should make use of the payment schedule during budget preparations.
Other revenue	112%	The actual revenue generated is higher than the projected monthly revenue.	No remedial action is needed as the variance is positive.
Expenditure By Type			
Employee related costs	0%	The actual expenditure incurred on employee related costs is more than the projections thereof	No remedial action is needed.
Remuneration of councillors	-2%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed.
Debt impairment	-100%	Debt impairment is still calculated at annually	The municipality should do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated annually.	The municipality should do away with this approach as it not viable
Finance charges	-95%	Finance charges is mainly for finance lease and the lease contract payments are in arrears due to inaccurate invoices from the lease contractor.	The municipality is still in engagement with the lease contractor to receive accurate invoices.
Bulk purchases	-7%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	30%	The projected expenditure is less than the actual expenditure thereof.	No remedial action is needed as it shows improvements on spending on maintenance and repairs.
Contracted services	19%	The actual expenditure incurred is more than the projected monthly expenditure	Major contracts are overspending and the municipality should avoid under budgeting during the 2022-23 final and adjustment
Transfers and subsidies	-18%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	12%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-22%	The projections on capital grants is more than the spending thereof.	The municipal capital expenditure is under performing and it influence future DORA allocations.
Provincial Government	-100%	The unspent COGHSTA grant is not yet spent	The municipality will be liable for the unspent and should sent it back to the department.
Internally generated funds	0%	The actual spending on internally generated funds is slightly more then the projections thereof.	No remedial action is needed since internally generated projects are discontinued.
Cash Flow			
Property rates	3%	The actual collection rate on property rates is slightly more than the projected rate	The municipality should keep on improving on the actual collection on residential and business areas.
Service charges	2%	The collection rate on service charges is higher than the projected rate	in licenced municipal areas on electricity billings and refuse removal.
Other revenue	27%	The collection rate on leased assets are under projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	0%	The receipted trenches of operational grants are in line with the projections thereof.	The municipality should make use of DORA during the draft and final budget preparations.
Government - Capital	0%	The receipted trenches of capital grants are in line with the projections thereof.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	12%	Interest on other revenue is under projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-5%	The actual costs incurred is way higher than the projected costs and the variance is caused by overspending on contracted services, other materials and other expenditure.	The variance is caused by outstanding payment on Contracted services, Other materials and general expenses therefore the municipality should avoid closing the year end with outstanding creditors
Finance charges	96%	The finance charges have been over projected.	No remedial action is needed
Transfers and Grants	21%	The payments relating to this account are slightly lower than the projections thereof	No remedial action is needed
Capital assets	14%	The projected capital expenditure on capex is more than the actual spending thereof.	All the expected trenches of the grants have been received in line with their payment schedule
Increase (decrease) in consumer deposit	-64%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	28%	The projections is not in line with the amortisation schedule	The municipality should make use of amortisation during budget preparations.

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2021/22											
	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)	6,863	1,190	313	399	100	497	2,325	11,680	3,633		
Receivables from Non-exchange Transactions - Property Rates	(1)	3,090	1,556	1,297	1,302	1,239	6,727	45,304	60,515	55,869		
Receivables from Exchange Transactions - Waste Management	-	773	526	412	393	393	2,364	15,752	20,613	19,314		
Receivables from Exchange Transactions - Property Rental Debtors	-	50	27	28	25	21	123	1,153	1,427	1,350		
Interest on Arrear Debtor Accounts	-	1,710	1,670	1,619	1,580	1,538	8,402	39,209	55,728	52,348		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	(672)	842	127	19	(4)	77	353	3,233	3,974	3,678		
Total By Income Source	(679)	13,329	5,096	3,688	3,695	3,367	18,466	106,975	153,937	136,192	-	-
2019/20 - totals only	13,073	6,367	3,428	3,422	3,289	3,047	15,123	77,263	125,011	102,144		
Debtors Age Analysis By Customer Group												
Organs of State	(2)	1,867	1,319	1,153	1,213	1,037	5,747	34,442	46,776	43,593		
Commercial	(659)	6,921	1,225	572	608	493	2,327	13,362	24,850	17,362		
Households	(18)	4,496	2,538	1,952	1,862	1,826	10,329	58,870	81,856	74,839		
Other	-	44	14	12	11	11	63	301	456	398		
Total By Customer Group	(679)	13,329	5,096	3,688	3,695	3,367	18,466	106,975	153,937	136,192	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of May amount to R153,937 million. The debtors' book is made up as follows:

- Rates 39%
- Electricity 8%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 36%
- Other 3%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

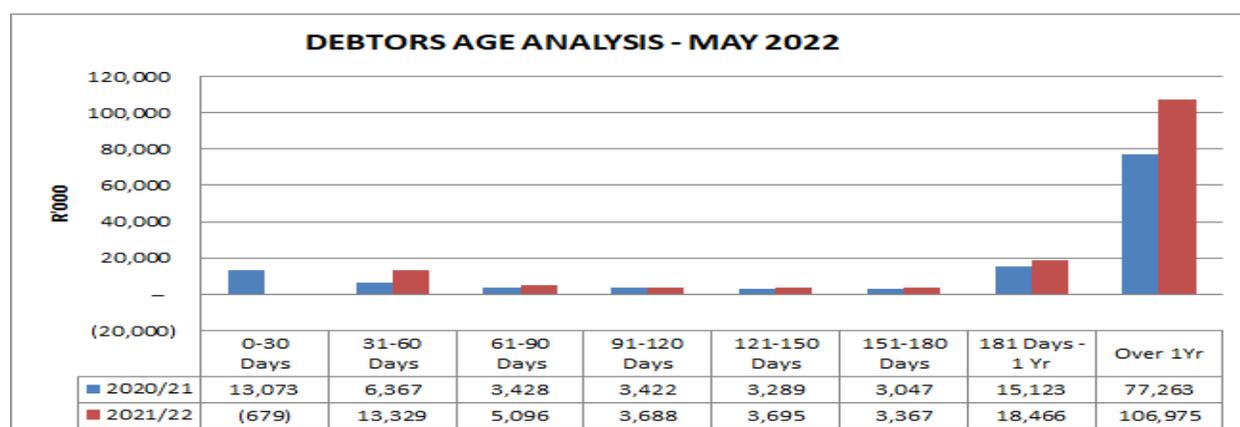
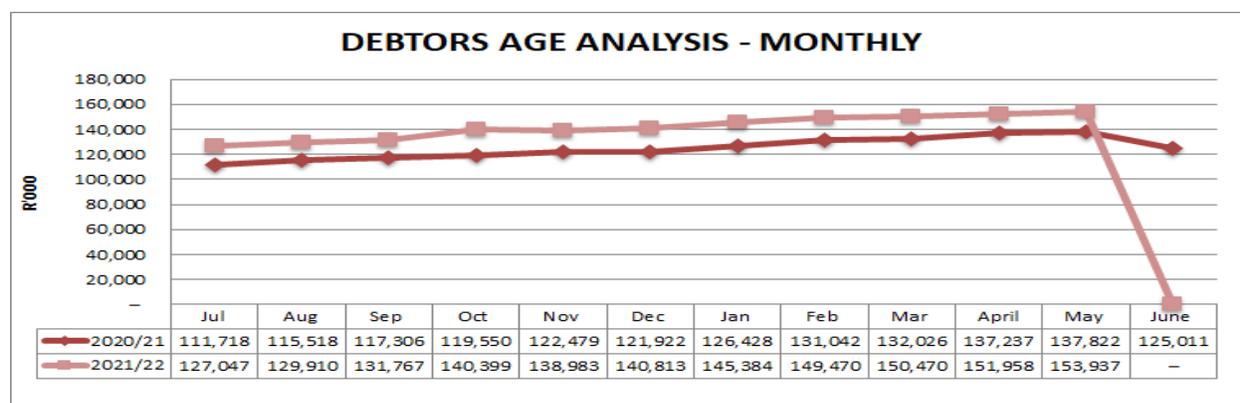


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2020/21 financial year and 2021/22 (as at end of May 2022) whilst the latter shows monthly movement of debtors for both the current financial year and the 2020/21 financial year. The debtors book is materially less than the 2021/22 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	1,794,215
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	1,663,726
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,338,392
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,075,369
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	740,881
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	519,201
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	413,384
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	405,254
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	404,738
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	396,974
20494	BREAKAWAY TRUST	ACTIVE	OWNER	390,489
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OCCUPIER	382,587
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	340,429
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	331,733
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	330,771
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	329,349
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	309,805
2200691	EHLERS JA	ACTIVE	OWNER	296,266
9001712	MINERAL WILDLIFE INV PTY LTD 200402878407	ACTIVE	OWNER	292,486
9001714	KWAMAQHUZE COMMUNAL PROP ASSOC	ACTIVE	OWNER	274,367
TOTAL				12,030,416

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2021/22									Prior year totals
	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 R22, 734 million as outstanding creditors by the end of the month of May 2022.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	6,820,814
40029	GIFTRON DISTRIBUTION	3,042,399
41027	KDM TRAVEL EXPRESS	2,878,705
80984	GUBIS 85 SOLUTION	2,111,527
81054	KGWADI YA MADIBA GENERAL	1,725,000
81001	JUST-BREEZE JV TLOU YA HLAKA	731,400
80563	KF PHETLA PROJECTS	706,965
80944	INAMI PROJECTS	705,587
32604	SEGOKGOME TRADING AND PROJECTS	698,108
81200	VAPOPAX	617,550
81039	LEPHATA LA BASHA TRADING AND P	508,291
80674	OB MEDIA SOLUTIONS	453,858
37581	PHELADI NOKO B1 FUNERAL	370,497
81147	DZANGI CONSULTING SERVICES	291,600
81226	MPHOKE P K MAGANE	291,241
81225	LOSKOP ALARMS	231,665
32409	MAKGONATSOHLE TRADING ENTERPRI	200,825
81042	MATUPUNUKA ICT	171,184
81057	AES CONSULTING CC	123,108
41095	REAKGONA TRAVEL SERVICES	63,408
TOTAL		22,743,731

Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening Balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
Standard Bank 0388235270012	1 Month	Current Investment	4.8%		21-Apr-22	-	-	-	-	-
Nedbank 03/7881068264/000063	2 Month	Current Investment	5.1%		23-May-22	20,095,759	61,962	- 20,157,721	-	-
Nedbank 03/7881068264/000062	3 Month	Current Investment	5.2%		22-Jun-22	20,096,690	88,159	-	-	20,184,849
TOTAL INVESTMENTS AND INTEREST						40,192,449		- 20,157,721	-	20,184,849

The Municipality's current investment portfolio during the month May opening balance amounted R60,030 million in different portfolio investments, withdrew R20,063 million, earned an interest of R225, 063 thousand and closed off with R40, 192 million investment.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2020/21	Budget Year 2021/22							
	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:	351,806	307,637	307,637	-	307,638	307,638	-		307,637
Local Government Equitable Share	347,525	302,788	302,788	-	302,789	302,789	-		302,788
Finance Management	2,600	2,650	2,650	-	2,650	2,650	-		2,650
EPWP Incentive	1,681	2,199	2,199	-	2,199	2,199	-		2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
Other grant providers:	102	130	130	-	130	130	-		130
LGSETA Learnership and Development	102	130	130	-	130	130	-		130
Total Operating Transfers and Grants	351,908	307,767	307,767	-	307,768	307,768	-		307,767
Capital Transfers and Grants									
National Government:	68,891	79,332	79,332	-	79,332	79,332	-		79,332
Municipal Infrastructure Grant (MIG)	53,891	57,984	57,984	-	57,984	57,984	-		57,984
Integrated National Electrification Grant	15,000	21,348	21,348	-	21,348	21,348			21,348
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	68,891	79,332	79,332	-	79,332	79,332	-		79,332
TOTAL RECEIPTS OF TRANSFERS & GRANTS	420,799	387,099	387,099	-	387,100	387,100	-		387,099

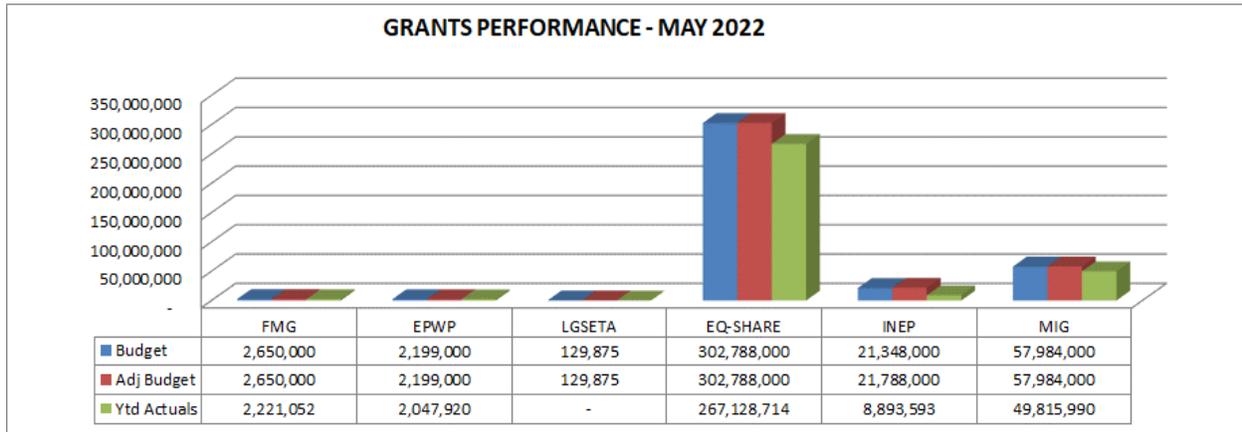
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R295,353 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R302, 789 million; Financial Management Grant amounting to R2,650 million; Local Government Sector Education and Training amounting to R129 thousand; Municipal Infrastructure Grant amounting to R57, 984 million; Integrated National Energy Grant R21, 348 million and Expanded Public Works Programme R2, 199 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	2020/21	Budget Year 2021/22							
	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:	351,806	307,637	307,637	20,601	271,398	261,043	10,355	4%	307,637
Local Government Equitable Share	347,525	302,788	302,788	19,948	267,129	256,596	10,533	4%	302,788
Finance Management	2,600	2,650	2,650	425	2,221	2,650	(429)	-16%	2,650
EPWP Incentive	1,681	2,199	2,199	228	2,048	1,797	251	14%	2,199
Disaster Relief Grant COVID-19 (Corona virus)							-		-
Other grant providers:	102	130	130	-	-	130	(130)	-100%	130
LGSETA Learnership and Development	102	130	130	-	-	130	(130)	-100%	130
Total operating expenditure of Transfers and Grants:	351,908	307,767	307,767	20,601	271,398	261,172	10,225	4%	307,767
Capital expenditure of Transfers and Grants									
National Government:	68,891	79,332	79,772	2,386	58,710	67,270	(8,561)	-13%	79,772
Municipal Infrastructure Grant (MIG)	53,891	57,984	57,984	-	49,816	51,399	(1,583)	-3%	57,984
Integrated National Electrification Grant	15,000	21,348	21,788	2,386	8,894	15,871	(6,978)	-44%	21,788
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							0		
Total capital expenditure of Transfers and Grants	68,891	79,332	79,772	2,386	58,710	67,270	(8,561)	-13%	79,772
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	420,799	387,099	387,539	22,987	330,107	328,443	1,664	1%	387,539

An amount of R22, 987 million has been spent on grants during the month of May 2022 and the year to date actuals is R330, 107 million whilst the year to date budget amounts to R328, 443 million and this results in an over spending variance of R1 664 million that translates to 1%. Of the total spending amounting to R22,987 million, R20, 601 million is spent on operational grants whilst capital grants spent R2, 386 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 May 2022. The grants expenditure are shown below in percentages:

- Financial Management Grant 83.81%
- Expanded Public Work Programme 93.13%
- LGSETA 0%
- Equitable Share 88.22%
- Integrated National Electrification Grant 40.82%
- Municipal Infrastructure Grant 85.91%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2020/21	Budget Year 2021/22							
	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	14,184	16,008	14,794	1,205	13,265	13,524	(259)	-2%	14,794
Pension and UIF Contributions	1,600	1,847	1,889	167	1,696	1,717	(21)	-1%	1,889
Medical Aid Contributions	396	399	319	7	186	285	(98)	-35%	319
Motor Vehicle Allowance	5,167	5,847	5,408	443	4,838	4,940	(101)	-2%	5,408
Cellphone Allowance	2,708	2,992	2,738	229	2,509	2,509	-		2,738
Other benefits and allowances	223	243	238	19	219	219	-		238
Sub Total - Councillors	24,279	27,334	25,386	2,069	22,714	23,194	(480)	-2%	25,386
% increase		13%	5%						5%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,947	6,226	3,162	259	2,879	2,899	(20)	-1%	3,162
Pension and UIF Contributions	141	299	89	7	81	82	(1)	-1%	89
Medical Aid Contributions	81	92	52	10	70	47	23	47%	52
Motor Vehicle Allowance	420	912	186	16	171	171	-		186
Cellphone Allowance	114	151	85	7	78	78	-		85
Other benefits and allowances	1,846	491	172	0	172	172	-		172
Payments in lieu of leave							-		
Sub Total - Senior Managers of Municipality	6,549	8,171	3,746	298	3,449	3,448	1	0%	3,746
% increase		25%	-43%						-43%
Other Municipal Staff									
Basic Salaries and Wages	93,585	99,214	98,352	8,216	89,955	90,086	(131)	0%	98,352
Pension and UIF Contributions	18,983	27,125	19,631	1,650	17,920	17,967	(48)	0%	19,631
Medical Aid Contributions	5,228	4,550	5,403	475	4,970	4,941	29	1%	5,403
Overtime	1,353	1,005	1,197	40	966	1,098	(132)	-12%	1,197
Motor Vehicle Allowance	12,066	12,315	13,024	1,103	11,893	11,914	(21)	0%	13,024
Cellphone Allowance	1,901	1,284	1,916	160	1,755	1,756	(1)	0%	1,916
Housing Allowances	206	202	217	18	201	199	2	1%	217
Other benefits and allowances	2,655	8,457	10,233	138	10,318	10,141	177	2%	10,233
Payments in lieu of leave	6,688	173	421	19	624	408	215	53%	421
Long service awards	1,405	714	749	131	1,177	749	428	57%	749
Post-retirement benefit obligations							-		
Sub Total - Other Municipal Staff	144,070	155,041	151,144	11,950	139,777	139,260	518	0%	151,144
% increase		8%	5%						5%
Total Parent Municipality	174,898	190,546	180,276	14,318	165,941	165,902	39	0%	180,276
		9%	3%						3%
TOTAL SALARY, ALLOWANCES & BENEFITS	174,898	190,546	180,276	14,318	165,941	165,902	39	0%	180,276
% increase		9%	3%						3%
TOTAL MANAGERS AND STAFF	150,619	163,212	154,891	12,249	143,227	142,708	519	0%	154,891

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of May 2022 amounts to R165,941 million and the year to date budget is R165 902 million and the expenditure for remuneration of councilors amounts to R22,714 million while the year to date budget is R23,194 million. The year to date actual expenditure for senior managers is R3,449 million and the year to date budget thereof is R3,448 million. There are four senior managerial vacant positions (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 R139,777 million and the year to date budget is R139,260 million. The remuneration of councilors and other municipal staff category has under spending variance, and there are four vacant positions in the senior management level and the positions should be filled in the new financial year 2022/23.

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

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year +1	Year +2	Year +2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budgeted	2021/22	2022/23	2023/24	
Cash Receipts By Source																
Property rates	2,693	2,286	2,287	2,035	2,302	2,599	2,173	2,273	2,815	2,446	2,550	3,537	29,997	30,907	31,931	
Service charges - electricity revenue	8,269	7,581	8,119	7,580	6,434	7,702	6,394	8,004	9,017	8,332	7,207	15,359	99,998	101,965	102,930	
Service charges - refuse	461	393	411	383	399	405	376	449	405	451	407	2,882	7,421	8,755	9,978	
Rental of facilities and equipment	54	69	19	48	51	80	101	35	32	69	60	279	898	936	977	
Interest earned - external investments	200	98	59	-	-	160	250	155	-	225	150	602	1,900	1,980	2,067	
Interest earned - outstanding debtors	111	162	64	67	109	410	120	136	289	217	168	(734)	1,118	796	641	
Fines, penalties and forfeits	43	21	6	15	14	13	123	39	29	16	77	13,725	14,120	15,331	16,006	
Licences and permits	415	534	674	551	479	486	664	549	431	275	455	(273)	5,240	5,460	5,701	
Transfers and Subsidies - Operational	126,712	2,780	-	-	989	100,929	-	660	75,697	-	-	(130)	307,637	322,626	316,577	
Other revenue	821	1,230	5,065	1,355	6,061	1,409	14,711	11,461	1,818	1,182	12,204	(45,783)	664	692	722	
Cash Receipts by Source	139,778	15,154	16,704	12,033	16,837	114,194	24,913	23,762	90,533	13,211	23,279	(10,535)	468,994	489,449	487,530	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations)	31,000	-	15,000	-	11,348	6,594	-	-	15,390	-	-	-	79,332	72,606	76,364	
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits	-	(10)	(26)		(32)	25	(35)	35	18	(14)	24	341	325	(3,247)	(3,247)	
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source	170,778	15,144	31,677	12,033	28,153	120,813	24,878	23,797	105,941	13,197	12,433	(10,194)	548,651	558,808	560,648	
Cash Payments by Type																
Employee related costs	11,813	11,829	11,656	12,948	12,165	20,179	13,462	12,338	12,418	12,170	12,249	19,985	163,212	170,102	177,553	
Remuneration of councillors	2,020	2,020	2,020	2,020	1,866	2,403	2,085	2,072	2,069	2,069	2,069	4,620	27,334	28,428	29,565	
Interest paid	20	12	4	4	2	-	193	-	-	-	(193)	3,685	3,729	2,653	1,880	
Bulk purchases - Electricity	11,178	10,612	11,630	8,572	6,954	7,681	7,345	7,496	8,041	7,132	6,689	16,705	110,035	114,656	119,701	
Other materials	13,325	2,022	7,355	4,096	1,265	1,601	10,271	2,889	2,022	2,714	5,340	(20,210)	32,689	28,778	30,507	
Contracted services	12,814	8,210	6,502	9,462	6,734	12,786	6,313	(5,451)	10,951	5,923	6,240	(16,381)	64,102	51,538	45,479	
Grants and subsidies paid - other	235	365	164	259	223	166	404	244	67	301	50	1,306	3,784	3,943	4,116	
General expenses	11,709	6,905	1,744	3,421	2,161	12,877	2,252	2,906	26,839	6,361	2,862	(48,173)	31,864	33,203	34,663	
Cash Payments by Type	63,114	41,976	41,076	40,783	31,371	57,693	42,324	22,493	62,407	36,669	35,306	(38,464)	436,748	433,300	443,465	
Other Cash Flows/Payments by Type																
Capital assets	2,528	7,824	6,628	2,316	3,598	6,893	2,187	16,440	9,067	6,304	1,635	15,575	80,993	85,145	78,358	
Repayment of borrowing	965	973	258	245	-	-	-	-	-	-	-	9,830	12,271	11,347	8,120	
Other Cash Flows/Payments												14,274	14,274	19,580	29,705	
Total Cash Payments by Type	66,607	50,773	47,962	43,344	34,968	64,586	44,511	38,933	71,473	42,973	36,941	1,214	544,286	549,373	559,648	
NET INCREASE/(DECREASE) IN CASH HELD	104,172	(35,630)	(16,285)	(31,311)	(6,815)	56,226	(19,633)	(15,136)	34,468	(29,776)	(13,638)	(11,408)	4,364	9,435	1,000	
Cash/cash equivalents at the month/year beginning:	6,415	110,587	74,957	58,673	27,362	20,546	76,773	57,140	42,004	76,472	46,696	22,188	6,415	10,780	20,214	
Cash/cash equivalents at the month/year end:	110,587	74,957	58,673	27,362	20,546	76,773	57,140	42,004	76,472	46,696	33,058	10,780	10,780	20,214	21,214	

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, 433 million and the total cash payment for the month were R36, 941 million and this resulted in net decrease in cash held amounting to R13, 638 million. With cash and cash equivalent of R46, 696 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R33, 058 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2020/21	Budget Year 2021/22							
	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	1,043	12,915	2,528	2,528	2,528	2,528	-		3%
August	6,449	13,723	7,824	7,824	10,352	10,352	(0)	0%	12%
September	10,619	12,118	6,628	6,628	16,980	16,980	-		19%
October	4,827	12,156	2,316	2,316	19,296	19,296	-		22%
November	4,391	6,553	3,598	3,598	22,893	22,893	-		26%
December	10,490	8,285	6,893	6,893	29,786	29,786	-		34%
January	3,012	5,367	2,187	2,187	31,973	31,973	(0)	0%	36%
February	14,315	3,856	16,440	16,440	48,413	48,413	-		55%
March	6,114	3,118	3,574	9,067	57,479	51,986	(5,493)	-11%	65%
April	5,599	3,357	4,687	6,304	63,783	56,674	(7,110)	-13%	72%
May	2,901	3,686	5,388	1,635	65,418	62,061	(3,357)	-5%	74%
June	15,342	2,899	32,173			94,234	-		
Total Capital expenditure	85,102	88,032	94,234	65,418					

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 R1,635 million. The year to date actual expenditure incurred is R65,418 million whilst the year to date budget is R62,061 million that gives rise to under spending variance of R3, 357 million that translate to 5%.

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

Description	2020/21	Budget Year 2021/22							
	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	10,855	22,048	28,088	1,541	14,123	25,099	10,976	44%	28,088
Roads Infrastructure	-	500	-	-	-	-	-	-	-
Roads		500	-	-	-	-	-	-	-
Road Furniture									
Capital Spares									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Attenuation									
Electrical Infrastructure	10,855	21,348	28,088	1,541	14,123	25,099	10,976	44%	28,088
HV Substations							-		
HV Switching Station							-		
MV Networks	10,855	21,348	28,088	1,541	14,123	25,099	10,976	44%	28,088
LV Networks							-		
Solid Waste Infrastructure	-	200	-	40	40	-	-	-	-
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		200	-	40	40	-	-	-	-
Community Assets	-	100	-	-	-	-	-	-	-
Community Facilities	-	100	-	-	-	-	-	-	-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Other assets	727	-	-	-	-	-	-	-	-
Municipal Offices	727						-		
Workshops	-						-		
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications							-		
Computer Equipment	769	460	860	77	646	760	114	15%	860
Computer Equipment	769	460	860	77	646	760	114	15%	860
Furniture and Office Equipment	1,607	-	-	-	-	-	-		-
Furniture and Office Equipment	1,607						-		
Machinery and Equipment	1,760	400	300	(23)	214	114	(100)	-88%	300
Machinery and Equipment	1,760	400	300	(23)	214	114	(100)	-88%	300
Transport Assets	-	800	1,079	-	1,079	1,079	(1)	0%	1,079
Transport Assets		800	1,079	-	1,079	1,079	(1)	0%	1,079
Land	-	1,100	-	-	-	-	-		-
Land		1,100	-	-	-	-	-		-
Total Capital Expenditure on new assets	15,718	24,908	30,326	1,635	16,104	27,052	10,989	41%	30,326

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	52,855	39,750	44,874	-	34,349	35,950	1,600	4%	44,874
Roads Infrastructure	50,943	39,750	39,750	-	29,225	35,950	6,725	19%	39,750
Roads	50,943	39,750	39,750	-	29,225	35,950	6,725	19%	39,750
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	1,912	-	5,124	-	5,124	-	(5,124)	#DIV/0!	5,124
HV Substations							-		
MV Networks			5,124	-	5,124	-	(5,124)	#DIV/0!	5,124
LV Networks	1,912	-					-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	687	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	687						-		
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	53,543	39,750	44,874	-	34,349	35,950	1,600	4.5%	44,874

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

Description	2020/21	Budget Year 2021/22							
	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	13,320	12,276	25,528	4,580	28,691	23,269	(5,422)	-23%	24,138
Roads Infrastructure	8,367	7,802	11,748	2,037	13,889	9,909	(3,979)	-40%	10,358
Roads	8,367	7,802	11,748	2,037	13,889	9,909	(3,979)	-40%	10,358
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	2,195	2,033	9,099	1,778	10,669	9,077	(1,592)	-18%	9,099
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,195	2,033	9,099	1,778	10,669	9,077	(1,592)	-18%	9,099
Solid Waste Infrastructure	2,757	2,441	4,681	765	4,133	4,283	150	3%	4,681
Landfill Sites	2,757	2,441	4,681	765	4,133	4,283	150	3%	4,681
Waste Transfer Stations							-		
Community Assets	164	385	185	8	164	185	21	11%	185
Community Facilities	164	385	185	8	164	185	21	11%	185
Police							-		
Parks	164	385	185	8	164	185	21	11%	185
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	1,991	1,756	616	23	569	575	6	1%	616
Operational Buildings	1,991	1,756	616	23	569	575	6	1%	616
Stores		1,229	79	-	28	55	27	49%	79
Intangible Assets	-	187	60	-	38	55	16	30%	60
Servitudes							-		
Computer Software and Applications		187	60	-	38	55	16	30%	60
Computer Equipment	5	-	-	-	-	-	-		-
Computer Equipment	5						-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,561	2,083	2,195	151	2,773	2,120	(653)	-31%	2,195
Machinery and Equipment	1,561	2,083	2,195	151	2,773	2,120	(653)	-31%	2,195
Transport Assets	3,099	1,313	2,589	140	2,911	2,430	(481)	-20%	2,589
Transport Assets	3,099	1,313	2,589	140	2,911	2,430	(481)	-20%	2,589
Total Repairs and Maintenance Expenditure	20,140	17,999	31,174	4,902	35,146	28,634	(6,512)	-22.7%	29,784

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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class									
Infrastructure	45,372	43,068	42,368	-	-	41,349	41,349	100%	42,368
Roads Infrastructure	40,540	38,002	37,502	-	-	37,502	37,502	100%	37,502
Roads	40,540	38,002	37,502			37,502	37,502	100%	37,502
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	399	399	-	-	33	33	100%	399
Attenuation							-		
Electrical Infrastructure	4,281	3,954	3,754	-	-	3,754	3,754	100%	3,754
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	4,281	3,954	3,754			3,754	3,754	100%	3,754
LV Networks							-		
Solid Waste Infrastructure	551	714	714	-	-	59	59	100%	714
Landfill Sites	551	714	714			59	59	100%	714
Waste Transfer Stations							-		
Community Assets	1,153	1,231	1,231	-	-	103	103	100%	1,231
Cemeteries/Crematoria							-		
Public Open Space	1,153	1,231	1,231			103	103	0	1,231
Heritage assets	-	5	5	-	-	0	0	100%	5
Other Heritage	-	5	5			0	0	0	5
Other assets	3,935	4,140	4,140	-	-	345	345	0	4,140
Operational Buildings	3,935	4,140	4,140	-	-	345	345	100%	4,140
Workshops							-		
Intangible Assets	8	51	51	-	-	4	4	100%	51
Licences and Rights	8	51	51	-	-	4	4	100%	51
Computer Software and Applications	8	51	51			4	4	100%	51
Computer Equipment	-	692	692	-	-	58	58	100%	692
Computer Equipment	-	692	692			58	58	100%	692
Furniture and Office Equipment	623	590	590	-	-	49	49	100%	590
Furniture and Office Equipment	623	590	590			49	49	100%	590
Machinery and Equipment	2,684	2,864	2,864	-	-	239	239	100%	2,864
Machinery and Equipment	2,684	2,864	2,864			239	239	100%	2,864
Transport Assets	4,399	5,751	5,751	-	-	479	479	100%	5,751
Transport Assets	4,399	5,751	5,751			479	479	100%	5,751
Total Depreciation	58,174	58,392	57,692	-	-	42,626	42,626	100%	57,692

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

Description	2020/21	Budget Year 2021/22							
	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	15,239	22,674	18,534	-	14,468	16,960	2,493	15%	18,534
Roads Infrastructure	15,239	13,184	18,534	-	14,468	16,960	2,493	15%	18,534
Roads	15,239	13,184	18,534	-	14,468	16,960	2,493	15%	18,534
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	340	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
LV Networks							-		
Capital Spares		340	-	-	-	-	-		-
Solid Waste Infrastructure	-	9,150	-	-	-	-	-		-
Landfill Sites		9,150	-	-	-	-	-		-
Community Assets	602	700	500	-	498	498	-		500
Community Facilities	602	700	500	-	498	498	-		500
Libraries							-		
Cemeteries/Crematoria		500	500	-	498	498	-		500
Police							-		
Parks	602	200	-	-	-	-	-		-
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
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	15,841	23,374	19,034	-	14,966	17,458	2,493	14%	19,034

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 R16,104 million and the year to date budget is R27,052 million that reflects over spending variance of R10,989 million that translates to 41% variance.

The year to date actuals on renewal of existing assets amounts R34,349 million and with the year to date budget of R35,950 million and this reflects under spending variance of R1, 600 million that translates to 4.5% variance.

The year to date actual expenditure on repairs and maintenance is R35,146 million, and the year to date budget is R28,634 million, reflecting under spending variance of R6,512 million that translates to 22.7%.

The year to date actual expenditure on upgrading of existing assets is R14,966 million and the year to date budget is R17,458 million, reflecting over spending variance of R2,493 million that translates to 14%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R42, 626 million, reflecting spending variance of R42, 626 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	2021/22 Medium Term Revenue and Expenditure			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Technical Services	Grblersdal Traffic Lights	Upgrading	Electrical Infrastructure	Capital Spares	340,000	-	-	0%
Technical Services	Aircons	New	Furniture and Office Equipment	Furniture and Office Equipment	300,000	300,000	214,469	71%
Technical Services	Electrification of Ga Posa	New	Electrical Infrastructure	MV Networks	2,088,000	4,530,000	2,355,688	52%
Technical Services	Electrification of Maleoskop	New	Electrical Infrastructure	MV Networks	3,348,000	3,300,000	669,199	20%
Technical Services	Electrification of Masakaneng	New	Electrical Infrastructure	MV Networks	5,508,000	6,722,000	338,578	5%
Technical Services	Electrification of Matlala Lehwelere	New	Electrical Infrastructure	MV Networks	3,438,000	4,428,000	2,700,562	61%
Technical Services	Electrification of Rondebosch	New	Electrical Infrastructure	MV Networks	1,206,000	1,332,000	686,597	52%
Technical Services	Electrification of Vlaktefontein	New	Electrical Infrastructure	MV Networks	5,760,000	1,476,012	1,072,956	73%
Technical Services	Groblersdal Lanfillsite	Upgrading	Solid Waste Infrastructure	Landfill Sites	9,050,000	-	-	0%
Technical Services	Culverts and Road signs	New	Roads Infrastructure	Roads	500,000	-	-	0%
Technical Services	kgapamadi Bus Road	Renewal	Roads Infrastructure	Roads	1,000,000	-	-	0%
Technical Services	Motetema Streets Upgrade	New	Roads Infrastructure	Roads	1,500,000	-	-	0%
Technical Services	Rehabilitaion of roads/streets in various wards	Renewal	Roads Infrastructure	Roads	2,500,000	-	-	0%
Technical Services	Dipakapakeng Access Road	Upgrading	Roads Infrastructure	Roads	21,750,000	21,750,000	13,311,982	61%
Technical Services	Bloompoort Road	Renewal	Roads Infrastructure	Roads	13,000,000	18,000,000	15,912,865	88%
Technical Services	Tafelkop stadium	Upgrading	Roads Infrastructure	Roads	13,184,000	18,234,000	14,467,538	79%
Information Technology	Computer Equipment	New	Computer Equipment	Computer Equipment	460,000	860,000	646,280	75%
Fleet Management	Vehicles	New	Transport Assets	Transport Assets	800,000	1,078,503	1,079,482	100%
Finance	Forklift	New	Machinery and Equipment	Machinery and Equipment	100,000	-	-	0%
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community Facilities	Cemeteries/Crematoria	500,000	500,000	498,001	100%
Community Services	Development of Parks	Upgrading	Community Facilities	Parks	200,000	-	40,000	0%
Community Services	Disaster Management Centre	New	Community Facilities	Centres	100,000	-	-	0%
Community Services	No Illegal Dumping	New	Solid Waste Infrastructure	Capital Spares	200,000	-	-	0%
Economic Development Planning	Fencing of Game Farm	New	Land	Land	1,100,000	-	-	0%
Technical Services	Masakaneng Internal Roads	Upgrading	Roads Infrastructure	Roads	-	299,764	-	0%
Technical Services	Electrification of Rossenekal	New	Electrical Infrastructure	MV Networks	-	6,299,821	6,299,821	100%
Technical Services	Groblersdal Smart Metering	New	Electrical Infrastructure	MV Networks	-	5,124,276	5,124,268	100%
Community Services	Rosennekal Concrete Palisade	Upgrading	Solid Waste Infrastructure	Landfill Sites	100,000	-	-	0%

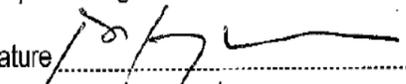
Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of May 2022 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


13/06/2022