

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2018/19

REPORTING PERIOD: FIRST QUARTER

PART 1: QUARTERLY REPORT

PURPOSE

To submit a report to council within 30 days of the end of each quarter on implementation of the Budget and Financial state of the Municipality as required by Section 52 of the Municipal Finance Management Act

Executive Summary

Section 52 of the Municipal Finance Management Act deals with requirements for quarterly reporting and further states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to council on implementation of the Budget and the financial state of the Municipality.

IN YEAR BUDGET STATEMENT TABLES

Table C1: Quarterly Budget Statement Summary

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	34,805	36,650	–	7,936	7,936	9,201	(1,266)	-14%	36,650
Service charges	92,822	101,546	–	24,020	24,020	23,798	222	1%	101,546
Investment revenue	2,500	3,000	–	727	727	680	47	7%	3,000
Transfers and subsidies	226,163	245,278	–	99,654	99,654	81,619	18,035	22%	245,278
Other own revenue	88,454	90,309	–	5,323	5,323	22,557	(17,234)	-76%	90,309
Total Revenue (excluding capital transfers and contributio)	444,744	476,783	–	137,659	137,659	137,854	(196)	0%	476,783
Employee costs	126,105	134,149	–	31,936	31,936	31,577	358	1%	134,149
Remuneration of Councillors	23,430	25,070	–	5,624	5,624	6,202	(578)	-9%	25,070
Depreciation & asset impairment	51,200	51,181	–	–	–	12,036	(12,036)	-100%	51,181
Finance charges	2,124	2,500	–	–	–	624	(624)	-100%	2,500
Materials and bulk purchases	81,986	97,093	–	18,317	18,317	24,824	(6,507)	-26%	97,093
Transfers and subsidies	3,724	4,404	–	217	217	1,099	(882)	-80%	4,404
Other expenditure	142,563	156,909	–	30,013	30,013	30,250	(236)	-1%	156,909
Total Expenditure	431,132	471,306	–	86,107	86,107	106,612	(20,505)	-19%	471,306
Surplus/(Deficit)	13,612	5,477	–	51,552	51,552	31,242	20,310	65%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830	–	16,756	16,756	25,556	(8,800)	-34%	63,830
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	104,961	69,307	–	68,308	68,308	56,798	11,510	20%	69,307
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	104,961	69,307	–	68,308	68,308	56,798	11,510	20%	69,307
Capital expenditure & funds sources									
Capital expenditure	103,123	75,869	–	15,702	15,702	27,548	(11,847)	-43%	75,869
Capital transfers recognised	80,131	55,504	–	4,498	4,498	22,222	(17,725)	-80%	55,504
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	22,992	20,365	–	114	114	5,326	(5,212)	-98%	20,365
Total sources of capital funds	103,123	75,869	–	4,612	4,612	27,548	(22,936)	-83%	75,869
Financial position									
Total current assets	144,278	120,845	–	102,375	102,375				120,845
Total non current assets	1,084,126	1,083,492	–	1,091,955	1,091,955				1,083,492
Total current liabilities	111,156	73,138	–	116,041	116,041				73,138
Total non current liabilities	86,141	116,629	–	97,096	97,096				116,629
Community wealth/Equity	1,031,107	1,014,570	–	981,194	981,194				1,014,570
Cash flows									
Net cash from (used) operating	89,558	83,769	–	30,095	30,095	62,430	32,335	52%	83,769
Net cash from (used) investing	(63,516)	(71,869)	–	(13,100)	(13,100)	(27,315)	(14,215)	52%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	–	49	49	(2,455)	(2,504)	102%	(9,829)
Cash/cash equivalents at the month/year end	41,116	18,039	–	23,238	23,238	48,627	25,389	52%	8,265
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Dys	181 Dys -1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10,377	7,551	3,978	2,073	1,863	1,787	9,745	9,745	72,590
Creditors Age Analysis									
Total Creditors	1,670	–	–	–	–	–	–	–	1,670

Revenue

For the first quarter of July to September 2018, the year to date actual amounted to R 137, 659 million. Of the total revenue received during the first quarter, the major portion of R 99, 654 (22%) million is from equitable share. Other receipts are from property rates, service charges and other grants.

Operating Expenditure

The operating expenditure for the quarter amounts to R86, 107 million with the year to date expenditure of R87, 107 million which shows 19% year to date variance when compared to the year to date budget.

Capital Expenditure

The year to date actual capital expenditure as at end of first quarter amounts to R15, 702 million and the year to date budget amounts to R27, 548 million and this deviates with 43% when compared to year to date target.

Surplus/Deficit

Taking the above into consideration the net operating surplus for the quarter ending 30 September 2018 amounts to R51, 552 million.

Debtors

Outstanding debtors comprises of consumer and sundry debtors. The total outstanding debtors as at end of the first quarter amounts to R72, 590 million and this shows an increase of R9, 909 million as compared to R62, 681 million for 2017/18 financial year first quarter.

The total outstanding debtors as at end of first quarter amounts to R62, 681 million and this shows an increase of R15, 500 million as compared to R48, 181 million as at end of 2017/18 financial year.

Creditors

All creditors are paid within 30 days of the receipt of an invoice as required by the MFMA. Creditors balance amounts to R1, 670 million and this is as a result of invoices still falling within the prescribed period

Table C2 – Quarterly Financial Performance (Standard Classification)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183,920	203,714	-	69,589	69,589	58,643	10,946	19%	203,714
Executive and council	35,581	42,873	-	18,486	18,486	14,825	3,661	25%	42,873
Finance and administration	141,936	152,939	-	47,777	47,777	41,150	6,627	16%	152,939
Internal audit	6,402	7,902	-	3,326	3,326	2,668	659	25%	7,902
Community and public safety	18,446	18,637	-	9,933	9,933	5,345	4,588	86%	18,637
Community and social services	11,977	7,973	-	6,560	6,560	2,649	3,911	148%	7,973
Sport and recreation	6,469	10,664	-	3,373	3,373	2,695	678	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	200,822	185,532	-	37,330	37,330	62,408	(25,078)	-40%	185,532
Planning and development	19,012	17,319	-	3,201	3,201	5,156	(1,955)	-38%	17,319
Road transport	180,968	167,196	-	33,692	33,692	56,902	(23,210)	-41%	167,196
Environmental protection	842	1,018	-	438	438	351	87	25%	1,018
Trading services	132,905	132,730	-	37,562	37,562	37,014	548	1%	132,730
Energy sources	107,173	109,537	-	28,425	28,425	28,356	68	0%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	9,138	9,138	8,658	480	6%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	536,093	540,613	-	154,415	154,415	163,410	(8,995)	-6%	540,613
Expenditure - Functional									
Governance and administration	181,424	176,004	-	46,869	46,869	46,448	421	1%	176,004
Executive and council	42,315	42,558	-	9,756	9,756	10,207	(451)	-4%	42,558
Finance and administration	131,658	125,652	-	35,610	35,610	34,222	1,388	4%	125,652
Internal audit	7,450	7,795	-	1,502	1,502	2,019	(517)	-26%	7,795
Community and public safety	14,759	18,191	-	2,331	2,331	3,962	(1,631)	-41%	18,191
Community and social services	5,737	7,709	-	1,102	1,102	1,612	(510)	-32%	7,709
Sport and recreation	9,021	10,481	-	1,228	1,228	2,350	(1,121)	-48%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	120,307	149,194	-	14,035	14,035	25,950	(11,915)	-46%	149,194
Planning and development	17,708	23,848	-	3,568	3,568	5,732	(2,164)	-38%	23,848
Road transport	101,719	124,365	-	10,337	10,337	19,995	(9,658)	-48%	124,365
Environmental protection	880	981	-	129	129	223	(93)	-42%	981
Trading services	114,643	127,918	-	22,872	22,872	30,252	(7,380)	-24%	127,918
Energy sources	87,570	105,653	-	17,793	17,793	25,219	(7,426)	-29%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	5,079	5,079	5,033	46	1%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	431,132	471,306	-	86,107	86,107	106,612	(20,505)	-19%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	-	68,308	68,308	56,798	11,510	20%	69,307

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

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	37,871	38,168	–	16,387	16,387	13,142	3,245	25%	38,168
Vote 2 - Municipal Manager	23,080	31,469	–	8,211	8,211	6,585	1,626	25%	31,469
Vote 3 - Budget & Treasury	71,894	64,695	–	17,753	17,753	17,098	656	4%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	17,588	17,588	14,079	3,508	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	25,456	25,456	36,396	(10,940)	-30%	127,644
Vote 6 - Technical Services	220,489	211,110	–	61,843	61,843	67,765	(5,922)	-9%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	563	563	3,040	(2,477)	-81%	11,493
Vote 8 - Executive Support	12,731	16,094	–	6,615	6,615	5,305	1,310	25%	16,094
Total Revenue by Vote	536,093	540,613	–	154,415	154,415	163,410	(8,995)	-6%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	38,271	37,886	–	8,920	8,920	9,179	(259)	-3%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	8,888	8,888	7,485	1,403	19%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	18,522	18,522	15,456	3,066	20%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	5,163	5,163	8,261	(3,098)	-38%	37,865
Vote 5 - Community Services	79,148	105,457	–	12,457	12,457	14,309	(1,851)	-13%	105,457
Vote 6 - Technical Services	165,729	185,027	–	26,041	26,041	44,928	(18,887)	-42%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	2,040	2,040	2,885	(845)	-29%	11,188
Vote 8 - Executive Support	16,063	15,539	–	4,075	4,075	4,110	(34)	-1%	15,539
Total Expenditure by Vote	431,132	471,306	–	86,107	86,107	106,612	(20,505)	-19%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	–	68,308	68,308	56,798	11,510	20%	69,307

Table C2 and C3 measures the quarterly actual against the year to date performance targets which is realized by vote and standard classification. 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: Quarterly Financial performance by Revenue Source and Expenditure Type

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	34,805	36,650		7,936	7,936	9,201	(1,266)	-14%	36,650
Service charges - electricity revenue	81,206	89,297		22,023	22,023	20,994	1,029	5%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11,616	12,249		1,997	1,997	2,804	(807)	-29%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		159	159	305	(146)	-48%	1,220
Interest earned - external investments	2,500	3,000		727	727	680	47	7%	3,000
Interest earned - outstanding debtors	14,260	8,161		2,119	2,119	2,177	(58)	-3%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		1,398	1,398	18,204	(16,806)	-92%	73,218
Licences and permits	4,500	4,950		1,300	1,300	1,237	63	5%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		99,654	99,654	81,619	18,035	22%	245,278
Other revenue	13,678	2,761		346	346	634	(287)	-45%	2,761
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers)	444,744	476,783	-	137,659	137,659	137,854	(196)	0%	476,783
Expenditure By Type									
Employee related costs	126,105	134,149		31,936	31,936	31,577	358	1%	134,149
Remuneration of councillors	23,430	25,070		5,624	5,624	6,202	(578)	-9%	25,070
Debt impairment	26,372	53,421		-	-	-	-		53,421
Depreciation & asset impairment	51,200	51,181		-	-	12,036	(12,036)	-100%	51,181
Finance charges	2,124	2,500		-	-	624	(624)	-100%	2,500
Bulk purchases	70,165	80,000		16,345	16,345	20,540	(4,195)	-20%	80,000
Other materials	11,821	17,093		1,972	1,972	4,284	(2,312)	-54%	17,093
Contracted services	65,237	60,020		17,035	17,035	16,903	132	1%	60,020
Transfers and subsidies	3,724	4,404		217	217	1,099	(882)	-80%	4,404
Other expenditure	50,954	43,468		12,979	12,979	13,346	(368)	-3%	43,468
Loss on disposal of PPE				-	-		-		
Total Expenditure	431,132	471,306	-	86,107	86,107	106,612	(20,505)	-19%	471,306
Surplus/(Deficit)	13,612	5,477	-	51,552	51,552	31,242	20,310	65%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830		16,756	16,756	25,556	(8,800)	-34%	63,830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers	104,961	69,307	-	68,308	68,308	56,798			69,307
Taxation									
Surplus/(Deficit) after taxation	104,961	69,307	-	68,308	68,308	56,798			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104,961	69,307	-	68,308	68,308	56,798			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104,961	69,307	-	68,308	68,308	56,798			69,307

This table provides the quarterly details for revenue by source and expenditure by type. The reasons for deviations will only be provided in cases where the difference is more than 10% and can be viewed in supporting table SC1.

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

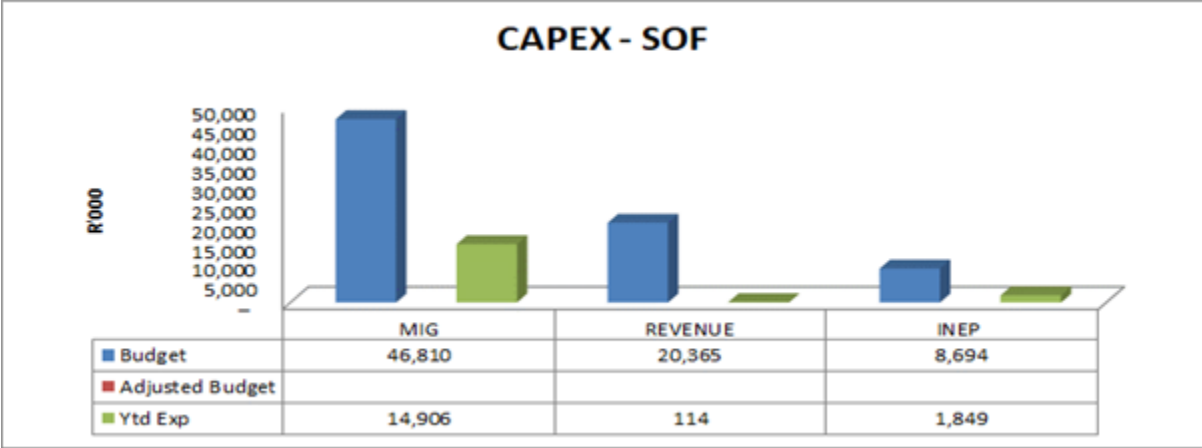
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,300	1,700	-	143	143	435	(292)	-67%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		143	143	435	(292)	-67%	1,700
Internal audit							-		
Community and public safety	8,479	522	-	-	-	100	(100)	-100%	522
Community and social services		522		-	-	100	(100)	-100%	522
Sport and recreation	8,479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80,021	59,779	-	12,557	12,557	24,443	(11,887)	-49%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		12,557	12,557	24,443	(11,887)	-49%	59,779
Environmental protection		-					-		-
Trading services	13,324	13,868	-	3,002	3,002	2,570	432	17%	13,868
Energy sources	13,324	10,868		3,002	3,002	1,470	1,532	104%	10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000		-	-	1,100	(1,100)	-100%	3,000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103,123	75,869	-	15,702	15,702	27,548	(11,847)	-43%	75,869
Funded by:									
National Government	80,131	55,504		15,559	15,559	22,222	(6,663)	-30%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80,131	55,504	-	15,559	15,559	22,222	(6,663)	-30%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		143	143	5,326	(5,183)	-97%	20,365
Total Capital Funding	103,123	75,869	-	15,702	15,702	27,548	(11,847)	-43%	75,869

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	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	1,300	1,400	-	-	-	335	(335)	-100%	1,400
Vote 5 - Community Services	500	3,000	-	-	-	1,100	(1,100)	-100%	3,000
Vote 6 - Technical Services	75,747	27,513	-	3,338	3,338	7,224	(3,886)	-54%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77,547	31,913	-	3,338	3,338	8,659	(5,321)	-61%	31,913
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	500	(500)	-100%	500
Vote 4 - Corporate Services	-	300	-	143	143	100	43	43%	300
Vote 5 - Community Services	400	522	-	-	-	100	(100)	-100%	522
Vote 6 - Technical Services	25,176	42,634	-	12,221	12,221	18,189	(5,968)	-33%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25,576	43,956	-	12,364	12,364	18,889	(6,526)	-35%	43,956
Total Capital Expenditure	103,123	75,869	-	15,702	15,702	27,548	(11,847)	-43%	75,869

Table C5 Capex and C5C present capital expenditure performance for all votes, standard classification and the funding thereof and measures the year-to-date performance targets against the actual capital expenditure figures.

For first quarter, R15, 702 million spending was incurred on capital budget and year to date budget is R27, 548 million and this gave rise to underperformance variance of R11, 847 million that translates to 43%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R23, 110 million (VAT exclusive) is funded from Municipal Infrastructure grant, R4, 000 million (VAT exclusive) from INEP and R22, 557 million from own revenue and the spending per source of finance is presented in the above graph.

Table C6: Quarterly Budget Statement Financial Position

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	10,840	2,457		2,655	2,457
Call investment deposits	30,277	15,582		20,583	15,582
Consumer debtors	48,056	40,483		23,595	40,483
Other debtors	51,359	58,923		52,018	58,923
Current portion of long-term receivables	–			–	
Inventory	3,747	3,400		3,525	3,400
Total current assets	144,278	120,845	–	102,375	120,845
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	56,136	53,728		109,752	53,728
Investments in Associate		–		–	–
Property, plant and equipment	1,015,767	1,016,632		968,948	1,016,632
Agricultural		–		–	–
Biological		–		–	–
Intangible	291	291		85	291
Other non-current assets	11,932	12,841		13,169	12,841
Total non current assets	1,084,126	1,083,492	–	1,091,955	1,083,492
TOTAL ASSETS	1,228,404	1,204,337	–	1,194,331	1,204,337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	5,839	10,000		–	10,000
Consumer deposits	5,770	5,260		5,298	5,260
Trade and other payables	90,057	52,466		107,930	52,466
Provisions	9,489	5,412		2,812	5,412
Total current liabilities	111,156	73,138	–	116,041	73,138
Non current liabilities					
Borrowing	–	30,677		3,860	30,677
Provisions	86,141	85,952		93,236	85,952
Total non current liabilities	86,141	116,629	–	97,096	116,629
TOTAL LIABILITIES	197,297	189,767	–	213,137	189,767
NET ASSETS	1,031,107	1,014,570	–	981,194	1,014,570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,031,107	1,014,570		981,194	1,014,570
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,031,107	1,014,570	–	981,194	1,014,570

The above table shows that community wealth amounts to R981,194 million, total liabilities R213,137 million and the total assets R1, 194, 331 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus.

Total current assets appear to be fairly reasonable relative to total current liabilities and this as a result portray a much better picture of the municipality's current ratio.

Table C7: Quarterly Budgeted Statement Cash Flow

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	15,677	28,587		5,116	5,116	7,177	(2,061)	-29%	28,587
Service charges	54,524	89,922		19,999	19,999	20,549	(550)	-3%	89,922
Other revenue	31,449	18,225		4,920	4,920	4,390	530	12%	18,225
Government - operating	226,163	245,278		43,767	43,767	101,180	(57,414)	-57%	245,278
Government - capital	81,860	63,830		27,110	27,110	22,593	4,517	20%	63,830
Interest	1,710	4,632		747	747	1,115	(368)	-33%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(71,347)	(71,347)	(92,853)	(21,505)	23%	(359,801)
Finance charges	(448)	(2,500)		-	-	(624)	(624)	100%	(2,500)
Transfers and Grants	(6,316)	(4,404)		(217)	(217)	(1,099)	(882)	80%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,558	83,769	-	30,095	30,095	62,430	32,335	52%	83,769
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,000		-	-		-		2,000
Decrease (Increase) in non-current debtors		2,000		-	-		-		2,000
Decrease (increase) other non-current receivables	14,048	-		150	150	233	(83)	-36%	-
Decrease (increase) in non-current investments		-		-	-		-		-
Payments									
Capital assets	(77,564)	(75,869)		(13,250)	(13,250)	(27,548)	(14,298)	52%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(13,100)	(13,100)	(27,315)	(14,215)	52%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-		-	-		-		-
Borrowing long term/refinancing		-		-	-		-		-
Increase (decrease) in consumer deposits	(137)	171		49	49	45	4	9%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		-	-	(2,500)	(2,500)	100%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	49	49	(2,455)	(2,504)	102%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	17,043	17,043	32,659			2,071
Cash/cash equivalents at beginning:	20,944	15,968			6,194	15,968			6,194
Cash/cash equivalents at month/year end:	41,116	18,039			23,238	48,627			8,265

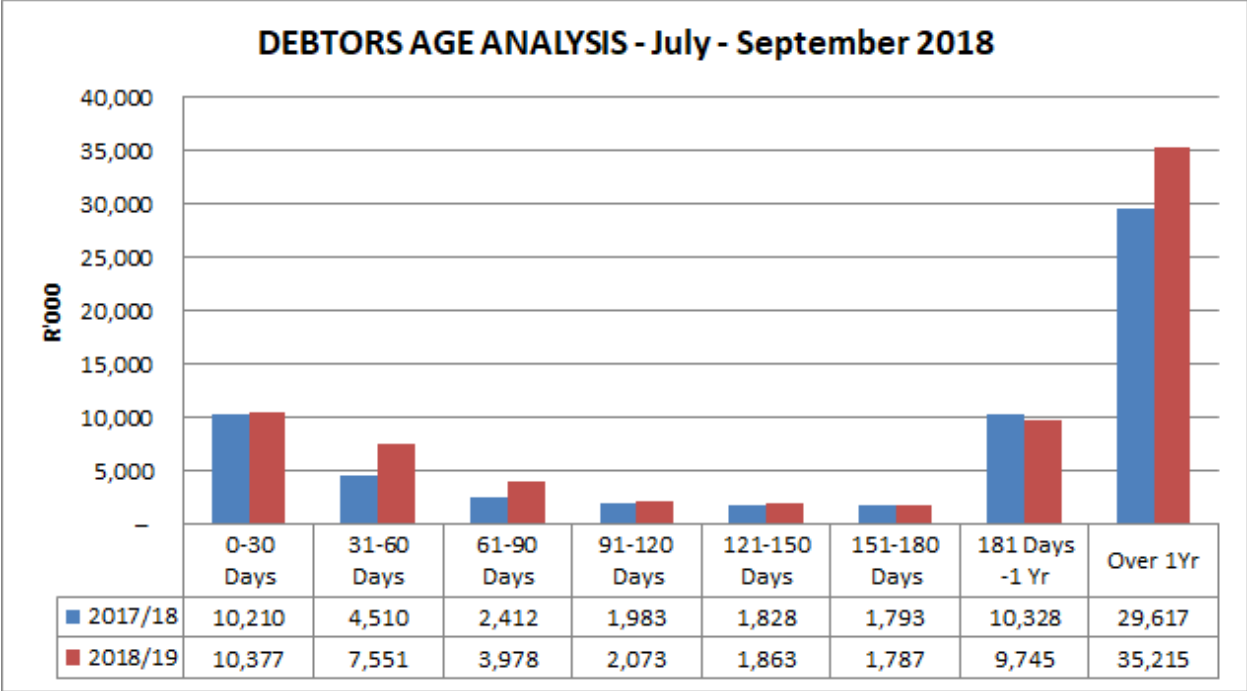
Table C7 provides details of the monthly cash in and outflow. For the quarter ending 30 September 2018 the net cash from operating activities is R30, 095 million whilst cash used for investing activities is R 13, 100 million and the net cash from financing activities is R49 thousand. The cash and cash equivalent held at end of the first quarter amounted to R23, 238 million.

PART 2: SUPPORTING TABLES

Table SC3: Debtors Analysis

Description	Budget Year 2018/19									Total over 90 days	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days -1 Yr	Over 1Yr	Total		
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water										-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5,844	4,132	1,549	202	134	104	503	3,220	15,689	4,164	
Receivables from Non-exchange Transactions - Property Rates	2,478	1,592	1,120	912	822	800	4,387	17,678	29,789	24,598	
Receivables from Exchange Transactions - Waste Water Management									-	-	
Receivables from Exchange Transactions - Waste Management	654	489	429	351	334	331	1,905	3,183	7,676	6,104	
Receivables from Exchange Transactions - Property Rental Debtors	31	16	62	2	20	20	72	1,008	1,230	1,121	
Interest on Arrear Debtor Accounts	774	718	664	624	596	574	3,010	11,722	18,682	16,526	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-	
Other	597	604	154	(18)	(43)	(41)	(132)	(1,596)	(475)	(1,830)	
Total By Income Source	10,377	7,551	3,978	2,073	1,863	1,787	9,745	35,215	72,590	50,684	
2017/18 - totals only	10,210	4,510	2,412	1,983	1,828	1,793	10,328	29,617	62,681	45,549	
Debtors Age Analysis By Customer Group											
Organs of State	1,410	917	756	407	380	360	1,871	8,870	14,972	11,888	
Commercial	5,036	4,092	1,375	339	294	304	1,540	5,204	18,185	7,682	
Households	3,242	2,064	1,350	943	809	775	4,122	11,894	25,199	18,542	
Other	688	478	496	385	380	348	2,211	9,247	14,234	12,572	
Total By Customer Group	10,377	7,551	3,978	2,073	1,863	1,787	9,745	35,215	72,590	50,684	

This table provides a breakdown of the consumer and sundry debtors at the end of the quarter. The outstanding debtors amounted to R 50, 684 million as at 30 September 2018. Consumer debtors amounts to R 38, 112 million and sundry debtors amounts to R 12, 572 million as at end of the first quarter.

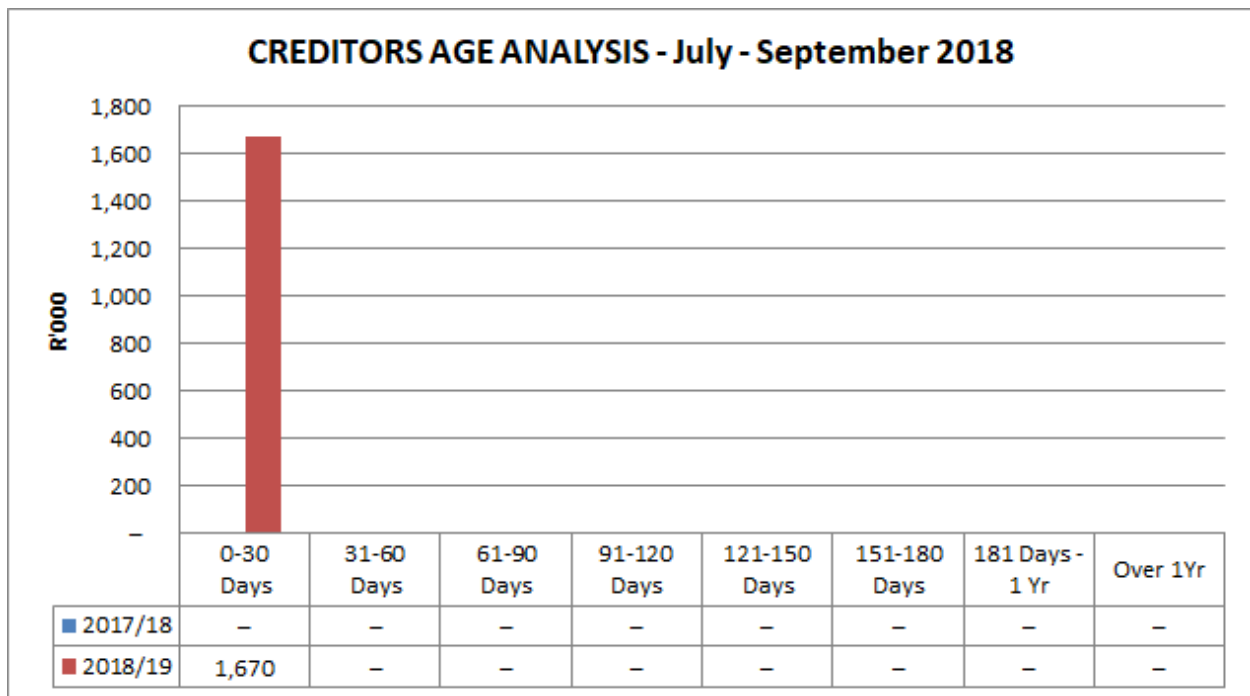


The graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of first quarter) and noted from the graph there is an increase in the municipal debt book for 2018/19 financial year.

Table SC4: Creditors Analysis

Description	Budget Year 2018/19									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	1,670	-	-	-	-	-	-	-	1,670	-
Total By Customer Type	1,670	-	-	-	-	-	-	-	1,670	-

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. No creditors were outstanding for more than 30 days. Creditors balance amounts to R1, 670 million and this is as a result of invoices still falling within the prescribed period.



The graph compares creditors' age analysis for 2017/18 financial year and 2018/19 (as at end of first quarter) and noted from the graph there is an increase in 0-30 days.

Table SC5: Investment Portfolio Analysis

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month	Month
Nedbank (03/7881068264/000046)	1 month	Current Investment	20-Aug-18	61	7.40%	–	20,000	20,061	Jul
Nedbank (03/7881068264/000047)	2 month	Current Investment	17-Sep-18	123	7.47%	–	40,000	40,123	Jul
Nedbank (03/7881068264/000046)	1 month	Current Investment	20-Aug-18	77	7.40%	20,061	(20,138)	–	Aug
Nedbank (03/7881068264/000047)	1 month	Current Investment	17-Sep-18	254	7.47%	40,123	–	40,377	Aug
Nedbank (03/7881068264/000047)	1 month	Current Investment	17-Sep-18	131	7.47%	40,377	(40,508)	–	Sep
Nedbank (03/788106826400037)	1 month	Current Investment	30-Sep-18	75	5.20%	–	20,508	20,583	Sep
TOTAL INVESTMENTS AND INTEREST				721		100,560	(40,078)	121,143	

Supporting Table SC5 displays the council’s investments portfolio and indicates that R60, 646 million was invested as at end of the first quarter. There is a total of R 40, 138 million that was withdrawn during the quarter ending 30 September 2018.

Table SC6- Allocation and grant receipts

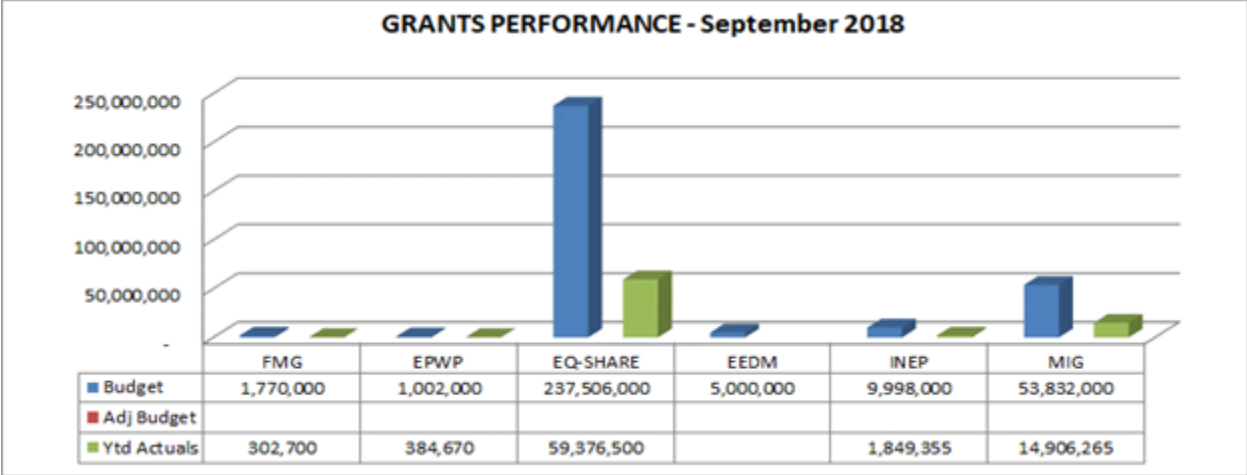
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226,163	245,278	-	43,606	43,606	43,606	-		245,278
Local Government Equitable Share	223,019	237,506		39,584	39,584	39,584	-		237,506
Finance Management	1,700	1,770		1,770	1,770	1,770			1,770
EPWP Incentive	1,444	1,002		252	252	252			1,002
Energy Efficiency and Demand Management	-	5,000		2,000	2,000	2,000			5,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Operating Transfers and Grants	226,163	245,278	-	43,606	43,606	43,606	-		245,278
Capital Transfers and Grants									
National Government:	91,349	63,830	-	27,110	27,110	27,110	-		63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		23,110	23,110	23,110	-		53,832
Intergrated National Electrification Grant	15,189	9,998		4,000	4,000	4,000	-		9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	91,349	63,830	-	27,110	27,110	27,110	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANT	317,512	309,108	-	70,716	70,716	70,716	-		309,108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R70, 716 million of which the major portion is attributed to equitable share. In the reporting period, all gazetted grants were received according to National Treasury's grants payment schedule.

Table SC7: Transfers and Grant Expenditure

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	226,163	245,278	-	60,064	60,064	61,320	(1,256)	-2%	245,278
Local Government Equitable Share	223,019	237,506		59,377	59,377	59,377	-		237,506
Finance Management	1,700	1,770		303	303	443	(140)	-32%	1,770
EPWP Incentive	1,444	1,002		385	385	251	134	54%	1,002
Energy Efficiency and Demand Management	-	5,000		-	-	1,250	(1,250)	-100%	5,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A							-		
District Municipality:	-	-	-	-	-	-	-	-	-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A							-		
Total operating expenditure of Transfers and Grants	226,163	245,278	-	60,064	60,064	61,320	(1,256)	-2%	245,278
Capital expenditure of Transfers and Grants									
National Government:	91,349	63,830	-	16,756	16,756	15,958	798	5%	63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		14,906	14,906	13,458	1,448	11%	53,832
Integrated National Electrification Grant	15,189	9,998		1,849	1,849	2,500	(650)	-26%	9,998
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A							-		
District Municipality:	-	-	-	-	-	-	-	-	-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A							-		
Total capital expenditure of Transfers and Grants	91,349	63,830	-	16,756	16,756	15,958	798	5%	63,830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317,512	309,108	-	76,819	76,819	77,277	(458)	-1%	309,108

A total amount of R76, 819 million has been spent on grants during the first quarter and the year to date budget thereof amount to R77; 277 million and this resulted in over spending variance of R458 thousands that translates to -1%. Of the total spending amounting to R76, 819 million, R60, 064 million is spent on operational grants whilst R16, 756 million is spent of capital grants.



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

- Financial Management Grant 17.10%
- Expanded Public Work Programme 152.65%
- Equitable Share 150%
- Energy Efficiency and Demand Management 0%
- Municipal Infrastructure Grant 64.50%
- Integrated National Electrification Grant 46.23%

Table SC8: Councilor Allowances and Employee Benefits

Summary of Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,757	15,073		3,239	3,239	3,725	(486)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		387	387	460	(73)	-16%	1,857
Medical Aid Contributions	285	317		84	84	71	13	18%	317
Motor Vehicle Allowance	4,788	5,324		1,237	1,237	1,321	(84)	-6%	5,324
Cellphone Allowance	1,930	2,489		677	677	622	55	9%	2,489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	2	(2)	-100%	10
Sub Total - Councillors	23,430	25,070	-	5,624	5,624	6,202	(578)	-9%	25,070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,325	4,718		1,189	1,189	1,221	(33)	-3%	4,718
Pension and UIF Contributions	921	1,095		66	66	255	(189)	-74%	1,095
Medical Aid Contributions	198	252		24	24	57	(33)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		201	201	140	61	44%	907
Cellphone Allowance	59	84		27	27	21	6	28%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		210	210	0	210	110486%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,775	7,137	-	1,717	1,717	1,695	22	1%	7,137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74,581	85,022		20,523	20,523	21,067	(544)	-3%	85,022
Pension and UIF Contributions	16,183	16,149		4,142	4,142	3,684	458	12%	16,149
Medical Aid Contributions	5,059	4,826		1,280	1,280	1,085	195	18%	4,826
Overtime	2,784	1,774		630	630	273	357	131%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		2,482	2,482	2,049	433	21%	8,965
Cellphone Allowance	835	986		264	264	235	29	12%	986
Housing Allowances	214	161		43	43	36	7	20%	161
Other benefits and allowances	8,499	8,057		287	287	1,173	(886)	-76%	8,057
Payments in lieu of leave	1,067	892		318	318	151	167	111%	892
Long service awards	627	180		243	243	60	183	306%	180
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff	119,330	127,011	-	30,213	30,213	29,813	401	1%	127,011
% increase		6%							6%
Total Parent Municipality	149,535	159,219	-	37,554	37,554	37,709	(155)	0%	159,219
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149,535	159,219	-	37,554	37,554	37,709	(155)	0%	159,219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126,105	134,149	-	31,930	31,930	31,507	422	1%	134,149

This table provides the details for councilor and employee benefits. For the first quarter the total salaries, allowances and benefits amounted to R37, 709 million which deviates with R155 thousand from the planned figure.

Table SC9: Actual and Revised Targets for Cash Receipts

Description	Budget Year 2018/19				2018/19 Medium Term Revenue & Expenditure Framework		
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	Outcome	Budget	Budget	Budget			
Cash Receipts By Source							
Property rates	5,116	6,539	7,099	9,833	28,587	30,131	31,788
Service charges - electricity revenue	18,897	18,827	19,267	23,378	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-
Service charges - refuse	1,103	2,363	2,149	3,940	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	68	152	152	238	610	643	678
Interest earned - external investments	580	800	968	652	3,000	3,162	3,336
Interest earned - outstanding debtors	167	372	423	670	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	550	2,601	1,769	5,329	10,248	10,801	11,395
Licences and permits	1,300	1,238	1,238	1,175	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-
Transfer receipts - operating	43,767	79,168	64,929	57,414	245,278	269,940	293,775
Other revenue	3,001	587	674	(1,845)	2,417	2,548	2,688
Cash Receipts by Source	74,549	112,647	98,667	100,782	386,644	420,226	453,831
Other Cash Flows by Source							
Transfer receipts - capital	27,110	32,185	9,052	(4,517)	63,830	67,721	70,734
Contributions & Contributed assets	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	2,000	-	-	2,000	-	-
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase in consumer deposits	49	12	26	84	171	203	227
Receipt of non-current debtors	150	678	500	672	2,000	2,500	2,700
Receipt of non-current receivables	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-
Total Cash Receipts by Source	101,858	147,522	108,245	97,020	454,645	490,650	527,492
Cash Payments by Type							
Employee related costs	31,566	35,307	31,807	35,469	134,149	142,723	152,000
Remuneration of councillors	6,385	6,202	6,213	6,271	25,070	26,675	28,409
Interest paid	-	624	624	1,252	2,500	2,300	2,000
Bulk purchases - Electricity	15,345	16,613	19,897	28,145	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-
Other materials	1,972	3,894	3,830	7,397	17,093	18,017	19,007
Contracted services	13,700	15,118	13,121	18,081	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-
Grants and subsidies paid - other	217	1,099	1,099	1,989	4,404	4,642	4,897
General expenses	2,380	8,782	10,043	22,264	43,468	45,289	47,780
Cash Payments by Type	71,564	87,639	86,633	120,869	366,705	386,594	409,124
Other Cash Flows/Payments by Type							
Capital assets	13,250	26,462	15,363	20,794	75,869	85,123	84,647
Repayment of borrowing	-	2,500	2,500	5,000	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	-	-
Total Cash Payments by Type	84,814	116,601	104,496	146,663	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	17,043	30,921	3,750	(49,642)	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	23,238	54,158	57,908	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	23,238	54,158	57,908	8,265	8,265	13,198	30,242

Supporting Table SC9 provides the details of the cash inflow for the budget setting out receipt by source and payments by type. As at end of first quarter, cash receipts reflect an amount of R 101, 858 million whilst the total cash payment is R84, 814 million.

Table SC12: Capital Expenditure Monthly/Quarterly Trend

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure									
July	935	6,722		3,239	3,239	6,722	3,484	52%	4%
August	3,028	9,189		6,683	6,683	15,911	9,229	58%	9%
September	13,273	11,637		17,773	17,773	27,548	9,776	35%	23%
First Quarter	17,236	27,548	-	27,694	27,694	50,182	22,488		
October	3,283	9,283				36,831	-		
November	9,287	8,482				45,313	-		
December	14,916	8,697				54,010	-		
Second Quarter	27,486	26,462	-	-	-	136,153	-		
January	7,885	3,979				57,989	-		
February	3,644	6,249				64,237	-		
March	8,166	5,136				69,373	-		
Third Quarter	19,695	15,363	-	-	-	191,599	-		
April	11,457	2,938				72,311	-		
May	18,986	2,052				74,364	-		
June	13,201	1,505				75,869	-		
Fourth Quarter	43,643	6,496	-	-	-	222,544	-		
Total Capital expenditure	108,060	75,869	-	27,694					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this table serves as a supporting table for table C5. In terms of this table the capital expenditure for first quarter amounts to R27, 694 million. The year to date capital budget is R50, 182 million that gives rise to under spending variance of R22, 488 million.

Table SC13a: Quarterly Capital Expenditure on New Assets

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	48,394	32,150	-	7,348	7,348	9,718	2,369	24.38%	32,150
Roads Infrastructure	35,070	21,283	-	4,346	4,346	8,248	3,901	47.30%	21,283
Roads	35,070	21,283	-	4,346	4,346	8,248	3,901	47.30%	21,283
Electrical Infrastructure	13,324	10,868	-	3,002	3,002	1,470	(1,532)	-104.23%	10,868
HV Transmission Conductors	13,324	10,868	-	3,002	3,002	1,470	(1,532)	-104.23%	10,868
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites							-		
Waste Processing Facilities							-		
Waste Drop-off Points							-		
Community Assets	300	-	-	-	-	-	-	-	-
Community Facilities	300	-	-	-	-	-	-	-	-
Halls							-		
Cemeteries/Crematoria	300	-	-	-	-	-	-	-	-
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities							-		
Outdoor Facilities							-		
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property							-		
Unimproved Property							-		
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property							-		
Unimproved Property							-		
Other assets	-	4,447	-	-	-	600	600	100.00%	4,447
Operational Buildings	-	4,447	-	-	-	600	600	100.00%	4,447
Municipal Offices	-	4,447	-	-	-	600	600	100.00%	4,447
Pay/Enquiry Points							-		
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Software and Applications							-		
Load Settlement Software Applications							-		
Computer Equipment	800	500	-	-	-	135	135	100.00%	500
Computer Equipment	800	500	-	-	-	135	135	100.00%	500
Furniture and Office Equipment	500	400	-	-	-	100	100	100.00%	400
Furniture and Office Equipment	500	400	-	-	-	100	100	100.00%	400
Machinery and Equipment	1,200	1,300	-	143	143	700	557	79.61%	1,300
Machinery and Equipment	1,200	1,300	-	143	143	700	557	79.61%	1,300
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	51,194	38,798	-	7,491	7,491	11,253	3,761	33.43%	38,798

Table SC13b: Quarterly Expenditure on Existing Assets

Description	2017/18 Audited Outcome	Budget Year 2018/19							
		Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	41,914	33,550	-	8,210	8,210	15,096	6,885	45.61%	33,550
Roads Infrastructure	41,914	33,550	-	8,210	8,210	15,096	6,885	45.61%	33,550
Roads	41,414	33,550		8,210	8,210	15,096	6,885	45.61%	33,550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
Capital Spares							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Electricity Generation Facilities							-		
Capital Spares							-		
Community Assets	-	522	-	-	-	100	100	100.00%	522
Community Facilities	-	522	-	-	-	100	100	100.00%	522
Halls							-		
Libraries							-		
Cemeteries/Crematoria	-	522	-	-	-	100	100	100.00%	522
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Capital Spares							-		
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating	-	-	-	-	-	-	-		-
Other assets	500	-	-	-	-	-	-		-
Operational Buildings	500	-	-	-	-	-	-		-
Municipal Offices	500	-	-	-	-	-	-		-
Pay/Enquiry Points							-		
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Biological or Cultivated Assets							-		
Intangible Assets	-	-	-	-	-	-	-		-
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of existing assets	42,414	34,071	-	8,210	8,210	15,196	6,985	45.97%	34,071

Table SC13c: Quarterly Expenditure on Repairs & Maintenance

Description	2017/18 Audited Outcome	Budget Year 2018/19							
		Original Budget	Adjusted Budget	First quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	7,850	10,400	–	604	604	2,439	1,835	75.24%	10,400
Roads Infrastructure	2,650	4,000	–	481	481	920	439	47.69%	4,000
Roads	2,650	4,000		481	481	920	439	47.69%	4,000
Road Structures							–		
Road Furniture							–		
Capital Spares							–		
Storm water Infrastructure	–	–	–	–	–	–	–		–
Drainage Collection							–		
Storm water Conveyance							–		
Attenuation							–		
Electrical Infrastructure	1,900	3,000	–	121	121	670	549	81.87%	3,000
MV Networks	1,800	3,000		121	121	670	549	81.87%	3,000
Capital Spares	100	–				–	–		–
Solid Waste Infrastructure	3,300	3,400	–	1	1	849	848	99.86%	3,400
Landfill Sites	3,150	3,400		1	1	849	848	99.86%	3,400
Capital Spares	150	–		–	–	–	–		–
Community Assets	–	–	–	–	–	–	–		–
Community Facilities	–	–	–	–	–	–	–		–
Halls							–		
Centres							–		
Cemeteries/Crematoria							–		
Sport and Recreation Facilities	–	–	–	–	–	–	–		–
Indoor Facilities							–		
Outdoor Facilities							–		
Capital Spares							–		
Heritage assets	–	–	–	–	–	–	–		–
Investment properties	–	–	–	–	–	–	–		–
Revenue Generating	–	–	–	–	–	–	–		–
Other assets	1,325	2,000	–	–	–	420	420	100.00%	2,000
Operational Buildings	1,325	2,000	–	–	–	420	420	100.00%	2,000
Municipal Offices	1,325	2,000		–	–	420	420	100.00%	2,000
Intangible Assets	100	–	–	–	–	–	–		–
Licences and Rights	100	–	–	–	–	–	–		–
Computer Software and Applications	100	–	–	–	–	–	–		–
Computer Equipment	–	–	–	–	–	–	–		–
Computer Equipment							–		
Furniture and Office Equipment	–	–	–	–	–	–	–		–
Furniture and Office Equipment							–		
Machinery and Equipment	2,118	3,550	–	274	274	650	376	57.82%	3,550
Machinery and Equipment	2,118	3,550		274	274	650	376	57.82%	3,550
Transport Assets	1,300	2,000	–	441	441	850	409	48.16%	2,000
Transport Assets	1,300	2,000		441	441	850	409	48.16%	2,000
Total Repairs and Maintenance Expenditure	12,693	17,950	–	1,319	1,319	4,359	3,040	69.75%	17,950

Supporting Tables SC13a and SC13b provide the details of capital expenditure by asset classification for new and replacements of assets separately, whilst Supporting Table SC13c measure's the extent to which the municipality's assets are maintained.

The capital expenditure on new assets amounted to R7, 491 million for the first quarter which reflects a 33, 43% variance when compared to the quarterly target.

For renewal and upgrading of existing assets to R 8, 210 million has been spent during the first quarter on renewal of assets. This reflects 45, 97% variance when compared to the target.

The repairs and maintenance for the first quarter amounted to R 1,319 million reflecting a 69, 75 % variance when compared to the first quarter target.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly report and supporting documentation for the quarter ending 30 September 2018 have been prepared in accordance with the Municipal Finance Management Act and the regulation made under the Act.

Municipal Manager of Elias Motsoladi Local Municipality (LM 472)
Signature *(Signature)* **Elias Motsoladi Local Municipality**
Date 18/10/2018 **18 OCT 2018**
Municipal Manager