

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**NOVEMBER 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 November or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2018-19 financial year amounts are not yet audited.

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

<b>DESCRIPTION</b>	<b>2019/20</b>			
	<b>ORIGINAL BUDGET</b>	<b>ADJUSTED BUDGET</b>	<b>YEAR TO DATE ACTUAL</b>	<b>PERCENTAGE</b>
<b>OPERATING REVENUE</b>	<b>500,884,685</b>	<b>-</b>	<b>268,953,444</b>	<b>54%</b>
		<b>-</b>		
<b>OPERATING EXPENDITURE</b>	<b>482,591,369</b>	<b>-</b>	<b>157,806,543</b>	<b>33%</b>
		<b>-</b>		
<b>TRANSFER - CAPITAL</b>	<b>73,921,000</b>	<b>-</b>	<b>34,888,457</b>	<b>47%</b>
<b>SURPLUS/(DEFICIT)</b>	<b>92,214,316</b>	<b>-</b>	<b>152,769,526</b>	<b>166%</b>
<b>CAPITAL EXPENDITURE</b>	<b>95,653,510</b>	<b>-</b>	<b>42,006,456</b>	<b>44%</b>

**Table C1 – Budget Statement Summary**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	33,010	34,727	–	2,988	14,825	14,470	355	2%	34,727
Service charges	89,925	101,507	–	8,911	39,629	37,259	2,369	6%	101,507
Investment revenue	2,800	2,946	–	41	1,228	924	304	33%	2,946
Transfers and subsidies	245,278	272,618	–	89,858	203,362	102,296	101,066	99%	–
Other own revenue	84,683	89,087	–	2,024	9,910	38,545	(28,635)	-74%	361,705
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>–</b>	<b>103,821</b>	<b>268,953</b>	<b>193,493</b>	<b>75,460</b>	<b>39%</b>	<b>500,885</b>
Employee costs	130,473	147,530	–	11,072	56,553	58,659	(2,106)	-4%	147,530
Remuneration of Councillors	24,291	25,554	–	1,951	10,130	10,648	(518)	-5%	25,554
Depreciation & asset impairment	51,181	56,520	–	–	–	23,550	(23,550)	-100%	56,520
Finance charges	2,900	2,505	–	225	956	1,044	(88)	-8%	2,505
Materials and bulk purchases	78,909	94,531	–	6,856	35,536	41,961	(6,426)	-15%	94,531
Transfers and subsidies	3,580	3,740	–	119	915	1,520	(605)	-40%	3,740
Other expenditure	157,835	152,210	–	7,434	53,718	68,457	(14,740)	-22%	152,210
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>–</b>	<b>27,659</b>	<b>157,807</b>	<b>205,839</b>	<b>(48,032)</b>	<b>-23%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>–</b>	<b>76,163</b>	<b>111,147</b>	<b>(12,345)</b>	<b>123,492</b>	<b>-1000%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921	–	15,457	41,623	35,900	5,723	16%	73,921
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>–</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>	<b>129,215</b>	<b>549%</b>	<b>92,214</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>–</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>	<b>129,215</b>	<b>549%</b>	<b>92,214</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>–</b>	<b>14,910</b>	<b>42,006</b>	<b>44,290</b>	<b>(2,283)</b>	<b>-5%</b>	<b>95,654</b>
Capital transfers recognised	81,841	73,921	–	11,666	34,888	33,887	1,002	3%	73,921
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,417	21,733	–	3,244	7,118	10,403	(3,285)	-32%	21,733
<b>Total sources of capital funds</b>	<b>97,258</b>	<b>95,654</b>	<b>–</b>	<b>14,910</b>	<b>42,006</b>	<b>44,290</b>	<b>(2,283)</b>	<b>-5%</b>	<b>95,654</b>
<b>Financial position</b>									
Total current assets	211,349	115,014	–		121,172				115,014
Total non current assets	1,053,184	1,123,066	–		1,105,327				1,123,066
Total current liabilities	140,539	81,128	–		105,784				81,128
Total non current liabilities	121,097	103,696	–		98,557				103,696
Community wealth/Equity	1,002,897	1,053,256	–		1,022,158				1,053,256
<b>Cash flows</b>									
Net cash from (used) operating	118,137	102,851	–	9,087	14,846	530	(14,316)	-2703%	102,851
Net cash from (used) investing	(44,880)	(88,001)	–	(12,064)	(33,813)	(35,603)	(1,790)	5%	(88,001)
Net cash from (used) financing	(9,023)	(10,086)	–	(788)	(3,743)	(4,448)	(705)	16%	(10,086)
<b>Cash/cash equivalents at the month/year end</b>	<b>70,428</b>	<b>29,037</b>	<b>–</b>	<b>–</b>	<b>2,271</b>	<b>(15,249)</b>	<b>(17,520)</b>	<b>115%</b>	<b>29,746</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	13,237	3,640	2,404	2,422	2,499	5,495	11,678	50,810	92,185
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 November is R268, 953 million and the year to date budget of R193, 493 million and this reflects a positive variance of R75, 460 million which is mostly attributable to equitable shares received amounting to R201 757 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 33% favorable variance,
- Interest earned – outstanding debtors: 118% favorable variance,
- Rental on Facilities and Equipment: 36% unfavorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Transfer and Subsidies: 99% favorable variance
- Services Charges – electricity revenue: 4% favorable variance
- Services Charges – refuse revenue: 41% favorable variance
- Licenses and permits: 35% favorable variance
- Property rates: 2% favorable variance
- Other revenue: 10% favorable

**Operating Expenditure**

The year to date operational expenditure as at end of November amounts to R157, 807 million and the year to date budget is R205, 839 million. This reflects underspending variance of R48, 032 million that translates to 23% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

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

- Other Materials: 48% under performance
- Depreciation and asset impairment: 100% under performance variance
- Debt impairment: 100% under performance variance
- Transfers and subsidies: 40% under performance variance
- Other expenditure: 21% over performance
- Contracted services: 20% 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 November 2019 amounts to R42, 006 million and the year to date budget amounts to R44, 290 million and this gives rise to R2, 283 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of November is R152, 770 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 November amounts to R92, 185 million and this shows an increase of R12, 077 million as compared to R80, 108 million as at end of 2018/19 financial year.

Consumer debtors is made up of service charges and property rates that amount to R64, 589 million and other debtors amounting to R27, 596 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 November as required by MFMA and as a result.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>198,283</b>	<b>214,636</b>	<b>-</b>	<b>64,984</b>	<b>151,762</b>	<b>81,665</b>	<b>70,096</b>	<b>86%</b>	<b>214,636</b>
Executive and council	42,873	46,559	-	16,662	37,994	17,128	20,867	122%	46,559
Finance and administration	147,508	159,127	-	44,687	106,841	61,245	45,596	74%	159,127
Internal audit	7,902	8,950	-	3,634	6,926	3,292	3,634	110%	8,950
<b>Community and public safety</b>	<b>88,850</b>	<b>94,968</b>	<b>-</b>	<b>6,640</b>	<b>17,081</b>	<b>41,536</b>	<b>(24,455)</b>	<b>-59%</b>	<b>94,968</b>
Community and social services	7,973	9,026	-	2,647	5,978	3,318	2,659	80%	9,026
Sport and recreation	10,677	12,092	-	3,554	8,921	4,447	4,474	101%	12,092
Public safety	70,200	73,850	-	438	2,182	33,771	(31,589)	-94%	73,850
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>141,810</b>	<b>117,004</b>	<b>-</b>	<b>31,691</b>	<b>71,419</b>	<b>48,130</b>	<b>23,289</b>	<b>48%</b>	<b>117,004</b>
Planning and development	17,107	21,564	-	5,907	13,763	8,525	5,238	61%	21,564
Road transport	123,685	94,287	-	25,444	56,892	39,180	17,712	45%	94,287
Environmental protection	1,018	1,153	-	339	764	424	339	80%	1,153
<b>Trading services</b>	<b>120,804</b>	<b>148,197</b>	<b>-</b>	<b>15,964</b>	<b>70,315</b>	<b>58,063</b>	<b>12,252</b>	<b>21%</b>	<b>148,197</b>
Energy sources	102,039	119,623	-	9,463	52,772	48,220	4,551	9%	119,623
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	18,765	28,574	-	6,501	17,544	9,842	7,701	78%	28,574
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>549,746</b>	<b>574,806</b>	<b>-</b>	<b>119,278</b>	<b>310,576</b>	<b>229,393</b>	<b>81,183</b>	<b>35%</b>	<b>574,806</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>184,555</b>	<b>191,835</b>	<b>-</b>	<b>13,208</b>	<b>85,072</b>	<b>83,970</b>	<b>1,102</b>	<b>1%</b>	<b>191,835</b>
Executive and council	39,998	41,658	-	2,919	20,269	17,956	2,313	13%	41,658
Finance and administration	135,446	141,488	-	8,962	61,004	61,670	(666)	-1%	141,488
Internal audit	9,111	8,689	-	1,326	3,799	4,344	(545)	-13%	8,689
<b>Community and public safety</b>	<b>68,557</b>	<b>76,535</b>	<b>-</b>	<b>2,143</b>	<b>10,509</b>	<b>31,813</b>	<b>(21,304)</b>	<b>-67%</b>	<b>76,535</b>
Community and social services	5,563	7,457	-	384	1,976	3,013	(1,038)	-34%	7,457
Sport and recreation	9,713	11,037	-	419	2,222	4,445	(2,222)	-50%	11,037
Public safety	53,281	58,041	-	1,340	6,311	24,355	(18,044)	-74%	58,041
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>79,856</b>	<b>87,675</b>	<b>-</b>	<b>3,992</b>	<b>18,719</b>	<b>36,663</b>	<b>(17,944)</b>	<b>-49%</b>	<b>87,675</b>
Planning and development	15,813	17,147	-	1,090	5,720	6,884	(1,164)	-17%	17,147
Road transport	63,315	69,685	-	2,855	12,768	29,448	(16,680)	-57%	69,685
Environmental protection	728	843	-	48	232	331	(99)	-30%	843
<b>Trading services</b>	<b>116,200</b>	<b>126,546</b>	<b>-</b>	<b>8,316</b>	<b>43,506</b>	<b>53,393</b>	<b>(9,887)</b>	<b>-19%</b>	<b>126,546</b>
Energy sources	92,646	99,370	-	6,385	33,825	42,048	(8,223)	-20%	99,370
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,554	27,177	-	1,931	9,682	11,345	(1,663)	-15%	27,177
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>27,659</b>	<b>157,807</b>	<b>205,839</b>	<b>(48,032)</b>	<b>-23%</b>	<b>482,591</b>
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>	<b>129,215</b>	<b>549%</b>	<b>92,214</b>

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	38,168	46,559	–	15,134	34,302	15,168	19,134	126%	46,559
Vote 2 - Municipal Manager	31,469	35,643	–	13,450	26,766	13,112	13,654	104%	35,643
Vote 3 - Budget & Treasury	59,272	64,188	–	10,156	35,334	26,320	9,014	34%	64,188
Vote 4 - Corporate Services	39,931	40,227	–	15,889	30,737	14,798	15,939	108%	40,227
Vote 5 - Community Services	120,478	132,693	–	13,897	37,695	54,447	(16,752)	-31%	132,693
Vote 6 - Technical Services	233,051	227,629	–	40,882	123,736	92,745	30,991	33%	227,629
Vote 7 - Developmental Planning	11,282	14,966	–	3,966	9,394	6,098	3,296	54%	14,966
Vote 8 - Executive Support	16,094	18,229	–	5,906	12,612	6,706	5,906	88%	18,229
<b>Total Revenue by Vote</b>	<b>549,746</b>	<b>580,134</b>	<b>–</b>	<b>119,278</b>	<b>310,576</b>	<b>229,393</b>	<b>81,183</b>	<b>35%</b>	<b>580,134</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,307	36,873	–	2,619	18,985	16,072	2,912	18%	36,873
Vote 2 - Municipal Manager	37,306	35,065	–	4,025	19,448	15,635	3,813	24%	35,065
Vote 3 - Budget & Treasury	51,072	52,917	–	3,115	27,030	24,176	2,853	12%	52,917
Vote 4 - Corporate Services	30,600	36,814	–	1,216	8,301	15,307	(7,006)	-46%	36,814
Vote 5 - Community Services	100,333	112,427	–	4,680	23,158	46,589	(23,431)	-50%	112,427
Vote 6 - Technical Services	167,702	181,124	–	9,939	50,676	77,117	(26,441)	-34%	181,124
Vote 7 - Developmental Planning	9,977	13,185	–	608	3,209	5,201	(1,991)	-38%	13,185
Vote 8 - Executive Support	14,187	15,088	–	1,456	7,000	5,742	1,258	22%	15,088
<b>Total Expenditure by Vote</b>	<b>446,483</b>	<b>483,492</b>	<b>–</b>	<b>27,659</b>	<b>157,807</b>	<b>205,839</b>	<b>(48,032)</b>	<b>-23%</b>	<b>483,492</b>
<b>Surplus/ (Deficit) for the year</b>	<b>103,263</b>	<b>96,642</b>	<b>–</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>	<b>129,215</b>	<b>549%</b>	<b>96,642</b>

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

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

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	33,010	34,727		2,988	14,825	14,470	355	2%	34,727
Service charges - electricity revenue	81,798	92,957		8,207	36,130	34,774	1,357	4%	92,957
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	8,127	8,550		703	3,498	2,486	1,013	41%	8,550
Rental of facilities and equipment	1,000	1,052		40	280	438	(159)	-36%	1,052
Interest earned - external investments	2,800	2,946		41	1,228	924	304	33%	2,946
Interest earned - outstanding debtors	6,692	7,040		955	4,563	2,097	2,466	118%	7,040
Dividends received							-		
Fines, penalties and forfeits	70,209	73,860		439	2,183	33,776	(31,593)	-94%	73,860
Licences and permits	5,200	5,470		415	2,311	1,714	596	35%	5,470
Agency services							-		
Transfers and subsidies	245,278	272,618		89,858	203,362	102,296	101,066	99%	
Other revenue	1,582	1,664		174	574	520	54	10%	272,618
Gains on disposal of PPE	-	-		-	-		-		1,664
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>455,697</b>	<b>500,885</b>	<b>-</b>	<b>103,821</b>	<b>268,953</b>	<b>193,493</b>	<b>75,460</b>	<b>39%</b>	<b>500,885</b>
<b>Expenditure By Type</b>									
Employee related costs	130,473	147,530		11,072	56,553	58,659	(2,106)	-4%	147,530
Remuneration of councillors	24,291	25,554		1,951	10,130	10,648	(518)	-5%	25,554
Debt impairment	55,000	57,860		-	110	24,108	(23,998)	-100%	57,860
Depreciation & asset impairment	51,181	56,520		-	-	23,550	(23,550)	-100%	56,520
Finance charges	2,900	2,505		225	956	1,044	(88)	-8%	2,505
Bulk purchases	70,000	80,941		6,053	31,549	34,235	(2,686)	-8%	80,941
Other materials	8,909	13,590		803	3,987	7,727	(3,740)	-48%	13,590
Contracted services	59,841	53,788		5,181	31,322	25,998	5,324	20%	53,788
Transfers and subsidies	3,580	3,740		119	915	1,520	(605)	-40%	3,740
Other expenditure	42,994	40,562		2,254	22,286	18,351	3,935	21%	40,562
Loss on disposal of PPE	-	(0)		-	-	-	-		(0)
<b>Total Expenditure</b>	<b>449,169</b>	<b>482,591</b>	<b>-</b>	<b>27,659</b>	<b>157,807</b>	<b>205,839</b>	<b>(48,032)</b>	<b>-23%</b>	<b>482,591</b>
<b>Surplus/(Deficit)</b>	<b>6,528</b>	<b>18,293</b>	<b>-</b>	<b>76,163</b>	<b>111,147</b>	<b>(12,345)</b>	<b>123,492</b>	<b>-1000%</b>	<b>18,293</b>
Transfers and subsidies - capital (monetary allocations)	94,050	73,921		15,457	41,623	35,900	5,723	16%	73,921
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>			<b>92,214</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>			<b>92,214</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>			<b>92,214</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>100,578</b>	<b>92,214</b>	<b>-</b>	<b>91,620</b>	<b>152,770</b>	<b>23,555</b>		<b>-</b>	<b>92,214</b>

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

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

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

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

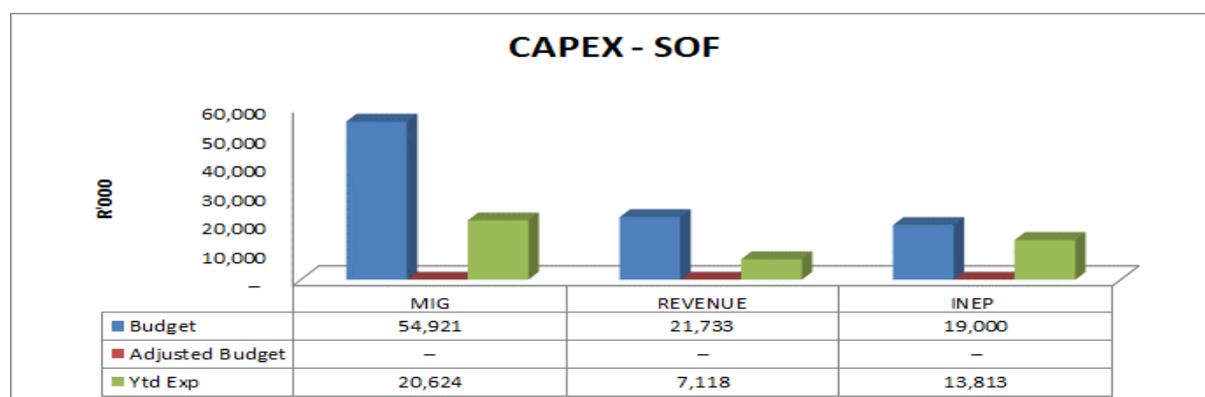
Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	2,200	1,800	-	53	347	737	(391)	-53%	1,800
Executive and council							-		
Finance and administration	2,200	1,800		53	347	737	(391)	-53%	1,800
Internal audit							-		
<b>Community and public safety</b>	522	500	-	-	-	500	(500)	-100%	500
Community and social services	522	500				500	(500)	-100%	500
Sport and recreation							-		
Public safety							-		
Housing							-		
Health							-		
<b>Economic and environmental services</b>	79,449	72,006	-	14,370	29,093	32,460	(3,367)	-10%	72,006
Planning and development							-		
Road transport	79,449	72,006		14,370	29,093	32,460	(3,367)	-10%	72,006
Environmental protection							-		
<b>Trading services</b>	15,087	21,348	-	487	12,567	10,593	1,974	19%	21,348
Energy sources	13,487	19,522		487	12,567	8,767	3,800	43%	19,522
Water management							-		
Waste water management							-		
Waste management	1,600	1,826				1,826	(1,826)	-100%	1,826
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>14,910</b>	<b>42,006</b>	<b>44,290</b>	<b>(2,283)</b>	<b>-5%</b>	<b>95,654</b>
<b>Funded by:</b>									
National Government	62,910	73,921		11,666	34,888	33,887	1,002	3%	73,921
Provincial Government	18,931	-					-		
District Municipality							-		
Other transfers and grants							-		
<b>Transfers recognised - capital</b>	<b>81,841</b>	<b>73,921</b>	<b>-</b>	<b>11,666</b>	<b>34,888</b>	<b>33,887</b>	<b>1,002</b>	<b>3%</b>	<b>73,921</b>
Borrowing							-		
Internally generated funds	15,417	21,733		3,244	7,118	10,403	(3,285)	-32%	21,733
<b>Total Capital Funding</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>14,910</b>	<b>42,006</b>	<b>44,290</b>	<b>(2,283)</b>	<b>-5%</b>	<b>95,654</b>

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

Vote Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,400	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,600	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	25,714	50,583	-	3,287	18,553	21,561	(3,009)	-14%	50,583
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>28,714</b>	<b>50,583</b>	<b>-</b>	<b>3,287</b>	<b>18,553</b>	<b>21,561</b>	<b>(3,009)</b>	<b>-14%</b>	<b>50,583</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	500
Vote 4 - Corporate Services	800	1,800	-	53	347	1,237	(891)	-72%	1,800
Vote 5 - Community Services	522	1,826	-	-	-	1,826	(1,826)	-100%	1,826
Vote 6 - Technical Services	67,222	40,945	-	11,570	23,107	19,665	3,442	18%	40,945
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>68,544</b>	<b>45,071</b>	<b>-</b>	<b>11,623</b>	<b>23,454</b>	<b>22,729</b>	<b>725</b>	<b>3%</b>	<b>45,071</b>
<b>Total Capital Expenditure</b>	<b>97,258</b>	<b>95,654</b>	<b>-</b>	<b>14,910</b>	<b>42,006</b>	<b>44,290</b>	<b>(2,283)</b>	<b>-5%</b>	<b>95,654</b>

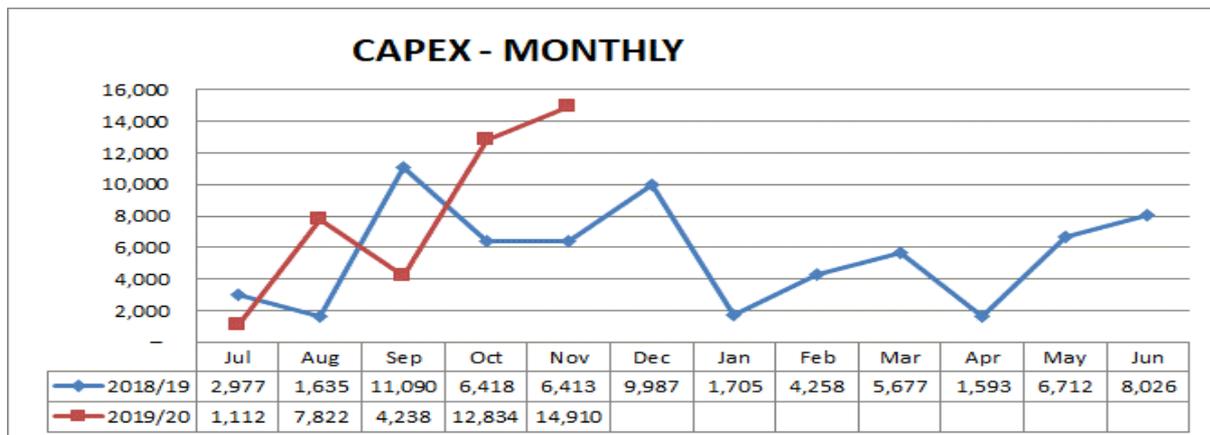
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of November 2019, R14, 910 million spending was incurred and that increased the year to date expenditure to R42, 006 million whilst the year to date budget is R44, 290 million and this gave rise to under spending variance of R2, 283 million that translates to 5%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R95, 654 million, R54, 921 million is funded from Municipal Infrastructure grant, R19, 000 million from Integrated National Electrification Programme and R21, 733 million from own revenue and the spending per source of finance is presented in the above graph.

**Figure 2: Monthly capital expenditure**



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

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

Description	2018/19	Budget Year 2019/20			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	3,136	4,882		2,271	4,882
Call investment deposits	67,292	24,155		–	24,155
Consumer debtors	45,009	41,950		48,639	41,950
Other debtors	89,584	40,727		61,332	40,727
Current portion of long-term receivables	–	–		–	–
Inventory	6,328	3,300		8,930	3,300
<b>Total current assets</b>	<b>211,349</b>	<b>115,014</b>	<b>–</b>	<b>121,172</b>	<b>115,014</b>
<b>Non current assets</b>					
Long-term receivables	–	–			–
Investments	–	–			–
Investment property	54,139	53,739		58,240	53,739
Investments in Associate	–	–			–
Property, plant and equipment	997,723	1,055,765		1,047,010	1,055,765
Biological					
Intangible	85	85		39	85
Other non-current assets	1,237	13,476		37	13,476
<b>Total non current assets</b>	<b>1,053,184</b>	<b>1,123,066</b>	<b>–</b>	<b>1,105,327</b>	<b>1,123,066</b>
<b>TOTAL ASSETS</b>	<b>1,264,533</b>	<b>1,238,080</b>	<b>–</b>	<b>1,226,499</b>	<b>1,238,080</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–			–
Borrowing	5,002	9,686		10,982	9,686
Consumer deposits	5,373	4,860		5,502	4,860
Trade and other payables	126,449	60,924		77,941	60,924
Provisions	3,715	5,658		11,358	5,658
<b>Total current liabilities</b>	<b>140,539</b>	<b>81,128</b>	<b>–</b>	<b>105,784</b>	<b>81,128</b>
<b>Non current liabilities</b>					
Borrowing	23,097	13,554		13,469	13,554
Provisions	98,000	90,142		85,088	90,142
<b>Total non current liabilities</b>	<b>121,097</b>	<b>103,696</b>	<b>–</b>	<b>98,557</b>	<b>103,696</b>
<b>TOTAL LIABILITIES</b>	<b>261,637</b>	<b>184,824</b>	<b>–</b>	<b>204,341</b>	<b>184,824</b>
<b>NET ASSETS</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,022,158</b>	<b>1,053,256</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,002,897	1,053,256		1,022,158	1,053,256
Reserves	–	–		–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,002,897</b>	<b>1,053,256</b>	<b>–</b>	<b>1,022,158</b>	<b>1,053,256</b>

The above table shows that community wealth amounts to R1, 022 billion, total liabilities R204, 341 million and the total assets R1, 226 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 0.87:1 that is slightly above the norm of 1. The municipality still needs to reduce the current liabilities and increase the current assets to strengthen the liquidity ratio.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	18,029	21,878		2,102	10,715	11,576	(861)	-7%	21,878
Service charges	69,861	91,398		7,650	35,101	29,711	5,390	18%	91,398
Other revenue	30,398	17,441		1,970	10,334	23,865	(13,531)	-57%	17,441
Government - operating	186,331	272,618		19,963	134,629	102,296	32,333	32%	272,618
Government - capital	93,601	73,921		5,000	35,967	35,900	67	0%	73,921
Interest	3,493	3,861		52	1,718	3,021	(1,303)	-43%	3,861
Dividends	-	-					-		-
<b>Payments</b>									
Suppliers and employees	(280,260)	(372,021)		(27,314)	(211,501)	(203,275)	8,226	-4%	(372,021)
Finance charges	(1,397)	(2,505)		(217)	(1,203)	(1,044)	159	-15%	(2,505)
Transfers and Grants	(1,919)	(3,740)		(119)	(915)	(1,520)	(605)	40%	(3,740)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>118,137</b>	<b>102,851</b>	<b>-</b>	<b>9,087</b>	<b>14,846</b>	<b>530</b>	<b>(14,316)</b>	<b>-2703%</b>	<b>102,851</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	3,022	-		-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-		2,846	10,082	-	10,082	#DIV/0!	-
Decrease (increase) other non-current receivables	150	-		-	-	-	-		-
Decrease (increase) in non-current investments	-	-		-	-	-	-		-
<b>Payments</b>									
Capital assets	(48,052)	(88,001)		(14,910)	(43,895)	(35,603)	8,292	-23%	(88,001)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(44,880)</b>	<b>(88,001)</b>	<b>-</b>	<b>(12,064)</b>	<b>(33,813)</b>	<b>(35,603)</b>	<b>(1,790)</b>	<b>5%</b>	<b>(88,001)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	-					-		-
Increase (decrease) in consumer deposits	124	(400)		2	117	(916)	1,033	-113%	(400)
<b>Payments</b>									
Repayment of borrowing	(9,147)	(9,686)		(790)	(3,860)	(3,533)	327	-9%	(9,686)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(9,023)</b>	<b>(10,086)</b>	<b>-</b>	<b>(788)</b>	<b>(3,743)</b>	<b>(4,448)</b>	<b>(705)</b>	<b>16%</b>	<b>(10,086)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>64,234</b>	<b>4,764</b>	<b>-</b>	<b>(3,765)</b>	<b>(22,711)</b>	<b>(39,522)</b>			<b>4,764</b>
Cash/cash equivalents at beginning:	6,194	24,273			24,982	24,273			24,982
Cash/cash equivalents at month/year end:	70,428	29,037	-		2,271	(15,249)			29,746

Table C7 presents details pertaining to cash flow performance. As at end of November 2019, the net cash inflow from operating activities is R14, 846 million whilst net cash outflow from investing activities is R33, 813 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R3, 743 million. The cash and cash equivalent held at end of November 2019 amounted to R2, 771 million and the net effect of the above cash flows is cash inflow movement of R22, 711 million. The cash and cash equivalent at end of the reporting period of R6, 036 million, is made up of cash in the primary bank account amounting to R2, 771 million and no short-term investment.

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	2%	The projected monthly revenue appear to be low in light of the actual revenue performance	There might be upwards revenue adjustment should the account continue to underperform
Service charges - electricity revenue	4%	The projected monthly revenue appear to be too lower in light of the actual revenue performance	There might be upwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	41%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Rental of facilities and equipment	-36%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	33%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Interest earned - outstanding debtors	118%	The projected interest to be realised was underprojected	The budget will be adjusted upwards in the main adjustment budget
Fines, penalties and forfeits	-94%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Licences and permits	35%	The actual revenue generated is more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Transfers and subsidies	99%	The first and second tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	10%	The actual revenue generated is more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
<b>Expenditure By Type</b>			
Employee related costs	-4%	The actual expenditure incurred on employee related costs is less than the projected monthly expenditure	No remedial action is needed as there is a slight variance
Remuneration of councillors	-5%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed as there is a slight variance
Depreciation & asset impairment	-100%	Depreciation is still calculated bi-annually.	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-8%	Finance charges is mainly for finance lease and the leased invoices are in line with amortisation schedule.	all invoices of that particular month needs to be captured on the Munsoft system before month end closure.
Bulk purchases	-8%	The actual expenditure incurred for bulk purchase is more than the projections thereof.	The budget will be adjusted downwards in the main adjustment budget
Other materials	-48%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Contracted services	20%	The actual expenditure incurred is more than the projected monthly expenditure	The Line item will be monitored at measure to cap the expenditure will be implemented
Transfers and subsidies	-40%	The actual expenditure incurred was less than the projected monthly expenditure	There might be downwards expenditure adjustment should the account continue to underperform
Other expenditure	21%	The actual expenditure incurred is more than the projected monthly expenditure	The budget will be monitored for adjustment should the trend continue

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	3%	The spending on grants funded capital projects are in line with the projected expenditure thereof	No remedial action is needed
Internally generated funds	-32%	The spending on internally generated funded capital projects is less than the projected expenditure thereof	No remedial action is needed
<b>Cash Flow</b>			
Property rates	-7%	The collection rate on property rates is less than the projections thereof.	To review the projected collection rate during adjustment
Service charges	18%	The collection rate on service charges is above the projected rate	To review the projected collection rate during adjustment
Other revenue	-57%	The collection rate on tender documents (grants funded) and other sources of funds for 2019/20 are not performing as projected	This need to be looked into
Government - operating	32%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Interest	-43%	Interest on Outstanding Debtors isn't as projected due to the under collection from debtors	Finance department to strengthen the credit control measures in ensuring improved collection rate
Suppliers and employees	-4%	The actual costs incurred is above the projected costs	No remedial action is needed
Capital assets	-23%	The projected capital expenditure on capex is lower than the actual spending thereof	No remedial action is needed
Transfers and Grants	40%	The payments relating to this account are slightly lower projected for the previous months	No remedial action is needed
Increase (decrease) in consumer deposits	-113%	Consumer deposits were significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	-9%	Projected repayments were lower than the actual Payment	No remedial action is needed

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

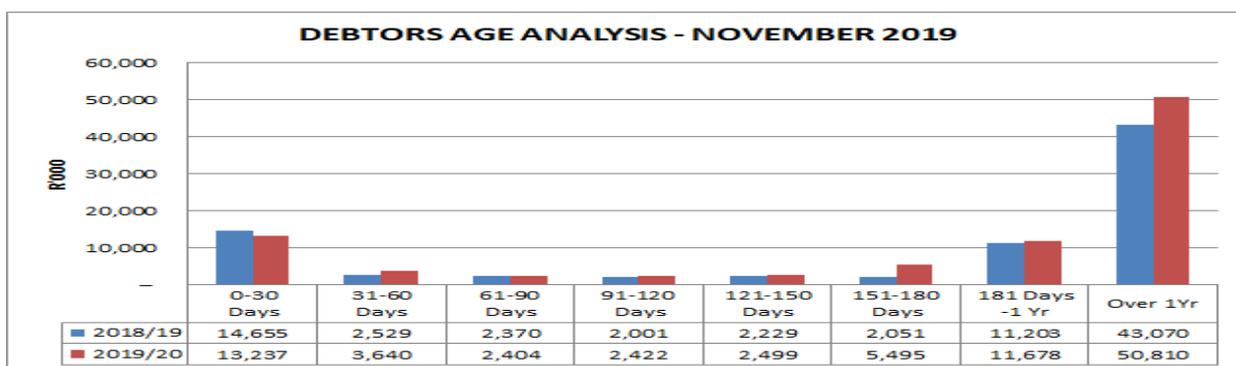
Description	Budget Year 2019/20											Actual Bad Debts Written Off	Impairment Bad Debts		
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days					
<b>Debtors Age Analysis By Income Source</b>															
Trade and Other Receivables from Exchange Transactions - Water															
Trade and Other Receivables from Exchange Transactions - Electricity	8,096	836	103	81	102	49	330	2,831	12,429	3,394					
Receivables from Non-exchange Transactions - Property Rates	2,991	1,380	1,106	1,087	1,048	4,178	4,590	22,700	39,078	33,602					
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-					
Receivables from Exchange Transactions - Waste Management	702	441	386	378	392	346	2,067	7,305	12,016	10,487					
Receivables from Exchange Transactions - Property Rental Debtors	42	9	8	9	64	49	73	811	1,066	1,007					
Interest on Arrear Debtor Accounts	974	941	909	880	852	790	4,340	17,140	26,826	24,003					
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-					
Other	432	34	(108)	(12)	41	84	277	22	770	412					
<b>Total By Income Source</b>	<b>13,237</b>	<b>3,640</b>	<b>2,404</b>	<b>2,422</b>	<b>2,499</b>	<b>5,495</b>	<b>11,678</b>	<b>50,810</b>	<b>92,185</b>	<b>72,904</b>					
<b>2018/19 - totals only</b>	<b>14,655</b>	<b>2,529</b>	<b>2,370</b>	<b>2,001</b>	<b>2,229</b>	<b>2,051</b>	<b>11,203</b>	<b>43,070</b>	<b>80,108</b>	<b>60,554</b>					
<b>Debtors Age Analysis By Customer Group</b>															
Organs of State	1,628	744	491	550	585	1,165	2,452	11,164	18,778	15,915					
Commercial	6,782	922	355	320	331	464	1,186	7,617	17,977	9,918					
Households	3,989	1,453	1,051	1,047	1,019	1,443	5,643	20,374	36,018	29,525					
Other	838	522	506	505	564	2,424	2,397	11,656	19,412	17,546					
<b>Total By Customer Group</b>	<b>13,237</b>	<b>3,640</b>	<b>2,404</b>	<b>2,422</b>	<b>2,499</b>	<b>5,495</b>	<b>11,678</b>	<b>50,810</b>	<b>92,185</b>	<b>72,904</b>					

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of November amount to R92, 185 million. The debtors' book is made up as follows:

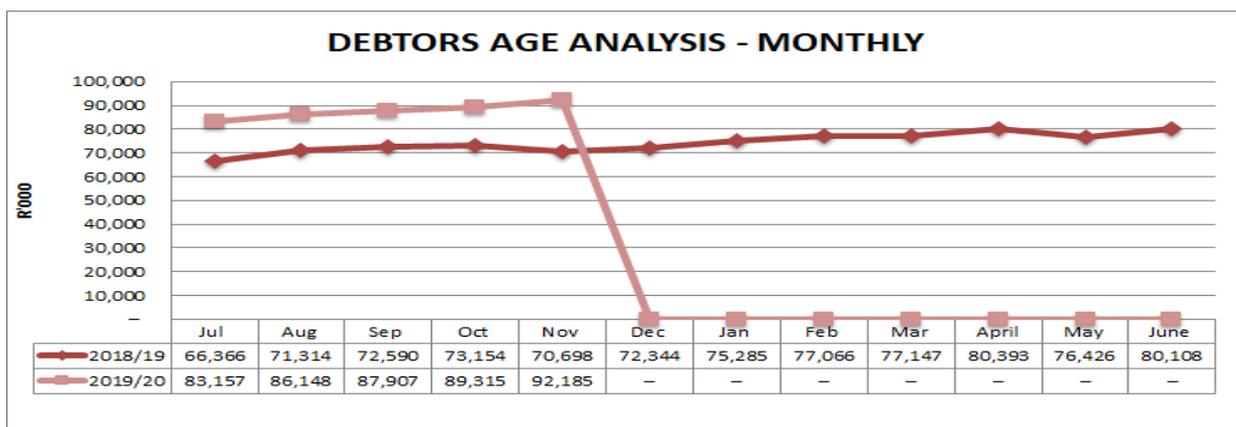
- Rates 42%
- Electricity 13%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 29%
- Other 1%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



The initial graph compares debtors' age analysis for 2018/19 financial year and 2019/20 (as at end of November 2019) whilst the latter shows monthly movement of debtors for both the current financial year and the 2018/19 financial year. The debtors book is materially less than the 2019/20 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

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

## TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,688,953.03
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	936,188.98
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	567,240.95
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	260,866.99
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	259,347.53
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	258,968.82
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	230,166.18
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	228,332.22
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	213,535.68
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	211,866.14
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	194,168.73
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	189,789.09
2913	SHOPRITE/CHECKERS	ACTIVE	OCCUPIER	187,646.45
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	185,769.15
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	183,829.75
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	182,549.03
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	177,936.46
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	ACTIVE	OCCUPIER	176,853.96
918203	MOKHABELA QE(A/S1187	ACTIVE	OWNER	170,468.95
9001101	BLUE MAGNOLIA TRADING 507 CC	ACTIVE	OWNER	169,653.80
<b>TOTAL</b>				<b>6,674,131.89</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2019/20									Prior year totals for chart	
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity										-	
Bulk Water										-	
PAYE deductions										-	
VAT (output less input)										-	
Pensions / Retirement deductions										-	
Loan repayments										-	
Trade Creditors										-	
Auditor General										-	
Other										-	
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-	-

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

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are 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
41095	REAKGONA TRAVEL SERVICES	234,800.00
31905	MORANA TRADING ENTERPRISES	161,500.00
80653	BABIRWA TRAVEL	51,127.85
35549	MATUBULA (PTY) LTD	28,400.00
80574	KJ MALOA HOLDINGS	27,542.50
41090	TOKOLLO INVESTMENTS	26,500.00
80951	SELAPE MAP TRADING AND PROJECT	23,000.00
37647	MAHLAKO LE NGWAKETSE CATERING	22,500.00
80138	MAKABONGIWE TRADING	21,000.00
80962	OREDITETSE FINANCIAL SOLUTION	19,700.00
80964	DIPOTATENG TRADING ENTERPRISE	12,720.00
80963	SIYALOVE TRADING AND PROJECTS	12,510.00
80965	NKORO KAMOGELO TRADING	9,180.00
80960	CHEF MOETAPELE CATERING	9,127.00
80342	REDIRA SINTLE TRADING	8,960.00
41065	BAFISABOKE TRADING	6,050.00
59	DIBATSELA BUSINESS ENTERPRISE	5,825.00
80961	SETEBATEBE CATERING SERVICES	5,250.00
35537	LATHULA NAKEDI TRADE & GENERAL	5,199.96
40091	AREYENGPHAMBILI	3,800.00
<b>TOTAL</b>		<b>694,692.31</b>

The above table presents the top creditors paid during the month of November 2019 and an amount of R694, 692 million were paid to these creditors within 30 days.

### Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate <sup>3</sup>	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
<b>Municipality</b>									
Nedbank 03/7881068264/0037	1 Month	Current Invest	5.20%	31-Oct-19	41,099	-	(41,099)	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>					<b>41,099</b>		<b>(41,099)</b>	<b>-</b>	<b>-</b>

Supporting table SC5 presents all investment movements, and it indicates that the municipality had opening investment amount of R41, 099 thousand, which is made of interest from previous month and the whole is withdrawn, currently the municipality has no investment.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>90,289</b>	<b>204,955</b>	<b>102,296</b>	<b>102,796</b>	<b>100%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		89,670	201,757	98,961	102,796	104%	269,009
Finance Management	1,770	2,235		-	2,235	2,235			2,235
EPWP Incentive	1,002	1,374		619	963	1,100	(137)	-12%	1,374
Energy Efficiency and Demand Management	5,000	-		-	-	-			-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Operating Transfers and Grants</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>90,289</b>	<b>204,955</b>	<b>102,296</b>	<b>102,796</b>	<b>100%</b>	<b>272,618</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>5,000</b>	<b>35,967</b>	<b>35,900</b>	<b>67</b>	<b>0%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		-	21,967	25,000	(3,033)	-12%	54,921
Integrated National Electrification Grant	10,009	19,000		5,000	14,000	10,900	3,100	28%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development	21,771	-		-	-	-	-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>94,050</b>	<b>73,921</b>	<b>-</b>	<b>5,000</b>	<b>35,967</b>	<b>35,900</b>	<b>67</b>	<b>0%</b>	<b>73,921</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>339,328</b>	<b>346,539</b>	<b>-</b>	<b>95,289</b>	<b>240,922</b>	<b>138,196</b>	<b>102,726</b>	<b>74%</b>	<b>346,539</b>

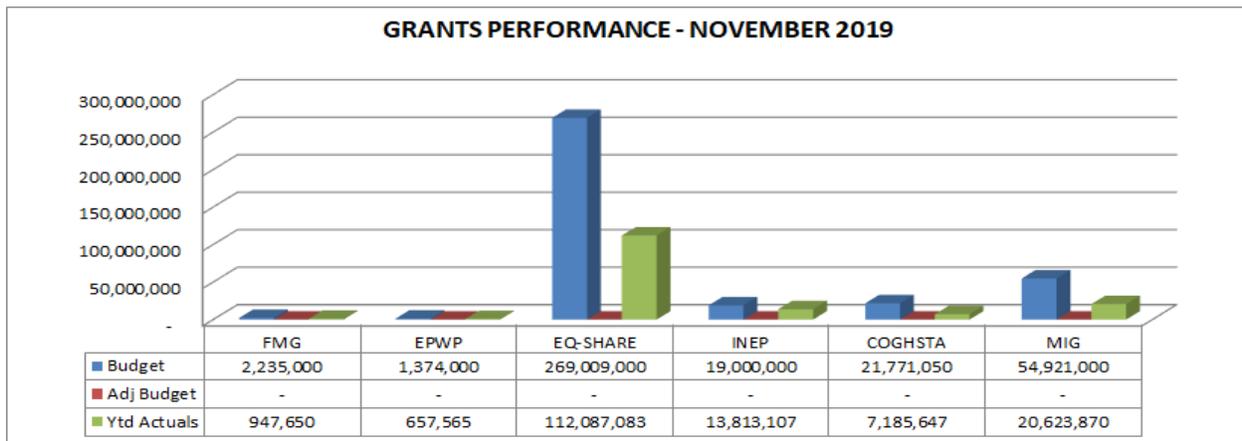
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R240, 922 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R201 757 million; Integrated National Electrification Programme amounting to R14 000 million and Municipal Infrastructure Grant amounting to R21 968 million, Expanded Public Works Programme R963 thousand, Financial Management Grant amounting to R2, 235 million were received. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,605</b>	<b>113,692</b>	<b>101,646</b>	<b>12,046</b>	<b>12%</b>	<b>272,618</b>
Local Government Equitable Share	237,506	269,009		22,417	112,087	98,961	13,126	13%	269,009
Finance Management	1,770	2,235		56	948	2,235	(1,287)	-58%	2,235
EPWP Incentive	1,002	1,374		132	658	450	208	46%	1,374
Energy Efficiency and Demand Management	5,000	-				-	-		-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>245,278</b>	<b>272,618</b>	<b>-</b>	<b>22,605</b>	<b>113,692</b>	<b>101,646</b>	<b>12,046</b>	<b>12%</b>	<b>272,618</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>72,279</b>	<b>73,921</b>	<b>-</b>	<b>11,320</b>	<b>34,437</b>	<b>35,900</b>	<b>(1,463)</b>	<b>-4%</b>	<b>73,921</b>
Municipal Infrastructure Grant (MIG)	62,270	54,921		11,320	20,624	25,000	(4,376)	-18%	54,921
Intergrated National Electrification Grant	10,009	19,000		-	13,813	10,900	2,913	27%	19,000
<b>Provincial Government:</b>	<b>21,771</b>	<b>21,771</b>	<b>-</b>	<b>4,137</b>	<b>7,186</b>	<b>4,256</b>	<b>2,929</b>	<b>69%</b>	<b>21,771</b>
Coghsta - Development	21,771	21,771		4,137	7,186	4,256	2,929	69%	21,771
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total capital expenditure of Transfers and Grants</b>	<b>94,050</b>	<b>95,692</b>	<b>-</b>	<b>15,457</b>	<b>41,623</b>	<b>40,156</b>	<b>1,466</b>	<b>4%</b>	<b>95,692</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>339,328</b>	<b>368,310</b>	<b>-</b>	<b>38,062</b>	<b>155,315</b>	<b>141,802</b>	<b>13,512</b>	<b>10%</b>	<b>368,310</b>

An amount of R38, 062 million has been spent on grants during the month of November 2019 and the year to date actuals is 155, 315 million whilst the year to date budget amounts to R141, 802 million and this results in overspending variance of R13, 512 million that translates to positive 10%. Of the total spending amounting to R38, 062 million, R22, 605 million is spent on operational grants whilst R15, 457 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 November 2019. The grants expenditure are shown below in percentages:

- Financial Management Grant 42.40%
- Expanded Public Work Programme 47.86%
- Equitable Share 41.67%
- Integrated National Electrification Grant 72.70%
- COGHSTA – Masakaneng Development 33.01%
- Municipal Infrastructure Grant 37.55%

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

Description	Budget Year 2019/20				
	Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance
<b>EXPENDITURE</b>					
<b>Operating expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	-
Local Government Equitable Share	-		-	-	-
Finance Management	-		-	-	-
EPWP Incentive	-		-	-	-
Energy Efficiency and Demand Management	-			-	-
<b>Provincial Government:</b>	-	-	-	-	-
N/A				-	-
<b>District Municipality:</b>	-	-	-	-	-
N/A				-	-
<b>Other grant providers:</b>	-	-	-	-	-
N/A				-	-
<b>Total operating expenditure of Approved Roll-overs</b>	-	-	-	-	-
<b>Capital expenditure of Approved Roll-overs</b>					
<b>National Government:</b>	-	-	-	-	
Municipal Infrastructure Grant (MIG)	-	-	-	-	-
Intergrated National Electrification Grant				-	
<b>Provincial Government:</b>	-	-	-	-	-
Coghsta - Development				-	
<b>District Municipality:</b>	-	-	-	-	
N/A	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	
N/A				-	
<b>Total capital expenditure of Approved Roll-overs</b>	-	-	-	-	-
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>	-	-	-	-	-

Table SC7 (2) provides details for expenditure on approved rollovers. The municipality applied for Municipal Infrastructure Grant roll over (amount not spend in 2018-19 financial year). Roll over approval amounted to R1, 500 million which relate to MIG and will be implemented during the adjustment budget.

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

Summary of Employee and Councillor remuneration	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,450	15,201		1,126	6,048	6,334	(286)	-5%	15,201
Pension and UIF Contributions	1,657	1,744		140	684	726	(42)	-6%	1,744
Medical Aid Contributions	351	369		27	137	154	(16)	-11%	369
Motor Vehicle Allowance	5,334	5,611		414	2,049	2,338	(289)	-12%	5,611
Cellphone Allowance	2,499	2,629		226	1,121	1,095	26	2%	2,629
Housing Allowances	-	-					-		-
Other benefits and allowances	-	-		18	90		90	#DIV/0!	-
<b>Sub Total - Councillors</b>	<b>24,291</b>	<b>25,554</b>	<b>-</b>	<b>1,951</b>	<b>10,130</b>	<b>10,648</b>	<b>(518)</b>	<b>-5%</b>	<b>25,554</b>
<b>% increase</b>		<b>5%</b>							<b>5%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,532	5,150		359	1,793	2,146	(352)	-16%	5,150
Pension and UIF Contributions	245	172		13	67	72	(4)	-6%	172
Medical Aid Contributions	102	64		7	33	27	6	23%	64
Overtime	-	-					-		-
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	760	918		55	274	383	(109)	-28%	918
Cellphone Allowance	141	188		14	71	79	(8)	-10%	188
Housing Allowances	-	-					-		-
Other benefits and allowances	528	331		18	88	14	74	515%	331
Payments in lieu of leave	-	-					-		-
Long service awards	-	-					-		-
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,308</b>	<b>6,824</b>	<b>-</b>	<b>465</b>	<b>2,326</b>	<b>2,719</b>	<b>(394)</b>	<b>-14%</b>	<b>6,824</b>
<b>% increase</b>		<b>8%</b>							<b>8%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	79,451	91,339		7,365	37,691	38,058	(367)	-1%	91,339
Pension and UIF Contributions	16,141	18,714		1,491	7,444	7,797	(354)	-5%	18,714
Medical Aid Contributions	4,726	4,761		449	2,233	1,984	249	13%	4,761
Overtime	2,108	1,948		85	517	812	(295)	-36%	1,948
Performance Bonus	-	-					-		-
Motor Vehicle Allowance	10,043	11,571		926	4,629	4,821	(193)	-4%	11,571
Cellphone Allowance	1,147	1,171		149	745	488	257	53%	1,171
Housing Allowances	160	437		15	73	668	(595)	-89%	437
Other benefits and allowances	8,638	8,329		87	529	331	198	60%	8,329
Payments in lieu of leave	1,173	1,951		40	271	813	(542)	-67%	1,951
Long service awards	578	486		-	97	168	(71)	-42%	486
Post-retirement benefit obligations	-	-					-		-
<b>Sub Total - Other Municipal Staff</b>	<b>124,165</b>	<b>140,707</b>	<b>-</b>	<b>10,607</b>	<b>54,227</b>	<b>55,939</b>	<b>(1,713)</b>	<b>-3%</b>	<b>140,707</b>
<b>% increase</b>		<b>13%</b>							<b>13%</b>
<b>Total Parent Municipality</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>13,023</b>	<b>66,682</b>	<b>69,306</b>	<b>(2,624)</b>	<b>-4%</b>	<b>173,085</b>
		<b>12%</b>							<b>12%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>154,764</b>	<b>173,085</b>	<b>-</b>	<b>13,023</b>	<b>66,682</b>	<b>69,306</b>	<b>(2,624)</b>	<b>-4%</b>	<b>173,085</b>
<b>% increase</b>		<b>12%</b>							<b>12%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>130,473</b>	<b>147,530</b>	<b>-</b>	<b>11,072</b>	<b>56,553</b>	<b>58,659</b>	<b>(2,106)</b>	<b>-4%</b>	<b>147,530</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of November 2019 amounts to R66, 682 million and the year to date budget is R69, 306 million and the expenditure for remuneration of councilors

amounts to R10, 130 million while the year to date budget is R10, 648 million. The year to date actual expenditure for senior managers is R2, 326 million and the year to date budget thereof is R2, 719 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 R54, 227 million and the year to date budget is R55, 939 million. The remuneration of councilors, senior manager and other municipal staff category has under spending variance, and there is only one vacant position in the senior management level and the position will be filled.

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

Description	Budget Year 2019/20											
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June
	Outcome	Outcome	Outcome	Outcome	Outcome	Budget						
<b>Cash Receipts By Source</b>												
Property rates	2,340	2,014	2,246	2,012	2,102	1,823	1,823	1,823	1,823	1,823	1,823	224
Service charges - electricity revenue	5,598	6,336	6,911	7,093	7,290	6,741	6,741	6,741	6,741	6,741	6,741	13,709
Service charges - water revenue												-
Service charges - sanitation revenue												-
Service charges - refuse	428	406	338	342	360	335	335	335	335	335	335	135
Rental of facilities and equipment	17	188	59	24	34	59	59	59	59	59	59	30
Interest earned - external investments	425	456	233	41	-	245	245	245	245	245	245	318
Interest earned - outstanding debtors	150	133	127	102	52	76	76	76	76	76	76	(106)
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	800	800	800	800	800	800	4,801
Licences and permits	475	481	456	521	415	456	456	456	456	456	456	387
Agency services	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	112,431	2,235	-	-	19,963	23,135	23,135	23,135	23,135	23,135	23,135	(820)
Other revenue	1,285	1,215	2,271	1,371	1,521	139	139	139	139	139	139	(6,831)
<b>Cash Receipts by Source</b>	<b>123,149</b>	<b>13,464</b>	<b>12,640</b>	<b>11,507</b>	<b>31,737</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>33,809</b>	<b>11,847</b>
<b>Other Cash Flows by Source</b>												-
Transfer receipts - capital	30,967	-	-	-	5,000	6,160	6,160	6,160	6,160	6,160	6,160	993
Contributions & Contributed assets												-
Proceeds on disposal of PPE												-
Short term loans												-
Borrowing long term/refinancing												-
Increase in consumer deposits	56	113	61	(115)	2							(517)
Receipt of non-current debtors			4,651	2,585	2,846							(10,082)
Receipt of non-current receivables												-
Change in non-current investments												-
<b>Total Cash Receipts by Source</b>	<b>154,172</b>	<b>13,577</b>	<b>17,352</b>	<b>13,977</b>	<b>39,585</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>39,969</b>	<b>2,242</b>
<b>Cash Payments by Type</b>												-
Employee related costs	11,243	11,085	11,107	12,045	11,072	12,609	12,609	12,609	12,609	12,609	12,609	15,325
Remuneration of councillors	1,936	1,903	2,102	2,238	1,951	2,130	2,130	2,130	2,130	2,130	2,130	2,647
Interest paid	255	-	-	731	217	207	207	207	207	207	207	58
Bulk purchases - Electricity	85	8,918	9,123	7,369	6,053	6,382	6,382	6,382	6,382	6,382	6,382	11,098
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	289	598	990	1,306	803	773	773	773	773	773	773	494
Contracted services	7,339	3,265	7,503	8,035	5,181	4,990	4,990	4,990	4,990	4,990	4,990	(4,996)
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	3,740
Grants and subsidies paid - other	217	228	142	209	119	312	312	312	312	312	312	(2,785)
General expenses	6,799	3,168	4,748	5,317	2,254	4,247	4,247	4,247	4,247	4,247	4,247	(5,213)
<b>Cash Payments by Type</b>	<b>28,163</b>	<b>29,164</b>	<b>35,715</b>	<b>37,250</b>	<b>27,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>31,650</b>	<b>20,369</b>
<b>Other Cash Flows/Payments by Type</b>												-
Capital assets	1,421	9,187	5,542	12,834	14,910	6,452	6,452	6,452	6,452	6,452	6,452	5,394
Repayment of borrowing	754	763	771	781	790	807	807	807	807	807	807	983
Other Cash Flows/Payments	38,713	6,411	-	9,746	-	838	838	838	838	838	838	(49,842)
<b>Total Cash Payments by Type</b>	<b>69,053</b>	<b>45,525</b>	<b>42,028</b>	<b>60,612</b>	<b>43,350</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>39,747</b>	<b>(23,097)</b>

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 R39, 585 million and the total cash payment for the month were R43, 350 million and this resulted in net decrease in cash held amounting to R3, 765 million. With cash and cash equivalent of R6, 036 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R2, 271 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July	4,292	9,466		1,112	1,112	9,466	8,353	88%	1%
August	1,635	3,712		7,822	8,934	13,178	4,244	32%	9%
September	9,816	14,062		4,238	13,172	27,239	14,068	52%	14%
October	5,461	8,364		12,834	26,006	35,603	9,597	27%	27%
November	6,413	8,687		14,910	40,916	44,290	3,374	8%	43%
December	7,217	9,913				54,203	-		
January	2,762	8,429				62,632	-		
February	5,583	4,675				67,307	-		
March	2,500	10,432				77,739	-		
April	5,844	4,917				82,656	-		
May	8,105	5,184				87,840	-		
June	11,742	7,813				95,654	-		
<b>Total Capital expenditure</b>	<b>71,370</b>	<b>95,654</b>	<b>-</b>	<b>40,916</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of November amounts to R14, 910 million. The year to date actual expenditure incurred is R40, 916 million whilst the year to date budget is R44, 290 million that gives rise to under spending variance of R3, 374 million that translate to 8%.

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	47,545	53,043	-	4,746	21,275	21,824	549	3%	53,043
<b>Roads Infrastructure</b>	34,057	33,521	-	4,259	8,708	13,057	4,349	33%	33,521
Roads	34,057	33,521		4,259	8,708	13,057	4,349	33%	33,521
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	13,487	19,522	-	487	12,567	8,767	(3,800)	-43%	19,522
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	13,487	19,522		487	12,567	8,767	(3,800)	-43%	19,522
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	4,947	900	-	-	-	567	567	100%	900
Operational Buildings	4,947	900	-	-	-	567	567	100%	900
Municipal Offices	4,947	900				567	567	100%	900
Pay/Enquiry Points							0%		
Building Plan Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
<b>Computer Equipment</b>	1,000	500	-	-	-	420	420	100%	500
Computer Equipment	1,000	500				420	420	100%	500
<b>Furniture and Office Equipment</b>	400	400	-	4	4	317	313	99%	400
Furniture and Office Equipment	400	400		4	4	317	313	99%	400
<b>Machinery and Equipment</b>	300	2,326	-	50	343	1,909	1,567	82%	2,326
Machinery and Equipment	300	2,326		50	343	1,909	1,567	82%	2,326
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on new assets</b>	54,192	57,169	-	4,799	21,622	25,037	3,415	14%	57,169

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	40,944	21,663	-	7,320	12,353	8,687	(3,665)	-42%	21,663
<b>Roads Infrastructure</b>	40,944	21,663	-	7,320	12,353	8,687	(3,665)	-42%	21,663
Roads	40,944	21,663		7,320	12,353	8,687	(3,665)	-42%	21,663
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Community Assets</b>	522	-	-	-	-	-	-		-
Community Facilities	522	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria	522	-					-		
Police							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>41,466</b>	<b>21,663</b>	<b>-</b>	<b>7,320</b>	<b>12,353</b>	<b>8,687</b>	<b>(3,665)</b>	<b>-42.2%</b>	<b>21,663</b>

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	6,704	6,756	-	494	1,691	3,324	1,633	49%	6,756
<b>Roads Infrastructure</b>	2,000	2,000	-	-	107	1,167	1,060	91%	2,000
Roads	2,000	2,000		-	107	1,167	1,060	91%	2,000
Road Structures							-		
Road Furniture							-		
<b>Electrical Infrastructure</b>	1,000	1,052	-	51	510	614	104	17%	1,052
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,000	1,052		51	510	614	104	17%	1,052
<b>Solid Waste Infrastructure</b>	3,704	3,704	-	443	1,074	1,543	469	30%	3,704
Landfill Sites	3,704	3,704		443	1,074	1,543	469	30%	3,704
Waste Transfer Stations							-		
<b>Other assets</b>	1,000	1,052	-	277	597	614	17	3%	1,052
Operational Buildings	1,000	1,052	-	277	597	614	17	3%	1,052
Municipal Offices	1,000	1,052		277	597	614	17	3%	1,052
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-	-	-
Solid Waste Licenses							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	1,670	1,757	-	-	648	1,054	406	39%	1,757
Machinery and Equipment	1,670	1,757		-	648	1,054	406	39%	1,757
<b>Transport Assets</b>	1,000	1,052	-	201	816	701	(115)	-16%	1,052
Transport Assets	1,000	1,052		201	816	701	(115)	-16%	1,052
<b>Total Repairs and Maintenance Expenditure</b>	<b>10,374</b>	<b>10,617</b>	<b>-</b>	<b>972</b>	<b>3,752</b>	<b>5,693</b>	<b>1,941</b>	<b>34%</b>	<b>10,617</b>

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>34,653</b>	<b>39,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,679</b>	<b>14,679</b>	<b>100%</b>	<b>39,133</b>
<b>Roads Infrastructure</b>	<b>25,147</b>	<b>29,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,139</b>	<b>12,139</b>	<b>100%</b>	<b>29,133</b>
Roads	25,147	29,133				12,139	12,139	100%	29,133
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	3,712	3,905	-	-	-	-	-		3,905
Attenuation							-		
<b>Electrical Infrastructure</b>	<b>5,166</b>	<b>5,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,264</b>	<b>2,264</b>	<b>100%</b>	<b>5,434</b>
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	5,166	5,434				2,264	2,264	100%	5,434
MV Networks							-		
<b>Solid Waste Infrastructure</b>	<b>629</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276</b>	<b>276</b>	<b>100%</b>	<b>662</b>
Landfill Sites	629	662				276	276	100%	662
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>2,918</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,279</b>	<b>1,279</b>	<b>100%</b>	<b>3,070</b>
Community Facilities	2,918	3,070	-	-	-	1,279	1,279	100%	3,070
Libraries							-		
Cemeteries/Crematoria	2,918	3,070				1,279	1,279	100%	3,070
Police							-		
<b>Other assets</b>	<b>2,180</b>	<b>2,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>955</b>	<b>955</b>	<b>0</b>	<b>2,293</b>
Operational Buildings	2,180	2,293	-	-	-	955	955	100%	2,293
Municipal Offices	2,180	2,293				955	955	100%	2,293
Workshops							-		
<b>Intangible Assets</b>	<b>378</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>875</b>	<b>875</b>	<b>100%</b>	<b>398</b>
Servitudes							-		
Licences and Rights	378	398	-	-	-	875	875	100%	398
Computer Software and Applications	378	398				875	875	100%	398
<b>Computer Equipment</b>	<b>1,518</b>	<b>1,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>665</b>	<b>665</b>	<b>100%</b>	<b>1,597</b>
Computer Equipment	1,518	1,597				665	665	100%	1,597
<b>Furniture and Office Equipment</b>	<b>3,817</b>	<b>4,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,673</b>	<b>1,673</b>	<b>100%</b>	<b>4,015</b>
Furniture and Office Equipment	3,817	4,015				1,673	1,673	100%	4,015
<b>Machinery and Equipment</b>	<b>2,175</b>	<b>2,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>953</b>	<b>953</b>	<b>100%</b>	<b>2,288</b>
Machinery and Equipment	2,175	2,288				953	953	100%	2,288
<b>Transport Assets</b>	<b>3,542</b>	<b>3,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,553</b>	<b>1,553</b>	<b>100%</b>	<b>3,727</b>
Transport Assets	3,542	3,727				1,553	1,553	100%	3,727
<b>Total Depreciation</b>	<b>51,181</b>	<b>56,520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,633</b>	<b>22,633</b>	<b>100%</b>	<b>56,520</b>

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	1,600	14,346	-	2,400	7,512	9,305	1,794	19%	14,346
<b>Roads Infrastructure</b>	-	14,346	-	2,400	7,512	9,305	1,794	19%	14,346
Roads		14,346		2,400	7,512	9,305	1,794	19%	14,346
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance							-		
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
<b>Solid Waste Infrastructure</b>	1,600	-	-	-	-	-	-		-
Landfill Sites	1,600	-				-	-		-
Waste Transfer Stations							-		
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
<b>Other assets</b>	-	2,476	-	390	520	1,260	740	0	2,476
Operational Buildings	-	2,476	-	390	520	1,260	740	59%	2,476
Municipal Offices	-	2,476		390	520	1,260	740	59%	2,476
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	1,600	16,822	-	2,790	8,032	10,565	2,533	24%	16,822

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 R21, 622 million and the year to date budget is R25, 037 million that reflects under spending variance of R3, 415 million that translates to 14% variance.

The year to date actuals on renewal of existing assets amounts R12, 353 million, and with the year to date budget of R8, 687 million and this reflects over spending variance of R3, 665 that translates to 42.2% variance.

The year to date actual expenditure on repairs and maintenance is R3, 752 million and the year to date budget is R5, 693 million, reflecting under spending variance of R1, 941 million that translates to 34%.

The year to date actual expenditure on upgrading of existing assets is R8, 032 million and the year to date budget is R10, 565 million, reflecting under spending variance of R2, 533 million that translates to 24%.

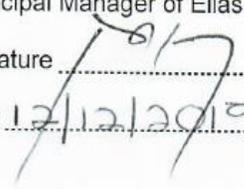
The year to date actual expenditure on depreciation and asset impairment is nil and the year to date budget is R22, 633 million, reflecting spending variance of nil, that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying with some of mSCOA requirements.

## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework Budget Year 2019/20		
					Original Budget	YTD Actuals	Percentage
<b>Parent municipality:</b>							
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	22,816	5,503	24%
Technical Services	Development of masakaneng-COGHSTA	New	Infrastructure	Roads Infrastructure	21,771	6,403	29%
Technical Services	Grobiersdal Landfill site	Upgrade	Community assets	Waste Management	13,000	7,512	58%
Technical Services	Electrification of Tambo Village	New	Infrastructure	Electrical Infrastructure	12,266	8,718	71%
Technical Services	Grobiersdal Roads and Streets	New	Infrastructure	Roads Infrastructure	8,696	6,251	72%
Technical Services	Tambo Road Construction	New	Infrastructure	Roads Infrastructure	8,400	5,604	67%
Technical Services	JJ Zaaiplaas Road	New	Infrastructure	Roads Infrastructure	7,705	526	7%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	3,864	3,583	93%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	3,478	497	14%
Technical Services	Development of workshop	New	Other Assets	Operational building	2,476	520	21%
Technical Services	Culverts, road signs	New	Infrastructure	Roads Infrastructure	1,739	–	0%
Technical Services	Upgrading of Bloompoot to Uitspanning Access Road (Design only)	Renewal	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Upgrading of Dipakapakeng Access Road	Upgrade	Infrastructure	Roads Infrastructure	1,500	–	0%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Electrification of Ntswelemutse	New	Infrastructure	Electrical Infrastructure	1,435	–	0%
Technical Services	Upgrading of Tafelkop stadium Access Road	Upgrade	Infrastructure	Roads Infrastructure	696	–	0%
Community Services	Lawn mowers and other equipment's	New	Community assets	Machinery and Equipment	522	–	0%
Technical Services	Completion of 2 Highmast light in Ward 10	Renewal	Infrastructure	Electrical Infrastructure	522	–	0%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	500	–	0%
Technical Services	Equipment(tools)	New	Equipment	Equipment	500	343	69%
Community Services	Mobile Offices Traffic	New	Community assets	Operational building	500	–	0%
Community Services	Tractor, tractor trailer and slasher	New	Community assets	Machinery and Equipment	478	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	400	4	1%
Technical Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	400	–	0%
Community Services	Twenty skip bins	New	Community assets	Machinery and Equipment	348	–	0%
Community Services	Bin lifter (compatible with self-compressed containers)	New	Machinery and Equipment	Machinery and Equipment	348	–	0%
Community Services	Two trailers	New	Community assets	Equipment	130	–	0%

# Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of November 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 12/12/2019



The stamp is an oval shape with a double border. The outer border contains the text 'ELIAS MOTSOLEDI' at the top and 'LOCAL MUNICIPALITY' at the bottom, separated by two small stars on the left and right sides. In the center of the stamp, the date '2019-12-12' is printed.