

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

DECEMBER 2020

TABLE OF CONTENTS

A. INTRODUCTION

B. PURPOSE

C. CHALLENGES AND PROGRESS

1. PERFORMANCE SERVICE DELIVERY

2. FINANCIAL PERFORMANCE ASSESSMENT

CHAPTER 1: INTRODUCTION

CHAPTER 2: FINANCIAL HEALTH ASSESSMENT AND MID-YEAR BUDGET STATEMENT

2.1 REVENUE MANAGEMENT AND OPERATING REVENUE

2.2 EXPENDITURE MANAGEMENT AND OPERATING EXPENDITURE

2.3 CASH FLOW ANALYSIS

2.4 ASSET MANAGEMENT

2.5 DEBTORS AND LIABILITY (DEBT) MANAGEMENT

CHAPTER 3: OUTCOME OF BUDGET ASSESSMENT

CHAPTER 4: RECOMMENDATIONS

A. Introduction

Elias Motsoaledi local municipality is hereby reporting on for the institutional performance relating to 2020/2021 financial year. This reporting is required through the Local Government: Municipal Systems Act, Act No. 32 of 2000 as amended (referred to herein as MSA) and Local Government: Municipal Financial Management Act, Act No 56 of 2003 (referred to herein as MFMA). In terms of section 72 of the MFMA ***the accounting officer of a municipality must by 25 January of every year assess the performance of the municipality during the first half of the financial year.***

B. Purpose

The purpose of the report is to account to the public on the 2020/2021 mid-year institutional performance of Elias Motsoaledi local municipality. This report contains information which is based on the Service Delivery and Budget Implementation Plan (SDBIP) formulated for the financial year 2020/2021 and focuses on both the **financial** and service delivery performance (**non-financial**) assessment. The report was compiled using first and second quarter performance information.

C. Challenges and Progress

MFMA section 72(1)(a)(iii) require the accounting officer to assess the performance of a municipality during the first half of the financial year, taking into account the past year's annual report and progress on resolving problems identified in the annual report. Reflected here under, are performance of the municipality for the first half of the financial year. It be noted that challenges / problems identified on the 2019/2020 annual report and progress on resolving the challenges/problems is not included in the report as the audit by AGSA is still in progress.

1. Performance Service delivery

The report is based on analysed and evaluated information through a process whereby information of the KPA's, objectives, KPI's and programmes/ projects reflected in the IDP objectives of the municipality. The information is based on the institutional IDP scorecard.

KPA 1: BASIC SERVICE DELIVERY					
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions
% of households with access to a minimum level of basic waste removal by 30 June 2021 (once per week GKPI)	8%	8%	8%	achieved	None
% of registered indigents who receives free basic electricity by 30 June 2021 (GKPI)	20%	20%	25%	Achieved	None
Kilometres of gravelled roads re-graveled	70km	20km	30km	Achieved	None
Kilometres of gravelled roads bladed	350km	70km	120km	Achieved	None
CAPITAL PROJECTS					
% procurement of mobile offices traffic	100%	25%	n/a	Achieved	None
% processing of procurement request submitted for furniture and office equipment	100%	100%	100%	achieved	None
% processing of procurement request submitted for computer equipment	100%	100%	100%	achieved	None

KPA 1: BASIC SERVICE DELIVERY					
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions
% processing of procurement request submitted for Air conditioners	100%	100%	n/a	Achieved	Achieved
Number of parks to be upgraded	2	Development of specification and placing of advertisement	n/a	Not achieved	To finalise specification and place an advertisement for service provider
Fencing of Elandsdoorn cemetery	100%	25%	50%	Achieved	None
Upgrading of Groblersdal landfill site	100%	60%	100%	Not achieved	New drawings, as per new regulations done and sent to LEDET awaiting approval
Number of stands reticulated with electrical infrastructure at Mashemong village	583	Construction of MV and LV	Construction of MV and LV	Achieved	None
Number of stands reticulated with electrical infrastructure at Zuma Park	110	Design completed	Appointment of the contractor	Not achieved	Contractor to be appointed during third quarter

KPA 1: BASIC SERVICE DELIVERY					
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions
Number of stands reticulated with electrical infrastructure at Masakaneng	300	Design completed	Appointment of the contractor	Not achieved	Project to be implemented in 2021/22 financial year as the project has no allocations of funds due to budget cut by the department of energy (DOE)
Number of stands reticulated with electrical infrastructure at Ntswelemotse	135	Construction of MV and LV	Construction of MV and LV	Achieved	None
% construction of Kgoshi Rammupudu road 2.2km	100%	10%	20%	Achieved	None
% construction of Kgaphamadi road 5.2km	100%	90%	100%	Not achieved	Numerous interventions has been conducted between municipality and the contractor due to his poor performance
% construction of Tambo road 3.2km	100%	100%	n/a	Not achieved	Meeting held to resolve the problem of local SMME's interference in the implementation of the project
% upgrading of Nyakuroane internal access road	100%	20%	40%	Not achieved	Consultant appointed and scoping report still to be done.

KPA 1: BASIC SERVICE DELIVERY					
Key Performance Indicator (KPI)	Annual Target	Q1 Target	Q2 Target	Comments	Remedial Actions
% completion of Laersdrift access road	100%	100%	n/a	Not achieved	Engineer instructed to supervise the works on site. Engineer to make follow ups on the COVID 19 response plan
% upgrading of Mogaung road 2.1km	100%	10%	20%	Not achieved	Contractor appointed and project on construction

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
% of KPI and projects attaining organisational targets (total organisation by 30 June 2021)	95%	25%	50%	Achieved	None
Number of MIG reports submitted by CoGHSTA	12	3	6	Achieved	None
Number of reports submitted to department of energy	12	3	6	Achieved	None
Number of employees approved for study financial assistance	2	n/a	2	Not achieved	Continuous engagement with management for signing of approval letters
Number of LLF steering committee meetings	12	3	6	Not achieved	Consider downward adjustments of the target of LLF meetings
Number of ICT steering committee meetings	4	1	2	Achieved	None
Number of ICT reports submitted to ICT steering committee	4	1	2	Achieved	None

KPA 2: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of health risk assessment conducted	2	1	n/a	Not achieved	The target to be considered in the next quarter
Number of COID reports submitted	2	n/a	1	Not achieved	Consider adjustment of target to fourth quarter
Number of wellness activities conducted	2	1	n/a	Not achieved	To be re-considered in the next quarter

KPA 3: FINANCIAL MANAGEMENT AND VIABILITY					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of monthly SCM deviation reports submitted to municipal manager (reducing number of deviations)	4	1	2	Achieved	None
% payment of creditors within 30 days	100%	100%	100%	Achieved	None
% spend of the total operational budget excluding non-cash items by 30 June 2021	95%	25%	50%	Not achieved	Adjust the budget downwards as we are in the second wave of Covid 19.
Remuneration (Employee related costs and councillors remuneration) as % of total operating expenditure per quarter	25% to 40%	25% to 40%	25% to 40%	Not achieved	Expedite integration between asset management system and Munsoft and start computing the monthly debt impairment
% spending on MIG funding by 30 June 2021	100%	20%	60%	Not achieved	Contractors appointed and projects on construction stage
% spending on INEP funding by 30 June 2021	100%	25%	50%	Achieved	None

KPA 4: LOCAL ECONOMIC DEVELOPMENT					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of job opportunities provided through EPWP grant by 30 June 2021 (GKPI)	69	n/a	69	Achieved	None
number of SMME's and Co-operatives capacity building workshops/ training held by 30 June 2021 (LED training)	14	3	3	Achieved	None
Number of job opportunities created through infrastructure projects by 30 June 2021(GKPI)	400	90	160	Achieved	None

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
2020/2021 IDP review process plan approved by August 2020	1	1	n/a	Achieved	None
% of internal audit findings resolved per quarter as per the audit plan (total organisation)	100%	100%	100%	Not achieved	To speed up the investigation that need to be conducted to be able to finalise the finding
Number of security risk assessment conducted by 30 June 2021	4	1	2	Achieved	None
Number of project risk assessments conducted by 30 June 2021	4	1	2	Achieved	None
Number of risk management reports submitted to the risk management committee per quarter	4	1	2	Achieved	None
Number of quarterly risk management committee meetings convened by June 2021	4	1	2	Achieved	None
% execution of identified risk management plan within prescribed timeframes per quarter (total organisation)	100%	100%	100%	Not achieved	To adjust the quarterly target downwards

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
Number of MPAC quarterly reports submitted to council	4	1	2	Achieved	None
% of community complaints received and processed	100%	100%	100%	Achieved	None
number of municipal newsletter printed/produced	10 000 copies	3000	6000	Not achieved	Request for additional budget to be able to achieve the target

KPA 6: SPATIALE RATIONALE					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
% Rezoning and Subdivision of Erf 832 Groblersdal Extention 15	100%	25%	n/a	Not achieved	Expeditions of project commencement
% Rezoning and subdivision of portion 10 of Farm Klipbank 26JS	100%	25%	n/a	Not achieved	Expeditions of project commencement
% Subdivision of farm Mapochsgronde 911	100%	25%	n/a	Not achieved	Expeditions of project commencement
% of land use applications received and processed within 90 days	100%	100%	100%	Achieved	None
% of new building plans of less than 500 square metres assessed within 10 days of receipt of plans	100%	100%	100%	Achieved	None
% of new building plans of more than 500 square meters assessed within 28 days of receipt of plans	100%	100%	100%	Achieved	None

KPA 6: SPATIALE RATIONALE					
Key Performance Indicator (KPI)	Annual Target	Q1	Q2	Comments	Remedial Actions
% of inspections conducted on building construction with an approved plan to ensure compliance with Sec6© and 17 (b) of National Building regulations and building standards Act	100%	100%	100%	Achieved	None

Challenges / problems identified on the 2019/2020 annual report and progress on resolving the challenges/problems are not included in the report as audit by AGSA is still in progress.

Key Performance Area Number	Key Performance Area	Total 2nd quarter target	not applicable for the quarter	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %
1	Spatial Rationale	7	3	4	0	100%
2	Institutional Development & Transformation	16	8	5	3	63%
3	Local Economic Development	3	0	3	0	100%
4	Basic Service Delivery	25	11	9	5	64%
5	Financial Management & Viability	11	5	3	3	50%
6	Good Governance & Public Participation	21	12	6	3	67%
	Total	83	39	30	14	68%

2. Financial performance assessment

1. INTRODUCTION

1.1 In terms of section 72 of the MFMA Act no 56 of 2003 the Accounting Officer of the municipality must by the 25th January each year-

Assess the performance of the municipality during the first half of the financial year, taking into account-

- the monthly budget statement referred to as section 71 for the first half of the financial year
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
- the past years annual report, and progress on resolving problems identified in the annual report.

The draft Annual Report 2019/20 and the Mid-year performance/progress reports of 2020/2021 SDBIPs referred to as part b and c above are respectively submitted under a separate report elsewhere in the agenda.

Submit a report on such assessment to –

- a) the mayor of the municipality,
- b) the National and the relevant provincial treasury.

1.2 The Accounting Officer must, as part of the review-

- a) make recommendations as to whether an adjustment budget is necessary, and
- b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

CHAPTER 2: FINANCIAL HEALTH ASSESSMENT AND MID-YEAR BUDGET STATEMENT: 31 DECEMBER 2020

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	35,773	38,345	38,345	3,279	19,639	15,977	3,662	23%	38,345
Service charges	95,493	110,873	110,873	9,261	48,446	46,197	2,248	5%	110,873
Investment revenue	2,068	3,042	3,042	-	225	1,474	(1,249)	-85%	3,042
Transfers and subsidies	273,218	293,916	351,806	140,839	271,840	134,164	137,675	103%	351,806
Other own revenue	32,632	85,393	85,393	1,684	11,542	31,866	(20,324)	-64%	85,393
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	589,458	155,063	351,692	229,679	122,013	53%	589,458
Employee costs	141,837	169,749	170,616	19,642	78,690	79,890	(1,200)	-2%	170,616
Remuneration of Councillors	24,575	26,525	26,525	2,056	12,157	16,852	(4,695)	-28%	26,525
Depreciation & asset impairment	56,343	55,163	55,163	-	-	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	608	2,098	2,654	(556)	-21%	1,184
Materials and bulk purchases	93,140	111,976	122,770	6,781	47,967	54,842	(6,875)	-13%	122,770
Transfers and subsidies	2,984	3,468	3,468	354	1,653	1,757	(104)	-6%	3,468
Other expenditure	142,158	144,385	177,726	18,351	57,182	79,924	(22,743)	-28%	177,726
Total Expenditure	464,574	512,449	557,452	47,792	199,747	258,904	(59,157)	-23%	557,452
Surplus/(Deficit)	(25,390)	19,119	32,006	107,271	151,945	(29,225)	181,170	-620%	32,006
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	9,798	34,287	35,468	(1,181)	-3%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	101,567	117,068	186,232	6,243	179,989	2883%	101,567
Surplus/ (Deficit) for the year	66,766	93,680	101,567	117,068	186,232	6,243	179,989	2883%	101,567
Capital expenditure & funds sources									
Capital expenditure	92,168	89,280	84,280	10,490	37,819	40,139	(2,320)	-6%	84,280
Capital transfers recognised	78,193	74,561	69,561	8,203	29,337	32,561	(3,224)	-10%	69,561
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,975	14,719	14,719	2,288	8,483	7,579	904	12%	14,719
Total sources of capital funds	92,168	89,280	84,280	10,490	37,819	40,139	(2,320)	-6%	84,280
Financial position									
Total current assets	129,467	134,416	147,899		284,760				147,899
Total non current assets	1,125,020	1,286,031	1,286,031		1,148,956				1,286,031
Total current liabilities	125,568	93,706	93,706		140,106				93,706
Total non current liabilities	79,251	94,548	94,548		73,611				94,548
Community wealth/Equity	1,049,667	1,232,193	1,245,677		1,219,999				1,245,677
Cash flows									
Net cash from (used) operating	25,247	108,434	121,917	104,205	137,712	187,663	49,951	27%	121,917
Net cash from (used) investing	(85,303)	(87,593)	(84,280)	(10,490)	(37,819)	(41,589)	(3,770)	9%	(84,280)
Net cash from (used) financing	(9,474)	(11,480)	(11,480)	(911)	(5,352)	(5,592)	(240)	4%	(11,480)
Cash/cash equivalents at the month/year end	(44,548)	20,356	37,152	-	96,470	151,477	55,007	36%	28,087
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	11,646	4,355	3,416	3,259	2,965	898	14,896	80,488	121,922
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 December is R351, 692 million and the year to date budget of R229, 679 million and this reflects a positive variance of R122, 013 million which is mostly attributable to equitable shares received amounting to R270, 517 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 85% unfavourable variance,
- Interest earned – outstanding debtors: 290% favourable variance,
- Rental on Facilities and Equipment: 40% unfavourable variance,
- Fines, penalties and forfeits: 99% unfavourable variance
- Services Charges – electricity revenue: 4% favourable variance
- Services Charges – refuse revenue: 19% favourable variance
- Licenses and permits: 51% unfavourable variance
- Property rates: 3% favourable variance
- Other revenue: 18% unfavourable
- Transfer and subsidies: 103% favourable

Operating Expenditure

The year to date operational expenditure as at end of December amounts to R199, 747 million and the year to date budget is R258, 904 million. This reflects underspending variance of R59, 157 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:

- Remuneration of councillors: 28% under performance
- Other Materials: 27% under performance
- Depreciation and asset impairment: 100% under performance
- Debt impairment: 100% under performance
- Finance charges: 21% under performance

Capital Expenditure

The year to date actual capital expenditure as at end of December 2020 amounts to R37, 819 million and the year to date budget amounts to R40, 139 million and this gives rise to R2, 320 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of December is R186, 232 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 December amounts to R121, 922 million and this shows an increase of R13, 684 million as compared to R108, 238 million as at end of 2019/20 financial year.

Consumer debtors is made up of service charges and property rates that amount to R81, 750 million and other debtors amounting to R40, 172 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 December as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	223,026	228,630	265,347	88,204	200,354	109,542	90,812	83%	265,347
Executive and council	46,559	49,315	57,497	17,808	44,886	35,421	9,465	27%	57,497
Finance and administration	167,516	169,450	194,961	61,076	144,504	69,452	75,051	108%	194,961
Internal audit	8,950	9,864	12,888	9,320	10,964	4,668	6,296	135%	12,888
Community and public safety	36,265	94,154	100,671	15,443	19,559	35,038	(15,479)	-44%	100,671
Community and social services	9,633	10,636	15,485	4,004	5,692	7,157	(1,465)	-20%	15,485
Sport and recreation	12,104	13,344	15,012	11,402	13,621	3,906	9,714	249%	15,012
Public safety	14,529	70,174	70,174	36	246	23,974	(23,728)	-99%	70,174
Economic and environmental services	132,942	121,857	131,744	38,689	84,588	49,712	34,876	70%	131,744
Planning and development	21,248	23,604	27,619	16,575	21,129	8,741	12,388	142%	27,619
Road transport	110,541	96,853	102,596	21,547	61,842	39,811	22,032	55%	102,596
Environmental protection	1,153	1,400	1,529	567	1,617	1,160	457	39%	1,529
Trading services	139,107	161,488	161,258	22,526	81,477	70,856	10,622	15%	161,258
Energy sources	110,981	130,709	127,150	12,990	55,588	60,128	(4,539)	-8%	127,150
Waste management	28,126	30,779	34,107	9,536	25,889	10,728	15,161	141%	34,107
Total Revenue - Functional	531,340	606,129	659,019	164,861	385,979	265,147	120,832	46%	659,019
Expenditure - Functional									
Governance and administration	210,068	216,242	243,085	26,541	100,935	122,687	(21,752)	-18%	243,085
Executive and council	50,877	49,314	56,334	3,954	20,253	27,581	(7,328)	-27%	56,334
Finance and administration	152,835	158,383	178,206	22,351	79,419	90,727	(11,308)	-12%	178,206
Internal audit	6,356	8,545	8,545	236	1,263	4,379	(3,116)	-71%	8,545
Community and public safety	25,269	61,707	66,773	3,650	14,972	30,209	(15,237)	-50%	66,773
Community and social services	5,097	8,269	10,680	790	3,113	5,692	(2,579)	-45%	10,680
Sport and recreation	6,833	10,698	12,348	958	3,695	5,875	(2,179)	-37%	12,348
Public safety	13,339	42,740	43,745	1,902	8,164	18,643	(10,479)	-56%	43,745
Economic and environmental services	91,700	97,667	103,541	5,675	23,808	46,586	(22,778)	-49%	103,541
Planning and development	14,923	16,561	16,571	1,881	6,354	6,778	(423)	-6%	16,571
Road transport	76,178	80,487	86,341	3,706	17,125	39,557	(22,432)	-57%	86,341
Environmental protection	598	619	629	87	329	251	77	31%	629
Trading services	137,538	136,832	144,052	11,927	60,032	59,421	611	1%	144,052
Energy sources	93,187	111,667	116,511	8,835	45,517	47,208	(1,691)	-4%	116,511
Waste management	44,351	25,165	27,541	3,092	14,514	12,213	2,301	19%	27,541
Total Expenditure - Functional	464,574	512,449	557,452	47,792	199,747	258,904	(59,157)	-23%	557,452
Surplus/ (Deficit) for the year	66,766	93,680	101,567	117,068	186,232	6,243	179,989	2883%	101,567

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

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	41,231	43,443	49,824	15,430	41,529	32,642	8,887	27%	49,824
Vote 2 - Municipal Manager	35,643	39,284	48,962	21,233	34,211	16,226	17,986	111%	48,962
Vote 3 - Budget & Treasury	72,301	66,279	74,294	19,299	47,089	32,335	14,755	46%	74,294
Vote 4 - Corporate Services	40,504	44,328	52,292	17,949	40,653	15,353	25,300	165%	52,292
Vote 5 - Community Services	69,521	135,511	146,509	26,892	50,489	53,226	(2,737)	-5%	146,509
Vote 6 - Technical Services	239,261	241,319	246,627	42,478	134,951	101,610	33,341	33%	246,627
Vote 7 - Developmental Planning	14,650	16,332	18,118	13,630	16,972	5,299	11,673	220%	18,118
Vote 8 - Executive Support	18,229	19,633	22,392	7,950	20,083	8,457	11,627	137%	22,392
Total Revenue by Vote	531,340	606,129	659,019	164,861	385,979	265,147	120,832	46%	659,019
Expenditure by Vote									
Vote 1 - Executive & Council	42,975	41,789	44,789	3,295	18,042	20,536	(2,494)	-12%	44,789
Vote 2 - Municipal Manager	49,330	39,198	48,238	6,662	22,684	26,060	(3,376)	-13%	48,238
Vote 3 - Budget & Treasury	55,077	62,769	75,570	10,564	33,226	42,726	(9,500)	-22%	75,570
Vote 4 - Corporate Services	24,723	36,795	36,863	2,217	9,425	16,650	(7,225)	-43%	36,863
Vote 5 - Community Services	77,292	96,097	103,549	7,784	33,805	46,078	(12,273)	-27%	103,549
Vote 6 - Technical Services	186,065	207,387	219,343	12,879	67,201	95,132	(27,932)	-29%	219,343
Vote 7 - Developmental Planning	8,942	11,455	11,465	1,250	3,847	4,634	(787)	-17%	11,465
Vote 8 - Executive Support	20,169	16,960	17,635	3,141	11,517	7,087	4,429	63%	17,635
Total Expenditure by Vote	464,574	512,449	557,452	47,792	199,747	258,904	(59,157)	-23%	557,452
Surplus/ (Deficit) for the year	66,766	93,680	101,567	117,068	186,232	6,243	179,989	2883%	101,567

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	35,773	38,345	38,345	3,279	19,639	18,977	662	3%	38,345
Service charges - electricity revenue	87,068	101,945	101,945	8,518	44,015	42,477	1,538	4%	101,945
Service charges - refuse revenue	8,425	8,928	8,928	744	4,431	3,720	711	19%	8,928
Rental of facilities and equipment	897	1,220	1,220	59	307	508	(201)	-40%	1,220
Interest earned - external investments	2,068	3,042	3,042	-	225	1,474	(1,249)	-85%	3,042
Interest earned - outstanding debtors	12,170	6,656	6,656	1,336	8,333	2,135	6,198	290%	6,656
Fines, penalties and forfeits	14,570	70,242	70,242	36	181	20,992	(20,810)	-99%	70,242
Licences and permits	3,939	6,344	6,344	218	2,389	4,805	(2,436)	-51%	6,344
Transfers and subsidies	273,218	293,916	351,806	140,839	271,840	134,164	137,675	103%	351,806
Other revenue	1,056	931	931	35	351	427	(76)	-18%	931
Gains	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	439,184	531,568	589,458	155,063	351,692	229,679	122,013	53%	589,458
Expenditure By Type									
Employee related costs	141,837	169,749	170,616	19,642	78,690	79,890	(1,200)	-2%	170,616
Remuneration of councillors	24,575	26,525	26,525	2,056	12,157	16,852	(4,695)	-28%	26,525
Debt impairment	13,246	42,658	42,658	-	-	17,774	(17,774)	-100%	42,658
Depreciation & asset impairment	56,343	55,163	55,163	-	-	22,985	(22,985)	-100%	55,163
Finance charges	3,538	1,184	1,184	608	2,098	2,654	(556)	-21%	1,184
Bulk purchases	81,428	94,047	94,047	6,421	40,973	45,258	(4,285)	-9%	94,047
Other materials	11,713	17,929	28,723	361	6,994	9,584	(2,590)	-27%	28,723
Contracted services	83,969	60,960	80,799	10,605	34,990	37,649	(2,659)	-7%	80,799
Transfers and subsidies	2,984	3,468	3,468	354	1,653	1,757	(104)	-6%	3,468
Other expenditure	46,003	41,067	54,269	7,747	22,192	24,501	(2,310)	-9%	54,269
Losses	(1,060)	-	-	-	-	-	-	-	-
Total Expenditure	464,574	512,449	557,452	47,792	199,747	258,904	(59,157)	-23%	557,452
Surplus/(Deficit)	(25,390)	19,119	32,006	107,271	151,945	(29,225)	181,170	-620%	32,006
Transfers and subsidies - capital (monetary allocations)	70,685	74,561	69,561	9,798	34,287	35,468	(1,181)	-3%	69,561
Transfers and subsidies - capital (monetary allocations)	21,471	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	66,766	93,680	101,567	117,068	186,232	6,243			101,567
Taxation									
Surplus/(Deficit) after taxation	66,766	93,680	101,567	117,068	186,232	6,243			101,567
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	66,766	93,680	101,567	117,068	186,232	6,243			101,567
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	66,766	93,680	101,567	117,068	186,232	6,243			101,567

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 councillors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

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

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

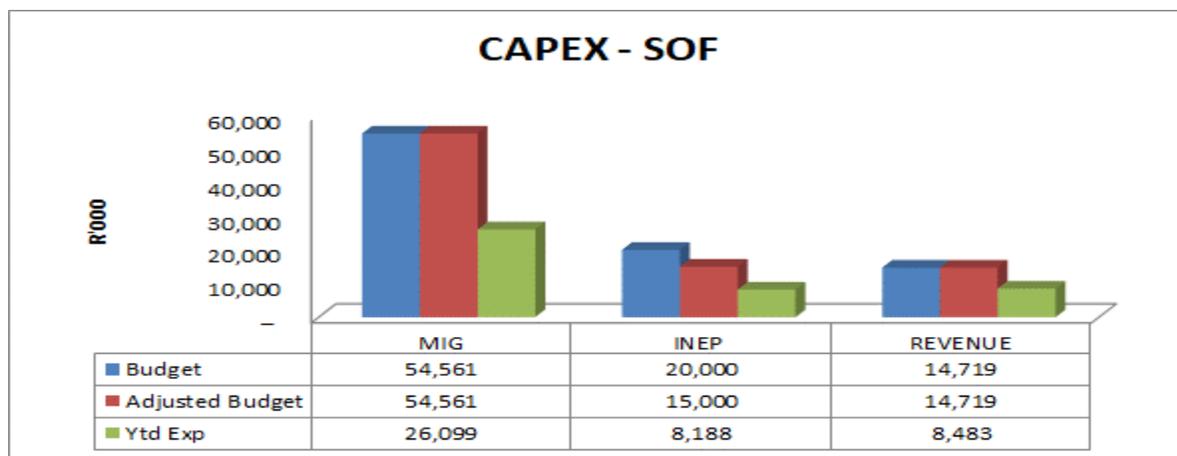
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,957	1,900	1,900	54	469	1,350	(881)	-65%	1,900
Executive and council							-		
Finance and administration	1,957	1,900	1,900	54	469	1,350	(881)	-65%	1,900
Internal audit							-		
Community and public safety	-	2,200	2,200	-	29	950	(921)	-97%	2,200
Community and social services		600	600	-	-	450	(450)	-100%	600
Sport and recreation		1,000	1,000	-	29	500	(471)	-94%	1,000
Public safety		600	600	-	-	-	-		600
Housing							-		
Health							-		
Economic and environmental services	69,833	64,830	64,830	8,203	30,256	28,702	1,554	5%	64,830
Planning and development							-		
Road transport	69,833	64,830	64,830	8,203	30,256	28,702	1,554	5%	64,830
Environmental protection							-		
Trading services	20,378	20,350	15,350	2,233	7,065	9,137	(2,072)	-23%	15,350
Energy sources	18,954	20,350	15,350	2,233	7,065	9,137	(2,072)	-23%	15,350
Waste management	1,424	-					-		-
Other							-		
Total Capital Expenditure - Functional Classification	92,168	89,280	84,280	10,490	37,819	40,139	(2,320)	-6%	84,280
Funded by:									
National Government	56,721	74,561	69,561	8,203	29,337	32,561	(3,224)	-10%	69,561
Provincial Government	21,471	-					-		-
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	78,193	74,561	69,561	8,203	29,337	32,561	(3,224)	-10%	69,561
Borrowing							-		
Internally generated funds	13,975	14,719	14,719	2,288	8,483	7,579	904	12%	14,719
Total Capital Funding	92,168	89,280	84,280	10,490	37,819	40,139	(2,320)	-6%	84,280

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1,050	1,050	28	415	500	(85)	-17%	1,050
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	46,151	13,240	8,629	2,759	7,234	6,800	433	6%	8,140
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	46,151	14,290	9,679	2,787	7,649	7,300	348	5%	9,190
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	350	350	-	-	350	(350)	-100%	350
Vote 4 - Corporate Services	633	500	500	26	54	500	(446)	-89%	500
Vote 5 - Community Services	1,424	2,200	2,200	-	29	950	(921)	-97%	2,200
Vote 6 - Technical Services	43,960	71,939	71,551	7,677	30,088	31,039	(951)	-3%	72,039
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	46,017	74,989	74,601	7,703	30,171	32,839	(2,668)	-8%	75,089
Total Capital Expenditure	92,168	89,280	84,280	10,490	37,819	40,139	(2,320)	-6%	84,280

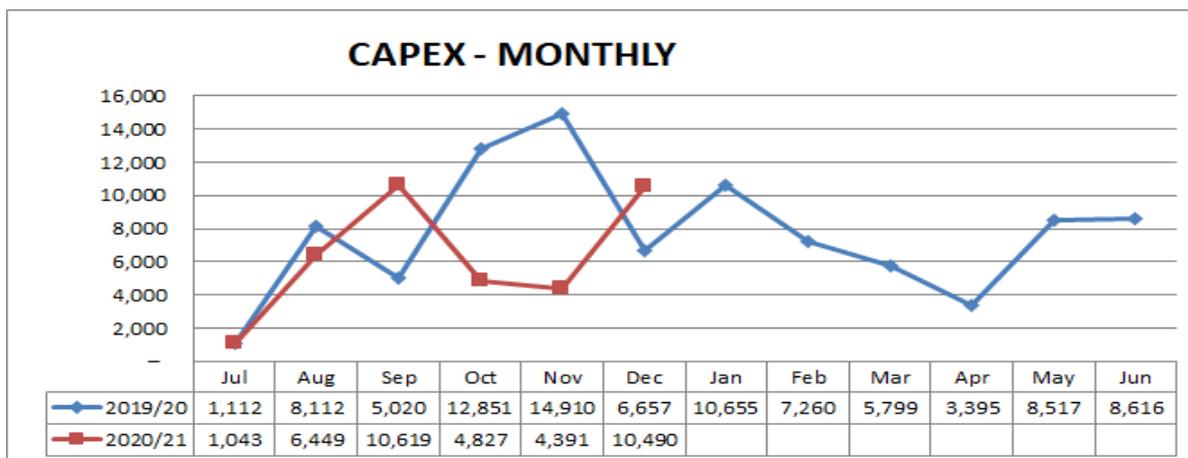
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2020, R10, 490 million spending is incurred and that increased the year to date expenditure to R27, 490 million whilst the year to date budget is R40, 139 million and this gave rise to under spending variance of R2, 320 million that translates to 6%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total adjusted capital budget of R84, 280 million, R54, 561 million is funded from Municipal Infrastructure grant, R15, 000 million from Integrated National Electrification Programme and R14, 719 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2019/20 and 2020/21 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	1,929	12,300	15,784	96,470	15,784
Call investment deposits	–	8,056	18,056	–	18,056
Consumer debtors	65,806	54,594	54,594	83,519	54,594
Other debtors	53,542	53,957	53,957	94,675	53,957
Current portion of long-term receivables	–			–	
Inventory	8,190	5,510	5,510	10,096	5,510
Total current assets	129,467	134,416	147,899	284,760	147,899
Non current assets					
Long-term receivables				–	
Investments	–	–		–	–
Investment property	60,324	48,000	48,000	60,324	48,000
Investments in Associate					
Property, plant and equipment	1,048,853	1,223,249	1,223,249	1,086,673	1,223,249
Biological				–	
Intangible	31	30	30	31	30
Other non-current assets	15,811	14,752	14,752	1,928	14,752
Total non current assets	1,125,020	1,286,031	1,286,031	1,148,956	1,286,031
TOTAL ASSETS	1,254,487	1,420,447	1,433,930	1,433,716	1,433,930
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	10,975	10,980	10,980	10,239	10,980
Consumer deposits	5,516	5,701	5,701	5,731	5,701
Trade and other payables	106,573	71,167	71,167	121,382	71,167
Provisions	2,504	5,857	5,857	2,754	5,857
Total current liabilities	125,568	93,706	93,706	140,106	93,706
Non current liabilities					
Borrowing	2,444	–	–	–	–
Provisions	76,807	94,548	94,548	73,611	94,548
Total non current liabilities	79,251	94,548	94,548	73,611	94,548
TOTAL LIABILITIES	204,819	188,254	188,254	213,717	188,254
NET ASSETS	1,049,667	1,232,193	1,245,677	1,219,999	1,245,677
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,049,667	1,232,193	1,245,677	1,219,999	1,245,677
Reserves					
TOTAL COMMUNITY WEALTH/EQUITY	1,049,667	1,232,193	1,245,677	1,219,999	1,245,677

The above table shows that community wealth amounts to R1, 219 billion, total liabilities R213, 717 million and the total assets R1, 433 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 2:1 that meet the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	24,332	26,841	26,841	1,645	12,504	13,479	(975)	-7%	26,841
Service charges	83,646	94,138	94,138	6,830	41,213	47,275	(6,062)	-13%	94,138
Other revenue	21,376	20,268	20,268	2,600	12,314	11,381	933	8%	20,268
Transfers and Subsidies - Operational	273,214	293,916	351,806	140,449	274,294	270,517	3,777	1%	351,806
Transfers and Subsidies - Capital	73,921	74,561	69,561	15,650	59,950	54,920	5,030	9%	69,561
Interest	1,768	4,373	4,373	88	747	2,506	(1,759)	-70%	4,373
Payments									
Suppliers and employees	(447,788)	(401,012)	(440,419)	(62,096)	(259,560)	(209,796)	49,764	-24%	(440,419)
Finance charges	(2,592)	(1,184)	(1,184)	(608)	(2,098)	(1,064)	1,034	-97%	(1,184)
Transfers and Grants	(2,632)	(3,468)	(3,468)	(354)	(1,653)	(1,554)	99	-6%	(3,468)
NET CASH FROM/(USED) OPERATING ACTIVITIES	25,247	108,434	121,917	104,205	137,712	187,663	49,951	27%	121,917
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-					-		-
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	-					-		-
Payments									
Capital assets	(85,303)	(87,593)	(84,280)	(10,490)	(37,819)	(41,589)	(3,770)	9%	(84,280)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(85,303)	(87,593)	(84,280)	(10,490)	(37,819)	(41,589)	(3,770)	9%	(84,280)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	(500)	(500)			(281)	281	-100%	(500)
Increase (decrease) in consumer deposits	196	-					-		-
Payments									
Repayment of borrowing	(9,670)	(10,980)	(10,980)	(911)	(5,352)	(5,311)	41	-1%	(10,980)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,474)	(11,480)	(11,480)	(911)	(5,352)	(5,592)	(240)	4%	(11,480)
NET INCREASE/ (DECREASE) IN CASH HELD	(69,530)	9,361	26,158	92,804	94,541	140,483			26,158
Cash/cash equivalents at beginning:	24,982	10,995	10,995		1,929	10,995			1,929
Cash/cash equivalents at month/year end:	(44,548)	20,356	37,152		96,470	151,477			28,087

Table C7 presents details pertaining to cash flow performance. As at end of December 2020, the net cash inflow from operating activities is R137, 712 million whilst net cash outflow from investing activities is R37, 819 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R5, 352 million. The cash and cash equivalent held at end of December 2020 amounted to R96, 470 million and the net effect of the above cash flows is cash outflow movement of R94, 541 million. The cash and cash equivalent at end of the reporting period of R96, 470 million, is mainly made up of cash in the primary bank account amounting to R96, 470 million and short-term investment amounting to R0.

SUPPORTING TABLES

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2020/21										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 Dya-1 Yr	Over 1Yr	Total	Total over 90 days		
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	8,312	1,020	553	328	118	(103)	348	3,072	13,648	3,781		
Receivables from Non-exchange Transactions - Property Rates	3,282	1,458	1,347	1,272	1,215	960	5,799	35,118	50,480	44,393		
Receivables from Exchange Transactions - Waste Management	743	489	429	410	394	382	2,176	11,447	16,470	14,809		
Receivables from Exchange Transactions - Property Rental Debtors	58	26	10	6	5	8	46	995	1,154	1,060		
Interest on Arrear Debtor Accounts	1,338	1,314	1,270	1,235	1,200	1,154	6,309	26,946	40,762	36,842		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	(2,087)	49	(194)	10	35	(1,533)	218	2,912	(590)	1,641		
Total By Income Source	11,646	4,355	3,416	3,259	2,965	898	14,896	80,488	121,922	102,506	-	-
2019/20 - totals only	11,089	4,781	3,306	2,934	2,675	2,528	13,881	67,045	108,238	89,062		
Debtors Age Analysis By Customer Group												
Organs of State	1,518	928	687	927	720	(772)	3,372	18,944	26,323	23,191		
Commercial	5,710	1,040	759	475	443	157	1,915	10,634	21,135	13,625		
Households	3,556	1,668	1,376	1,302	1,242	1,075	6,518	31,985	48,723	42,122		
Other	862	718	593	555	559	438	3,091	18,926	25,741	23,568		
Total By Customer Group	11,646	4,355	3,416	3,259	2,965	898	14,896	80,488	121,922	102,506	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December amount to R121, 922 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 11%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 33%
- Other 0%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

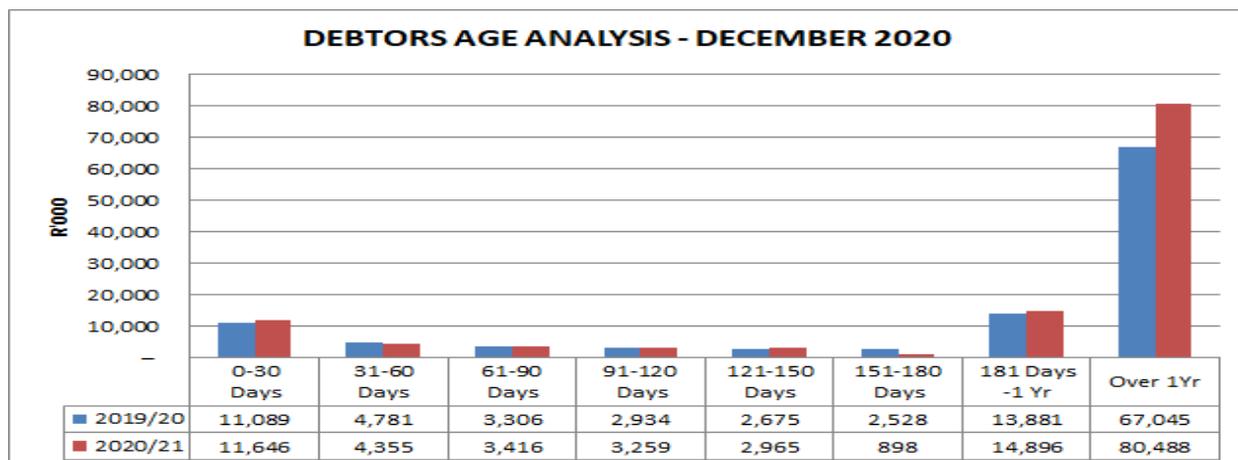
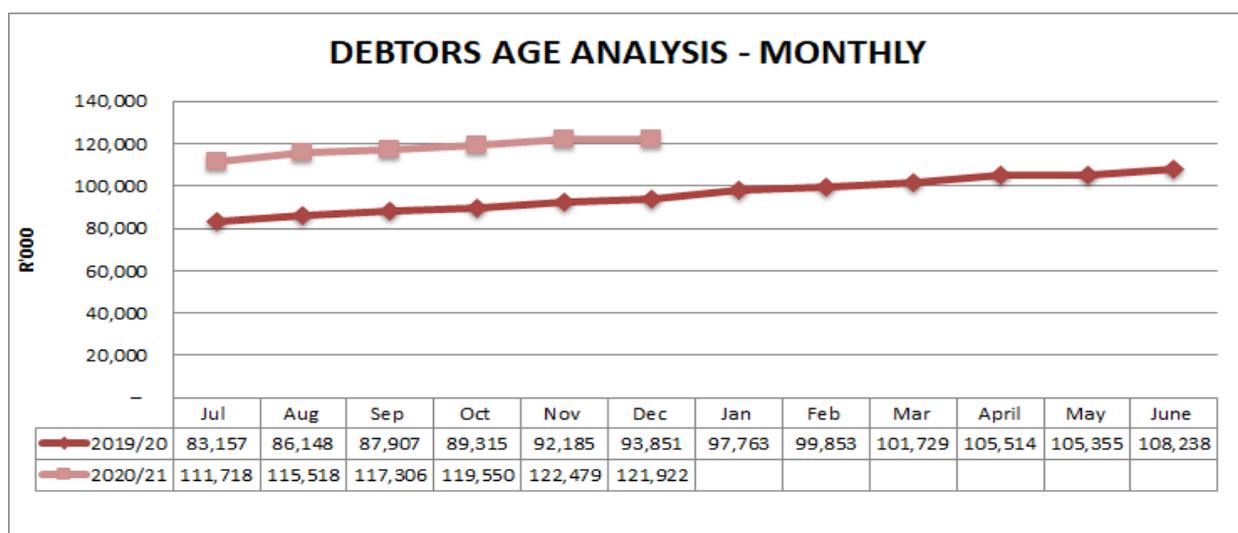


Figure 4: Monthly debtors book



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

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,264,015.59
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,088,971.59
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	819,248.76
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	641,789.61
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	OCCUPIER	628,345.43
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OWNER	568,991.86
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	424,942.49
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	392,579.14
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	318,378.03
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	316,059.73
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	295,010.41
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	281,513.53
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	258,875.40
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OWNER	254,703.53
20494	BREAKAWAY TRUST	ACTIVE	OWNER	250,053.89
9002503	GOUWS BOERDERY TRUST	ACTIVE	OWNER	242,770.15
9000400	UITZOECHT LANDGOED CC	ACTIVE	OWNER	238,908.75
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	234,925.57
5617	GROBLERSDAL VLEISMARK PTY LTD	ACTIVE	OWNER	232,919.14
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	231,976.28
TOTAL				8,984,978.88

Supporting Table: SC 4 - Creditors Age Analysis

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

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

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	7,383,783.74
81045	MWELASE THOBS CONSTRUCTION	2,152,960.37
80984	GUBIS 85 SOLUTION	1,983,958.82
81080	MULALO BUSINESS ENTERPRISE	1,954,329.44
81037	MOLELEKI A TLALA JV SDVK	1,816,944.92
1004	LERMAT CONSTRUCTION & PROJECTS	1,608,364.70
81005	UNITY CONSTRUCTION	787,168.93
81060	TLOU INTERGRATED TECH	595,717.26
41093	MTP INFRASTRUCTURE RESOURCES	552,414.00
80591	MOTHAKGE PHADIMA CONSTRUCTION	543,737.24
80889	FLEET HORIZON SOLUTIONS	493,111.81
81000	KHUMALO MASONDO ATTORNEYS	479,354.56
80674	OB MEDIA SOLUTIONS	478,687.50
40069	TM KHOZA AND ASSOCIATES	452,757.22
37711	BAUPA TRADING ENTERPRISE	398,260.09
80900	MARKET DEMAND TRADING 773	385,792.82
41009	TSHASHU CONSULTING AND PROJECT	323,884.86
7989	MUNSOFT (PTY) LTD	300,491.00
81041	LEKONAKONETSI CONSULTING SERVI	239,583.33
81042	MATUPUNUKA ICT	231,460.50
TOTAL		23,162,763.11

The above table presents the top creditors paid during the month of December 2020 and an amount of R23,163 million were paid to these creditors within 30 days.

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	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK (038823527004)	1 Month	Current Investment	3.8%		22-Sep-20	-	18,493	(15,018,493)	15,000,000	-
STANDARD BANK (038823527005)	1 Month	Current Investment	4.0%		11-Oct-20	-	64,932		30,000,000	30,064,932
TOTAL INVESTMENTS AND INTEREST						-		(15,018,493)	45,000,000	30,064,932

Supporting Table SC5 displays the council's investment portfolio and indicates that R45, 000 million was invested and withdrew R15, 018 million at the end of the first quarter.

The municipality had no short-term investment in the second quarter.

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	273,218	293,320	351,806	140,449	274,294	175,619	98,675	56%	351,806
Local Government Equitable Share	269,013	289,039	347,525	140,449	270,517	172,056	98,461	57%	347,525
Finance Management	2,235	2,600	2,600	-	2,600	2,600	-		2,600
EPWP Incentive	1,374	1,681	1,681	-	1,177	963	214	22%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-		-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	273,218	293,320	351,806	140,449	274,294	175,619	98,675	56%	351,806
Capital Transfers and Grants									
National Government:	73,921	74,561	69,561	15,650	59,950	53,936	5,514	10%	69,561
Municipal Infrastructure Grant (MIG)	54,921	54,561	54,561	15,650	46,950	41,436	5,514	13%	54,561
Intergrated National Electrification Grant	19,000	20,000	15,000	-	13,000	12,500			15,000
Provincial Government:	21,771	-	-	-	-	-	-	-	-
Coghsta - Development	21,771	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Capital Transfers and Grants	95,692	74,561	69,561	15,650	59,950	53,936	5,514	10%	69,561
TOTAL RECEIPTS OF TRANSFERS & GRANTS	368,910	367,881	421,367	156,099	334,244	229,555	104,189	45%	421,367

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R334, 244 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R270, 517 million; Municipal Infrastructure Grant amounting to R46, 950 million;

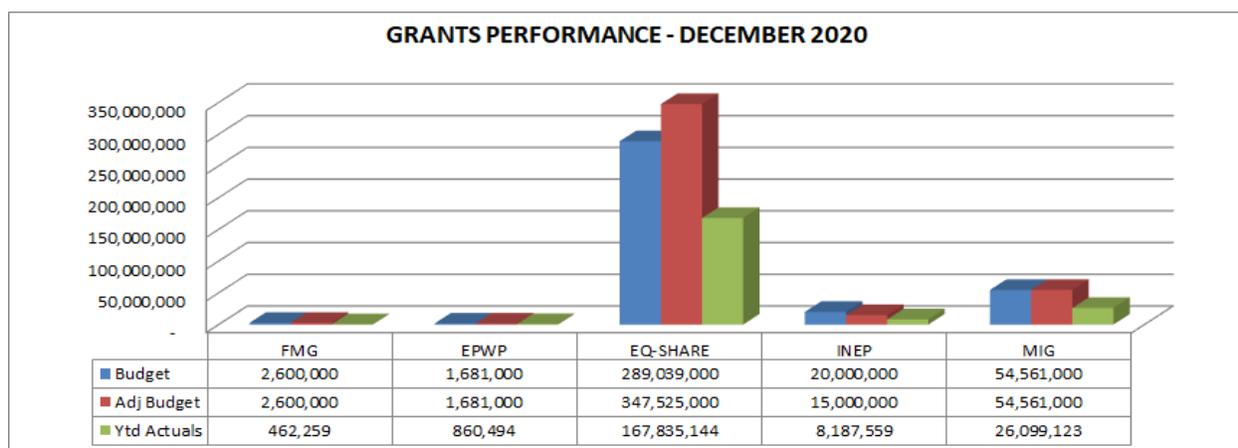
Integrated National Energy Grant R13, 000 million, Financial Management Grant R2, 600 million and Expanded Public Works Programme R1,177 million were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	273,218	293,320	351,806	47,792	169,158	175,619	(6,461)	-4%	351,806
Local Government Equitable Share	269,013	289,039	347,525	47,402	167,835	172,056	(4,221)	-2%	347,525
Finance Management	2,235	2,600	2,600	249	462	2,600	(2,138)	-82%	2,600
EPWP Incentive	1,374	1,681	1,681	141	860	963	(103)	-11%	1,681
Disaster Relief Grant COVID-19 (Corona virus)	596	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total operating expenditure of Transfers and Grants:	273,218	293,320	351,806	47,792	169,158	175,619	(6,461)	-4%	351,806
Capital expenditure of Transfers and Grants									
National Government:	70,685	74,561	69,561	9,798	34,287	53,936	(19,649)	-36%	69,561
Municipal Infrastructure Grant (MIG)	51,731	54,561	54,561	7,229	26,099	41,436	(15,337)	-37%	54,561
Integrated National Electrification Grant	18,954	20,000	15,000	2,569	8,188	12,500	(4,312)	-34%	15,000
Provincial Government:	21,471	-	-	-	-	-	-	-	-
Coghsta - Development	21,471	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total capital expenditure of Transfers and Grants	92,156	74,561	69,561	9,798	34,287	53,936	(19,649)	-36%	69,561
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	365,374	367,881	421,367	57,590	203,445	229,555	(26,111)	-11%	421,367

An amount of R57, 590 million has been spent on grants during the month of December 2020 and the year to date actuals is R203, 445 million whilst the year to date budget amounts to R229, 555 million and this results in underspending variance of R26, 111 million that translates to negative 11%. Of the total spending amounting to R57, 590 million, R47, 792 million is spent on operational grants whilst capital grants amounts to R9, 798 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 December 2020. The grants expenditure are shown below in percentages:

- Financial Management Grant 17.78%
- Expanded Public Work Programme 51.19%
- Equitable Share 48.29%
- Integrated National Electrification Grant 54.58%
- Municipal Infrastructure Grant 47.83%

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

The municipality applied for Municipal Infrastructure Grant (MIG) and Integrated National Electrification Grant (INEP) roll over (amount not spend in 2019-20 financial year). Roll over amounted to R4, 700 million was disapproved as “Cash available in the bank (net position including short term investments) as at 30 June 2020 was not equivalent to the amount that is unspent as at the end of the financial year and the amount that is requested for roll over was not entirely cash backed,

Supporting Table: SC8 - Councillor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,458	15,692	15,692	1,216	7,110	7,846	(736)	-9%	15,692
Pension and UIF Contributions	1,713	1,761	1,761	132	805	925	(120)	-13%	1,761
Medical Aid Contributions	319	340	340	33	193	126	67	54%	340
Motor Vehicle Allowance	5,149	5,622	5,622	431	2,584	2,811	(227)	-8%	5,622
Cellphone Allowance	2,701	2,877	2,877	226	1,354	1,438	(84)	-8%	2,877
Other benefits and allowances	235	234	234	19	112	117	(5)	-4%	234
Sub Total - Councillors	24,575	26,525	26,525	2,056	12,157	13,262	(1,105)	-8%	26,525
% increase		8%	8%						8%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,938	6,540	6,540	307	2,104	3,270	(1,166)	-36%	6,540
Pension and UIF Contributions	178	202	202	11	78	107	(29)	-27%	202
Medical Aid Contributions	82	85	85	7	43	43	-		85
Motor Vehicle Allowance	661	791	791	36	246	396	(150)	-38%	791
Cellphone Allowance	168	-	103	9	63	103	(40)	-39%	103
Other benefits and allowances	446	376	376	222	325	333	(8)	-2%	376
Payments in lieu of leave	18	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,491	7,993	8,096	592	2,858	4,251	(1,393)	-33%	8,096
% increase		23%	25%						25%
Other Municipal Staff									
Basic Salaries and Wages	87,892	99,984	99,984	7,841	46,988	49,992	(3,004)	-6%	99,984
Pension and UIF Contributions	17,806	26,133	26,133	1,590	9,508	13,066	(3,558)	-27%	26,133
Medical Aid Contributions	5,555	8,477	8,598	435	2,590	4,239	(1,648)	-39%	8,598
Overtime	1,443	974	974	61	541	487	54	11%	974
Motor Vehicle Allowance	11,056	12,848	12,955	1,005	5,993	6,531	(538)	-8%	12,955
Cellphone Allowance	1,786	102	152	159	943	101	843	838%	152
Housing Allowances	179	17	25	18	102	16	86	530%	25
Other benefits and allowances	5,710	12,488	12,967	7,605	8,234	10,818	(2,584)	-24%	12,967
Payments in lieu of leave	3,479	-	-	337	424	110	315	287%	-
Long service awards	439	733	733	-	509	366	142	39%	733
Post-retirement benefit obligations									
Sub Total - Other Municipal Staff	135,345	161,756	162,520	19,050	75,832	85,725	(9,893)	-12%	162,520
% increase		20%	20%						20%
Total Parent Municipality	166,412	196,274	197,141	21,698	90,847	103,239	(12,391)	-12%	197,141
		18%	18%						18%
TOTAL SALARY, ALLOWANCES & BENEFITS	166,412	196,274	197,141	21,698	90,847	103,239	(12,391)	-12%	197,141
% increase		18%	18%						18%
TOTAL MANAGERS AND STAFF	141,837	169,749	170,616	19,642	78,690	89,976	(11,286)	-13%	170,616

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2020 amounts to R90, 847 million and the year to date budget is R103, 239 million and the expenditure for remuneration of councillors amounts to R12, 157 million while the year to date budget is R13, 262 million. The year to date actual expenditure for senior managers is R2, 858 million and the year to date budget thereof is R4, 251 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 R75, 832 million and the year to date budget is R85, 725 million. The remuneration of councillors and other municipal staff category has underspending variance, and there is only one vacant position in the senior management level and the position in the new financial year 2020/21.

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

Description	Budget Year 2020/21												2020/21 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	2,023	1,960	2,294	2,510	2,072	1,645	2,246	2,260	2,216	2,237	2,224	3,155	26,841	28,076	29,367
Service charges - electricity revenue	5,482	6,173	7,122	6,798	7,023	6,488	7,131	7,021	7,391	7,591	7,389	13,084	88,692	92,772	97,039
Service charges - refuse	339	290	392	397	368	342	490	460	459	484	464	962	5,446	5,697	5,959
Rental of facilities and equipment	38	58	41	43	30	23	72	71	72	71	72	269	860	899	941
Interest earned - external investments	-	-	83	29	-	-	111	-	392	-	722	1,705	3,042	3,182	3,328
Interest earned - outstanding debtors	80	91	158	141	75	88	81	70	82	60	210	194	1,331	1,392	1,457
Fines, penalties and forfeits	39	35	39	31	1	36	1,298	981	821	931	991	6,930	12,134	12,554	12,994
Licences and permits	367	347	469	535	434	218	271	56	86	79	1,135	2,348	6,344	6,635	6,941
Transfers and Subsidies - Operational	130,489	2,600	-	756	-	140,449	-	1,549	77,136	-	-	(59,063)	293,916	314,089	333,501
Other revenue	1,735	1,183	1,374	1,618	1,296	2,323	60	76	90	62	100	(8,986)	931	974	1,018
Cash Receipts by Source	140,592	12,737	11,972	12,859	11,300	151,613	11,759	12,543	88,744	11,514	13,306	(39,402)	439,537	466,270	492,544
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	16,470	5,000	-	14,830	8,000	15,650	-	4,263	15,378	-	-	(5,030)	74,561	77,207	72,606
Transfers and subsidies - capital (monetary allocations)															
Proceeds on Disposal of Fixed and Intangible Assets								126		236		(361)	-	-	-
Short term loans															
Borrowing long term/refinancing							(45)		(62)		(39)	(354)	(500)	(480)	(520)
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	157,062	17,737	11,972	27,689	19,300	167,263	11,714	16,932	104,060	11,750	13,268	(45,147)	513,598	542,997	564,630
Cash Payments by Type															
Employee related costs	12,071	11,833	11,686	11,691	11,767	19,642	13,242	13,242	13,242	13,242	13,242	24,846	169,749	177,557	185,725
Remuneration of councillors	2,020	2,020	2,020	2,020	2,020	2,056	2,183	2,183	2,183	2,183	2,183	3,452	26,525	27,745	29,021
Interest paid	-	115	1,185	101	90	608	50	40	30			(1,034)	1,184	83	15
Bulk purchases - Electricity	22,318	9,105	8,055	8,682	268	6,421	8,300	8,559	8,410	8,760	8,800	(3,630)	94,047	98,937	107,743
Other materials	178	1,016	1,779	877	237	361	953	756	926	757	966	160	8,964	12,707	13,522
Contracted services	33,407	2,528	4,351	11,653	3,057	10,605	3,783	4,177	3,045	3,572	3,850	(23,367)	60,660	57,320	59,107
Grants and subsidies paid - other	244	192	358	260	244	354	577	347	247	247	247	149	3,468	3,605	3,747
General expenses	1,676	5,029	2,117	11,838	146	23,011	2,838	2,407	4,361	3,036	3,025	(18,417)	41,067	39,436	41,140
Cash Payments by Type	71,914	31,838	31,551	47,121	17,829	63,057	31,926	31,713	32,444	31,798	32,314	(17,841)	405,664	417,391	440,021
Other Cash Flows/Payments by Type															
Capital assets	1,043	6,449	10,619	4,827	4,391	10,490	8,127	6,265	7,965	6,846	7,987	12,583	87,593	93,994	94,483
Repayment of borrowing	872	881	888	896	903	911	918	928	938	948	958	938	10,980	2,489	-
Other Cash Flows/Payments															
Total Cash Payments by Type	73,830	39,168	43,059	52,844	23,123	74,459	40,971	38,906	41,347	39,591	41,258	(4,319)	504,236	513,874	534,504
NET INCREASE/(DECREASE) IN CASH HELD	83,232	(21,430)	(31,087)	(25,155)	(3,823)	92,804	(29,257)	(21,975)	62,712	(27,842)	(27,990)	(40,828)	9,361	29,123	30,126
Cash/cash equivalents at the month/year beginning:	1,929	85,161	63,731	32,644	7,489	3,666	96,470	67,213	45,239	107,951	80,109	52,119	1,929	11,291	40,414
Cash/cash equivalents at the month/year end:	85,161	63,731	32,644	7,489	3,666	96,470	67,213	45,239	107,951	80,109	52,119	11,291	11,291	40,414	70,540

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 R167, 263 million and the total cash payment for the month were R74, 459 million and this resulted in net decrease in cash held amounting to R92, 804 million. With cash and cash equivalent of R3, 666 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R96, 470 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	1,112	6,438	6,438	1,043	1,043	6,438	5,394	84%	1%
August	8,112	4,370	4,370	6,449	7,492	10,808	3,316	31%	8%
September	5,020	8,862	8,862	10,619	18,111	19,670	1,558	8%	20%
October	12,851	6,303	6,303	4,827	22,938	25,973	3,035	12%	26%
November	14,910	8,248	8,248	4,391	27,329	34,221	6,892	20%	31%
December	6,657	9,508	9,508	10,490	37,819	43,729	5,910	14%	42%
January	10,655	3,141	3,141			46,870	–		
February	7,260	6,205	6,205			53,075	–		
March	5,799	5,653	5,653			58,728	–		
April	3,395	8,602	8,602			67,330	–		
May	8,517	11,684	11,684			79,014	–		
June	13,671	10,265	5,265			84,280	–		
Total Capital expenditure	97,961	89,280	84,280	37,819					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R10, 490 million. The year to date actual expenditure incurred is R37, 819 million whilst the year to date budget is R43, 729 million that gives rise to under spending variance of R5, 910 million that translate to 14%.

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	67,457	20,000	15,000	2,233	7,065	5,275	(1,790)	-34%	15,000
Roads Infrastructure	51,346	-	-	-	-	-	-	-	-
Roads	51,346	-	-	-	-	-	-	-	-
Road Structures									
Road Furniture									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Electrical Infrastructure	16,111	20,000	15,000	2,233	7,065	5,275	(1,790)	-34%	15,000
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Networks	16,111	20,000	15,000	2,233	7,065	5,275	(1,790)	-34%	15,000
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Libraries									
Cemeteries/Crematoria									
Police									
Other assets	-	2,339	2,339	-	1,350	739	(611)	-83%	2,339
Municipal Offices		600	600			-	-		600
Pay/Enquiry Points							0%		
Building Plan Offices									
Workshops		1,739	1,739	-	1,350	739	(611)	-83%	1,739
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes									
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications									
Computer Equipment	38	250	250	-	242	200	(42)	-21%	250
Computer Equipment	38	250	250	-	242	200	(42)	-21%	250
Furniture and Office Equipment	526	800	800	28	173	300	127	42%	800
Furniture and Office Equipment	526	800	800	28	173	300	127	42%	800
Machinery and Equipment	1,492	1,200	1,200	26	54	1,060	1,006	95%	1,200
Machinery and Equipment	1,492	1,200	1,200	26	54	1,060	1,006	95%	1,200
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on new assets	69,514	24,589	19,589	2,287	8,884	7,574	(1,310)	-17%	19,589

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	10,527	46,940	46,940	7,038	27,741	24,630	(3,111)	-13%	46,940
Roads Infrastructure	10,527	39,222	45,864	7,038	27,741	23,643	(4,099)	-17%	45,864
Roads	10,527	39,222	45,864	7,038	27,741	23,643	(4,099)	-17%	45,864
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	7,719	1,076	-	-	988	988	100%	1,076
Landfill Sites		7,719	1,076			988	988	100%	1,076
Waste Transfer Stations							-		
Community Assets	-	600	600	-	-	450	450	100%	600
Libraries							-		
Cemeteries/Crematoria		600	600			450	450	100%	600
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Senitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	10,527	47,540	47,540	7,038	27,741	25,080	(2,661)	-10.6%	47,540

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	5,119	9,729	15,672	136	3,838	5,895	2,057	35%	17,772
Roads Infrastructure	161	4,892	5,783	136	2,189	1,924	(265)	-14%	7,783
Roads	161	4,892	5,783	136	2,189	1,924	(265)	-14%	7,783
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	2,180	1,845	5,689	-	222	2,475	2,253	91%	4,689
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	2,180	1,845	5,689	-	222	2,475	2,253	91%	4,689
Solid Waste Infrastructure	2,778	2,993	4,200	-	1,428	1,496	69	5%	5,300
Landfill Sites	2,778	2,993	4,200	-	1,428	1,496	69	5%	5,300
Waste Transfer Stations							-		
Community Assets	-	306	1,806	-	50	119	69	58%	1,806
Community Facilities	-	306	1,806	-	50	119	69	58%	1,806
Libraries							-		
Parks		306	1,806	-	50	119	69	58%	1,806
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	1,497	1,845	3,690	5	211	1,062	852	80%	3,690
Operational Buildings	1,497	1,845	3,690	5	211	1,062	852	80%	3,690
Workshops							-		
Intangible Assets	-	425	425	-	-	347	347	100%	425
Servitudes							-		
Licences and Rights	-	425	425	-	-	347	347	100%	425
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	1,306	1,214	2,364	28	463	859	395	46%	2,364
Machinery and Equipment	1,306	1,214	2,364	28	463	859	395	46%	2,364
Transport Assets	2,727	1,854	2,368	-	1,656	590	(1,066)	-181%	3,038
Transport Assets	2,727	1,854	2,368	-	1,656	590	(1,066)	-181%	3,038
Total Repairs and Maintenance Expenditure	10,649	15,373	26,325	169	6,218	8,873	2,654	29.9%	29,095

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41,654	40,059	40,059	-	-	17,873	17,873	100%	40,059
Roads Infrastructure	36,797	29,935	29,935	-	-	14,807	14,807	100%	29,935
Roads	36,797	29,935	29,935			14,807	14,807	100%	29,935
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	4	3,953	3,953	-	-	1,308	1,308	100%	3,953
Attenuation							-		
Electrical Infrastructure	4,156	5,501	5,501	-	-	1,586	1,586	100%	5,501
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	4,156	5,501	5,501			1,586	1,586	100%	5,501
Solid Waste Infrastructure	697	670	670	-	-	172	172	100%	670
Landfill Sites	697	670	670			172	172	100%	670
Waste Transfer Stations							-		
Community Assets	1,209	3,108	3,108	-	-	2	2	100%	3,108
Cemeteries/Crematoria	1,209	3,108	3,108			2	2	100%	3,108
Police							-		
Other assets	4,079	500	500	-	-	499	499	0	500
Operational Buildings	4,079	500	500	-	-	499	499	100%	500
Workshops							-		
Intangible Assets	1,169	402	402	-	-	-	-		402
Servitudes							-		
Computer Software and Applications	1,169	402	402				-		402
Computer Equipment	644	1,616	1,616	-	-	278	278	100%	1,616
Computer Equipment	644	1,616	1,616			278	278	100%	1,616
Furniture and Office Equipment	672	3,390	3,390	-	-	236	236	100%	3,390
Furniture and Office Equipment	672	3,390	3,390			236	236	100%	3,390
Machinery and Equipment	-	2,316	2,316	-	-	689	689	100%	2,316
Machinery and Equipment	-	2,316	2,316			689	689	100%	2,316
Transport Assets	3,849	3,772	3,772	-	-	2,306	2,306	100%	3,772
Transport Assets	3,849	3,772	3,772			2,306	2,306	100%	3,772
Total Depreciation	53,277	55,163	55,163	-	-	21,883	21,883	100%	55,163

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

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	10,828	16,150	16,150	1,165	1,165	6,985	5,820	83%	16,150
Roads Infrastructure	10,828	16,150	16,150	1,165	1,165	6,985	5,820	83%	16,150
Roads	10,828	16,150	16,150	1,165	1,165	6,985	5,820	83%	16,150
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Attenuation							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	1,000	1,000	-	29	500	471	94%	1,000
Libraries							-		
Cemeteries/Crematoria							-		
Police							-		
Parks		1,000	1,000	-	29	500	471	0	1,000
Other assets	1,299	-	-	-	-	-	-		-
Operational Buildings	1,299	-	-	-	-	-	-		-
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	12,127	17,150	17,150	1,165	1,194	7,485	6,291	84%	17,150

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 R8, 884 million and the year to date budget is R7, 574 million that reflects under spending variance of R1, 310 million that translates to 17% variance.

The year to date actuals on renewal of existing assets amounts R27, 741 million and with the year to date budget of R25, 080 million and this reflects under spending variance of R2, 661 million that translates to 10.6.% variance.

The year to date actual expenditure on repairs and maintenance is R6, 218 million, and the year to date budget is R8, 873 million, reflecting under spending variance of R2, 654 million that translates to 29.9%.

The year to date actual expenditure on upgrading of existing assets is R1, 194 million, and the year to date budget is R7, 485 million, reflecting under spending variance of R6, 291 million that translates to 84%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R21, 883 million, reflecting spending variance of R21, 883 million that translates to 100% which means the integration between asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	Medium Term Revenue and Expenditure Framework			
					Budget Year 2020/21			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Parent municipality:								
Technical Services	Kgoshi Rammupudu Road	Renewal	Infrastructure	Roads Infrastructure	16,000	16,000	2,066	13%
Technical Services	Upgrading of Mogaung Road	Upgrade	Infrastructure	Roads Infrastructure	15,250	15,250	1,165	8%
Technical Services	Electrification of Mashemong	New	Infrastructure	Electrical Infrastructure	10,494	10,494	5,195	50%
Technical Services	Tambo Road Construction	Renewal	Infrastructure	Roads Infrastructure	9,581	9,581	8,338	87%
Technical Services	Groblerdsdal Landfill site	Renewal	Infrastructure	Roads Infrastructure	7,719	1,076	–	0%
Technical Services	Motetema Internal Streets	Renewal	Infrastructure	Roads Infrastructure	7,629	7,629	6,635	87%
Technical Services	Kgaphamadi Road	Renewal	Infrastructure	Roads Infrastructure	5,500	11,654	10,104	87%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	5,100	–	–	0%
Technical Services	Electrification of Ntswelomotse	New	Infrastructure	Electrical Infrastructure	2,430	2,430	1,735	71%
Technical Services	Electrification of Zumapark	New	Infrastructure	Electrical Infrastructure	1,976	2,076	136	7%
Technical Services	Development of workshop	New	Infrastructure	Operational building	1,739	1,739	1,350	78%
Community Services	Upgrading and Development of Parks	Renewal	Community assets	Operational building	1,000	1,000	29	3%
Technical Services	Nyakoroane Road	Upgrade	Infrastructure	Roads Infrastructure	900	900	–	0%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office equipment	Electrical Infrastructure	800	800	173	22%
Community Services	Cemeteries	Renewal	Community assets	Cemeteries/Crematoria	600	600	–	0%
Community Services	Mobile Offices	New	Community assets	Operational building	600	800	–	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	511	999	599	60%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	500	500	54	11%
Finance	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	350	350	–	0%
Technical Services	Forklift	New	Equipment	Equipment	350	350	–	0%
Technical Services	Aircons Conditioner	New	Infrastructure	Equipment	350	350	–	0%
Corporate Services	Computer Equipment	New	Equipment	Equipment	250	250	242	97%

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the mid-year budget performance and assessment report and supporting documentation for the period July 2020 to December 2020 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name *kgwale mm*

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature *[Handwritten Signature]*

Date *25/01/2021*