

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2018/19

REPORTING PERIOD: SECOND QUARTER

PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the quarterly financial performance 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 – Budget Statement Summary

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	34,805	36,650	-	2,538	15,621	17,585	(1,964)	-11%	36,650
Service charges	92,822	101,546	-	6,812	43,874	48,385	(4,511)	-9%	101,546
Investment revenue	2,500	3,000	-	135	952	1,480	(528)	-36%	3,000
Transfers and subsidies	226,163	245,278	-	79,311	179,662	147,062	32,600	22%	245,278
Other own revenue	88,454	90,309	-	21,702	29,734	46,550	(16,816)	-36%	90,309
Total Revenue (excluding capital transfer	444,744	476,783	-	110,498	269,842	261,062	8,780	3%	476,783
Employee costs	126,105	134,149	-	20,768	73,657	66,884	6,773	10%	134,149
Remuneration of Councillors	23,430	25,070	-	1,876	11,249	12,403	(1,154)	-9%	25,070
Depreciation & asset impairment	51,200	51,181	-	25,989	25,989	24,157	1,832	8%	51,181
Finance charges	2,124	2,500	-	(499)	(0)	1,248	(1,248)	-100%	2,500
Materials and bulk purchases	81,986	97,093	-	17,551	38,313	45,331	(7,019)	-15%	97,093
Transfers and subsidies	3,724	4,404	-	1,063	1,280	2,198	(918)	-42%	4,404
Other expenditure	142,563	156,909	-	44,736	91,589	54,149	37,440	69%	156,909
Total Expenditure	431,132	471,306	-	111,484	242,077	206,372	35,706	17%	471,306
Surplus/(Deficit)	13,612	5,477	-	(986)	27,765	54,690	(26,925)	-49%	5,477
Transfers and subsidies - capital (monetary at	91,349	63,830	-	10,347	41,079	47,203	(6,123)	-13%	63,830
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	104,961	69,307	-	9,361	68,844	101,892	(33,048)	-32%	69,307
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	104,961	69,307	-	9,361	68,844	101,892	(33,048)	-32%	69,307
Capital expenditure & funds sources									
Capital expenditure	103,123	75,869	-	9,987	38,519	54,010	(15,491)	-29%	75,869
Capital transfers recognised	80,131	55,504	-	10,433	36,688	2,100	34,588	1647%	55,504
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,992	20,365	-	(445)	1,832	12,964	(11,132)	-86%	20,365
Total sources of capital funds	103,123	75,869	-	9,987	38,519	15,064	23,455	156%	75,869
Financial position									
Total current assets	144,278	120,845	-		189,828				120,845
Total non current assets	1,084,126	1,083,492	-		1,012,103				1,083,492
Total current liabilities	111,156	73,138	-		112,937				73,138
Total non current liabilities	86,141	116,629	-		101,860				116,629
Community wealth/Equity	1,031,107	1,014,570	-		987,134				1,014,570
Cash flows									
Net cash from (used) operating	89,558	83,769	-	56,194	80,353	(10,896)	(93,805)	861%	83,769
Net cash from (used) investing	(63,516)	(71,869)	-	(9,987)	(38,068)	(42,682)	(4,614)	11%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	-	(3,066)	(6,246)	57	6,303	11058%	(9,829)
Cash/cash equivalents at the month/year	41,116	18,039	-	-	42,233	(37,553)	(82,343)	219%	8,265
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days -1 Yr	Over 1 Yr	Total
Debtors Age Analysis									
Total By Income Source	11,007	4,080	2,295	2,092	2,062	2,005	10,196	38,607	72,344
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 second quarter is R269, 842 million and the year to date budget of R261, 062 million and this reflects a positive variance of R8, 780 million that can be attributed to property rates, service charges electricity and refuse removal that have negative variance of material figure. The following are the secondary revenue item categories reflecting a negative and positive material variance:

- Interest earned - external investments: 36% unfavorable variance,
- Interest earned – outstanding Debtors 11% favorable variance,
- Rental on Facilities and Equipment: 25% unfavorable
- License and Permits: 4% favorable variance
- Fines: 43% unfavorable variance
- Other revenue: 58% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of second quarter amounts to R242, 077 million and the year to date budget is R206, 372 million. This reflects a favorable variance of R35, 706 million that translates to 17% overspending variance.

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:

- Employee related cost: 10% over performance variance
- Other materials: 33% under performance variance
- Contracted services: 10% over performance variance
- Finance Charges: 100% under performance variance
- Transfers and subsidies: 42% under performance variance

With regards to the over performance variance on contracted services, the municipality needs to reduce the level of reliance on consultants as outlined in the Treasury Instruction letter number 01.

Capital Expenditure

The year to date actual capital expenditure as at end of second quarter amounts to R38, 519 million and the year to date budget amounts to R54, 010 million and this gives rise to 29% under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the quarter is R536 thousand that is mainly attributed to receipt of unconditional grant - equitable share and over performance of other expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of second quarter amounts to R72, 344 million and this shows an increase of R26, 795 million as compared to R45, 549 million as at end of 2018/19 financial year.

Consumer debtors is made up of service charges and property rates that amount to R37, 582 million and other debtors amounting to R17, 379 Million.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result, our creditor's age analysis does not have figures.

Table C2 – Financial Performance (Standard Classification)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183 920	203 714	–	57 108	126 698	106 961	19 737	18%	203 714
Executive and council	35 581	42 873	–	14 789	33 275	26 686	6 589	25%	42 873
Finance and administration	141 936	152 939	–	39 659	87 436	75 474	11 962	16%	152 939
Internal audit	6 402	7 902	–	2 661	5 987	4 802	1 186	25%	7 902
Community and public safety	18 446	18 637	–	5 324	15 272	9 623	5 650	59%	18 637
Community and social services	11 977	7 973	–	2 636	9 211	4 771	4 440	93%	7 973
Sport and recreation	6 469	10 664	–	2 688	6 061	4 851	1 210	25%	10 664
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	200 822	185 532	–	60 227	97 557	116 897	(19 340)	-17%	185 532
Planning and development	19 012	17 319	–	5 187	8 388	9 367	(979)	-10%	17 319
Road transport	180 968	167 196	–	54 690	88 382	106 899	(18 517)	-17%	167 196
Environmental protection	842	1 018	–	350	788	632	156	25%	1 018
Trading services	132 905	132 730	–	33 832	71 394	74 784	(3 390)	-5%	132 730
Energy sources	107 173	109 537	–	26 133	54 558	58 195	(3 637)	-6%	109 537
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	25 732	23 193	–	7 699	16 836	16 589	247	1%	23 193
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	536 093	540 613	–	156 492	310 921	308 264	2 657	1%	540 613
Expenditure - Functional									
Governance and administration	181 424	176 004	–	62 821	110 059	90 559	19 500	22%	176 004
Executive and council	42 315	42 558	–	11 282	21 039	20 124	915	5%	42 558
Finance and administration	131 658	125 652	–	47 208	83 188	66 425	16 762	25%	125 652
Internal audit	7 450	7 795	–	4 331	5 833	4 010	1 823	45%	7 795
Community and public safety	14 759	18 191	–	3 432	6 242	8 916	(2 673)	-30%	18 191
Community and social services	5 737	7 709	–	1 332	2 435	3 754	(1 320)	-35%	7 709
Sport and recreation	9 021	10 481	–	2 100	3 808	5 161	(1 354)	-26%	10 481
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	120 307	149 194	–	60 714	73 663	49 253	24 409	50%	149 194
Planning and development	17 708	23 848	–	3 650	7 219	8 742	(1 524)	-17%	23 848
Road transport	101 719	124 365	–	56 832	66 083	40 049	26 033	65%	124 365
Environmental protection	880	981	–	232	361	462	(100)	-22%	981
Trading services	114 643	127 918	–	29 003	52 113	57 644	(5 531)	-10%	127 918
Energy sources	87 570	105 653	–	19 042	37 285	47 246	(9 961)	-21%	105 653
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	27 073	22 265	–	9 961	14 829	10 398	4 431	43%	22 265
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	431 132	471 306	–	155 971	242 077	206 372	35 706	17%	471 306
Surplus/ (Deficit) for the year	104 961	69 307	–	521	68 844	101 892	(33 048)	-32%	69 307

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

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	37 871	38 168	–	13 109	29 496	23 655	5 841	25%	38 168
Vote 2 - Municipal Manager	23 080	31 469	–	6 569	14 780	11 853	2 927	25%	31 469
Vote 3 - Budget & Treasury	71 894	64 695	–	15 632	33 385	32 178	1 208	4%	64 695
Vote 4 - Corporate Services	33 842	39 939	–	14 077	31 665	25 344	6 322	25%	39 939
Vote 5 - Community Services	122 251	127 644	–	37 560	63 016	72 208	(9 192)	-13%	127 644
Vote 6 - Technical Services	220 489	211 110	–	61 190	123 033	127 919	(4 886)	-4%	211 110
Vote 7 - Developmental Planning	13 935	11 493	–	3 077	3 640	5 559	(1 919)	-35%	11 493
Vote 8 - Executive Support	12 731	16 094	–	5 292	11 906	9 549	2 358	25%	16 094
Total Revenue by Vote	536 093	540 613	–	156 507	310 921	308 264	2 657	1%	540 613
Expenditure by Vote									
Vote 1 - Executive & Council	38 271	37 886	–	8 509	17 429	17 908	(479)	-3%	37 886
Vote 2 - Municipal Manager	23 102	31 112	–	14 988	23 876	15 697	8 179	52%	31 112
Vote 3 - Budget & Treasury	59 430	47 233	–	25 028	43 551	24 671	18 880	77%	47 233
Vote 4 - Corporate Services	38 652	37 865	–	8 176	14 115	17 839	(3 724)	-21%	37 865
Vote 5 - Community Services	79 148	105 457	–	37 654	50 379	30 293	20 087	66%	105 457
Vote 6 - Technical Services	165 729	185 027	–	54 740	79 736	85 851	(6 115)	-7%	185 027
Vote 7 - Developmental Planning	10 737	11 188	–	1 928	3 968	5 833	(1 865)	-32%	11 188
Vote 8 - Executive Support	16 063	15 539	–	4 948	9 023	7 892	1 131	14%	15 539
Total Expenditure by Vote	431 132	471 306	–	155 971	242 077	205 985	36 093	18%	471 306
Surplus/ (Deficit) for the year	104 961	69 307	–	536	68 844	102 280	(33 436)	-33%	69 307

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	34 805	36 650		7 685	15 621	17 585	(1 964)	-11%	36 650
Service charges - electricity revenue	81 206	89 297		17 867	39 890	42 388	(2 497)	-6%	89 297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11 616	12 249		1 986	3 983	5 997	(2 014)	-34%	12 249
Service charges - other	-						-		
Rental of facilities and equipment	1 000	1 220		300	459	610	(151)	-25%	1 220
Interest earned - external investments	2 500	3 000		225	952	1 480	(528)	-36%	3 000
Interest earned - outstanding debtors	14 260	8 161		2 373	4 493	4 036	456	11%	8 161
Dividends received	-						-		
Fines, penalties and forfeits	55 016	73 218		20 307	21 705	38 208	(16 503)	-43%	73 218
Licences and permits	4 500	4 950		1 266	2 567	2 475	92	4%	4 950
Agency services	-	-					-		
Transfers and subsidies	226 163	245 278		80 008	179 662	147 062	32 600	22%	245 278
Other revenue	13 678	2 761		165	511	1 221	(710)	-58%	2 761
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers)	444 744	476 783	-	132 183	269 842	261 062	8 780	3%	476 783
Expenditure By Type									
Employee related costs	126 105	134 149		41 722	73 657	66 884	6 773	10%	134 149
Remuneration of councillors	23 430	25 070		5 625	11 249	12 403	(1 154)	-9%	25 070
Debt impairment	26 372	53 421		31 176	31 176	-	31 176		53 421
Depreciation & asset impairment	51 200	51 181		25 989	25 989	24 157	1 832	8%	51 181
Finance charges	2 124	2 500		(0)	(0)	1 248	(1 248)	-100%	2 500
Bulk purchases	70 165	80 000		17 485	33 830	37 153	(3 323)	-9%	80 000
Other materials	11 821	17 093		2 511	5 516	8 178	(2 663)	-33%	17 093
Contracted services	65 237	60 020		20 412	35 239	32 022	3 217	10%	60 020
Transfers and subsidies	3 724	4 404		1 063	1 280	2 198	(918)	-42%	4 404
Other expenditure	50 954	43 468		9 988	24 142	22 128	2 014	9%	43 468
Loss on disposal of PPE				-	-		-		
Total Expenditure	431 132	471 306	-	155 971	242 077	206 372	35 706	17%	471 306
Surplus/(Deficit)	13 612	5 477	-	(23 787)	27 765	54 690	(26 925)	-49%	5 477
Transfers and subsidies - capital (monetary allocations)	91 349	63 830		24 324	41 079	47 203	(6 123)	-13%	63 830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers	104 961	69 307	-	536	68 844	101 892			69 307
Taxation							-		
Surplus/(Deficit) after taxation	104 961	69 307	-	536	68 844	101 892			69 307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104 961	69 307	-	536	68 844	101 892			69 307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104 961	69 307	-	536	68 844	101 892			69 307

Table C4 provides budget performance details for revenue by source and expenditure by type. On revenue, the only revenue accounts that have immaterial variance are Service Charges – electricity and License and Permits, (with underperformance variance of 6%, and over performance variance of 4% respectively). On expenditure, the only expenditure accounts that have immaterial variance is remuneration of councillors (with underperformance variance of 9%), bulk purchase – electricity (with underperformance variance of 9%), Depreciation (with over performance variance 8%), and other expenditure (with over performance variance of 9%).

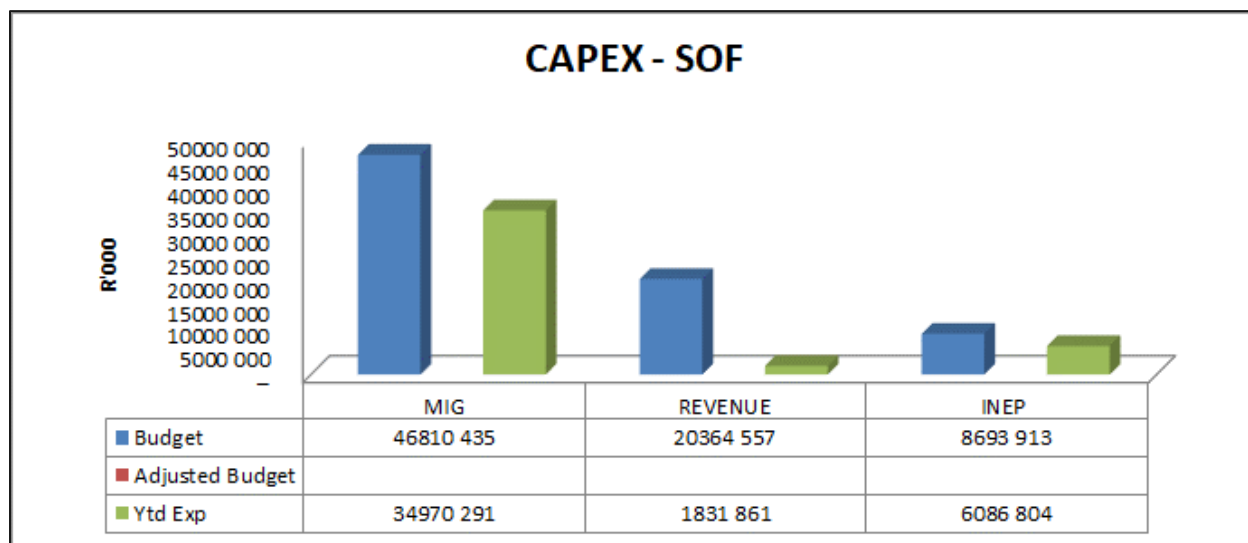
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1 300	1 700	-	357	499	885	(386)	-44%	1 700
Executive and council							-		
Finance and administration	1 300	1 700		357	499	885	(386)	-44%	1 700
Internal audit							-		
Community and public safety	8 479	522	-	-	-	350	(350)	-100%	522
Community and social services		522		-	-	350	(350)	-100%	522
Sport and recreation	8 479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80 021	59 779	-	18 620	31 177	45 727	(14 550)	-32%	59 779
Planning and development		-					-		-
Road transport	80 021	59 779		18 620	31 177	45 727	(14 550)	-32%	59 779
Environmental protection		-					-		-
Trading services	13 324	13 868	-	3 841	6 843	7 048	(205)	-3%	13 868
Energy sources	13 324	10 868		3 841	6 843	4 948	1 895	38%	10 868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3 000		-	-	2 100	(2 100)	-100%	3 000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103 123	75 869	-	22 818	38 519	54 010	(15 491)	-29%	75 869
Funded by:									
National Government	80 131	55 504		21 129	36 688	41 046	(4 358)	-11%	55 504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80 131	55 504	-	21 129	36 688	41 046	(4 358)	-11%	55 504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22 992	20 365		1 689	1 832	12 964	(11 132)	-86%	20 365
Total Capital Funding	103 123	75 869	-	22 818	38 519	54 010	(15 491)	-29%	75 869

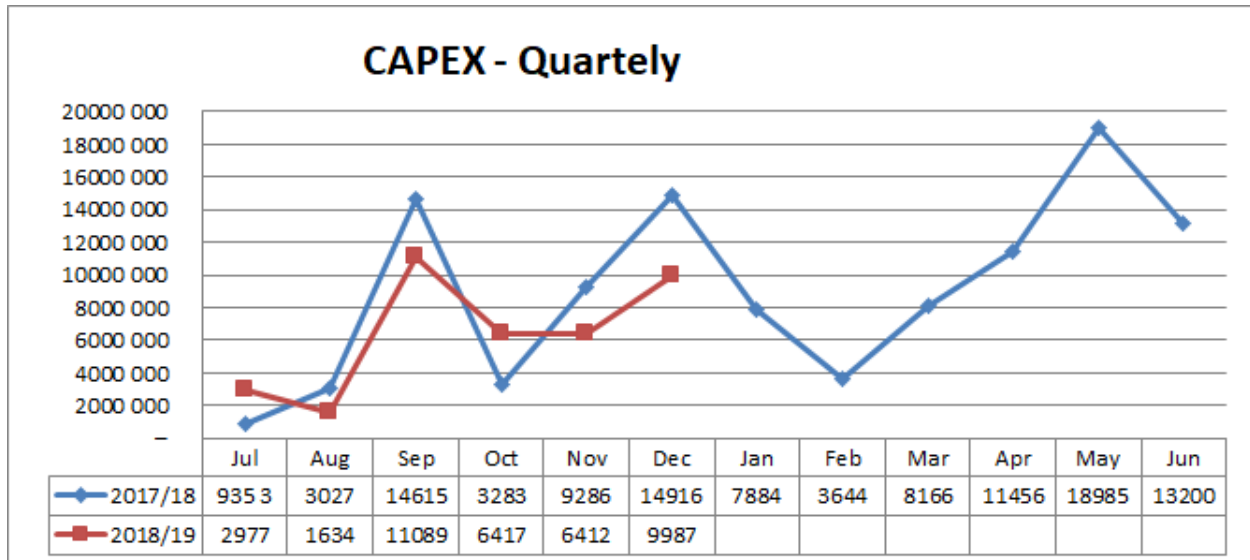
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd 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	-	424	424	735	(311)	-42%	1 400
Vote 5 - Community Services	500	3 000	-	-	-	2 100	(2 100)	-100%	3 000
Vote 6 - Technical Services	75 747	27 513	-	8 764	12 102	14 762	(2 660)	-18%	27 513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77 547	31 913	-	9 188	12 526	17 597	(5 071)	-29%	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	-	(67)	76	150	(74)	-49%	300
Vote 5 - Community Services	400	522	-	-	-	350	(350)	-100%	522
Vote 6 - Technical Services	25 176	42 634	-	13 697	25 918	35 413	(9 495)	-27%	42 634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25 576	43 956	-	13 630	25 993	36 413	(10 419)	-29%	43 956
Total Capital Expenditure	103 123	75 869	-	22 818	38 519	54 010	(15 491)	-29%	75 869

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For second quarter, R22, 437 million spending was incurred on capital budget whilst the year to date actual is R 38, 519 million and year to Date budget is R54, 010 million and this gave rise to underperformance variance of R15, 491 million that translates to 29%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R53, 832 million (VAT inclusive) is funded from Municipal Infrastructure grant, R9, 998 million (VAT inclusive) from INEP and R20, 365 million from own revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2017/18 and 2018/19 quarterly capital expenditure performance and the results for second quarter show that the spending is less when comparing the two financial years.

Table C6: Monthly Budget Statement Financial Position

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	10,840	2,457		7,044	2,457
Call investment deposits	30,277	15,582		35,189	15,582
Consumer debtors	48,056	40,483		36,702	40,483
Other debtors	51,359	58,923		104,189	58,923
Current portion of long-term receivables	-			-	
Inventory	3,747	3,400		4,148	3,400
Total current assets	144,278	120,845	-	187,272	120,845
Non current assets					
Long-term receivables				-	-
Investments				-	-
Investment property	56,136	53,728		54,139	53,728
Investments in Associate		-		-	
Property, plant and equipment	1,015,767	1,016,632		944,710	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	-	1,012,103	1,083,492
TOTAL ASSETS	1,228,404	1,204,337	-	1,199,375	1,204,337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	5,839	10,000		1,789	10,000
Consumer deposits	5,770	5,260		5,288	5,260
Trade and other payables	90,057	52,466		102,145	52,466
Provisions	9,489	5,412		3,715	5,412
Total current liabilities	111,156	73,138	-	112,937	73,138
Non current liabilities					
Borrowing	-	30,677		3,860	30,677
Provisions	86,141	85,952		98,000	85,952
Total non current liabilities	86,141	116,629	-	101,860	116,629
TOTAL LIABILITIES	197,297	189,767	-	214,797	189,767
NET ASSETS	1,031,107	1,014,570	-	984,578	1,014,570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,031,107	1,014,570		984,578	1,014,570
Reserves	-	-		-	-
TOTAL COMMUNITY WEALTH/EQUITY	1,031,107	1,014,570	-	984,578	1,014,570

The above table shows that community wealth amounts to R984, 578 million, total liabilities R214, 797 million and the total assets R1, 199 billion. Non-current liabilities are mainly made up of provisions for long service award, landfill site, bonus and borrowings.

Included in the trade and other payables is unspent conditional grants amounting to R19, 784 million relating to MIG, INEP, FMG, EPWP and EEDG.

Table C7: Monthly Budget Statement Cash Flow

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	15,677	28,587		5,466	10,582	13,716	(3,134)	-23%	28,587
Service charges	54,524	89,922		22,332	42,332	41,739	593	1%	89,922
Other revenue	31,449	18,225		18,589	23,508	8,927	14,582	163%	18,225
Government - operating	226,163	245,278		79,619	123,386	41,739	81,647	196%	245,278
Government - capital	81,860	63,830		28,808	55,918	54,778	1,140	2%	63,830
Interest	1,710	4,632		1,112	1,859	2,790	(930)	-33%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(98,805)	(175,953)	(170,407)	2,991	-2%	(359,801)
Finance charges	(448)	(2,500)		(0)	(0)	(1,980)	(1,980)	100%	(2,500)
Transfers and Grants	(6,316)	(4,404)		(1,063)	(1,280)	(2,198)	(918)	42%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,558	83,769	-	56,059	80,353	(10,896)	(93,805)	861%	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	233	(83)	-36%	-
Decrease (increase) in non-current investments		-		-	-		-		-
Payments									
Capital assets	(77,564)	(75,869)		(24,967)	(38,218)	(42,915)	(4,697)	11%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(24,967)	(38,068)	(42,682)	(4,614)	11%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-		-	-	9,764	(9,764)	-100%	-
Borrowing long term/refinancing		-		-	-		-		-
Increase (decrease) in consumer deposits	(137)	171		(10)	39	57	(18)	-32%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		(6,285)	(6,285)	(9,764)	(3,479)	36%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	(6,295)	(6,246)	57	6,303	11058%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	24,796	36,039	(53,521)			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			42,233	(37,553)			8,265

Table C7 presents details pertaining to cash flow performance. As at end of the second quarter, the net cash inflow from operating activities is R80, 353 million whilst net cash outflow from investing activities is R38, 068 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R6, 246 million. The cash and cash equivalent held at end of December 2018 amounted to R42, 233 million and the net effect of the above cash flows is cash outflow movement of R38, 595 million. The cash and cash equivalent at end of the reporting period of R 42, 233 million is made up of cash amounting to R7, 044 million and short term investment of R35, 189 million as presented in Table A6 under current assets

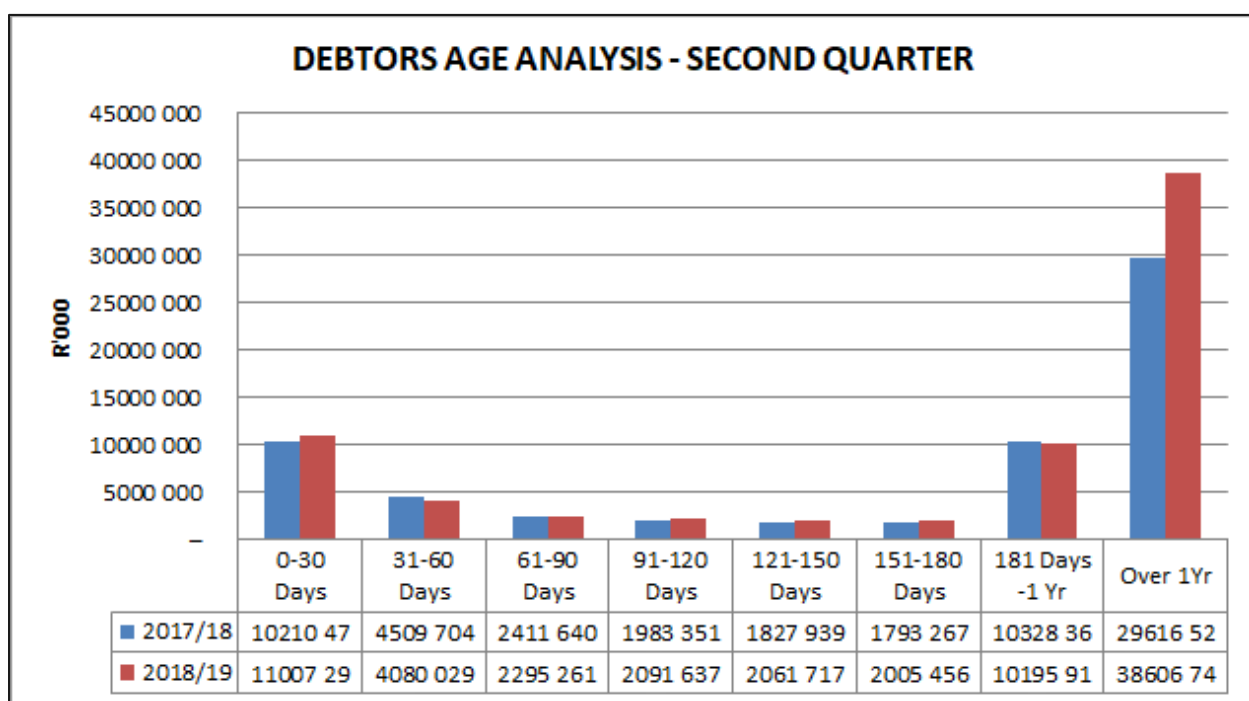
PART 2: SUPPORTING TABLES
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6 153	1 470	371	131	82	86	416	3 329	12 038	4 044	7%	
Receivables from Non-exchange Transactions - Property Rates	2 676	1 476	1 009	994	953	900	4 492	19 120	31 621	26 459	48%	
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	664	473	388	367	357	355	1 926	4 074	8 604	7 079	13%	
Receivables from Exchange Transactions - Property Rental Debtors	33	17	5	2	2	60	102	889	1 110	1 054	2%	
Interest on Arrear Debtor Accounts	779	741	715	679	650	624	3 296	12 892	20 376	18 142	33%	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	702	(97)	(193)	(81)	17	(20)	(36)	(1 696)	(1 404)	(1 816)	-3%	
Total By Income Source	11 007	4 080	2 295	2 092	2 062	2 005	10 196	38 607	72 344	54 961	-	-
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	1 412	909	602	550	501	459	2 113	9 510	16 056	13 133		
Commercial	5 676	949	288	267	287	252	1 552	5 741	15 011	8 099		
Households	3 211	1 754	993	880	884	841	4 348	13 545	26 456	20 498		
Other	709	468	413	395	390	454	2 182	9 810	14 821	13 232		
Total By Customer Group	11 007	4 080	2 295	2 092	2 062	2 005	10 196	38 607	72 344 042	54 961	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of second quarter amount to R54, 961 million. The debtors' book is made up as follows:

- Rates 58%
- Electricity 17%
- Rental 2%
- Refuse removal 12%
- Interest on Debtors 28%
- Other -2%

The debtors' age analysis is graphically presented below.



The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of Second quarter).

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

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	BALANCE	HAND OVER
9005301	TWIN CITY TRADING (PTY) LTD	1 551 919	N
9012345	BREED J & OOSTHUIZEN J F	974 116	N
214913	MEAT SPOT	551 176	N
9000000	REPUBLIEK VAN SUID-AFRIKA	447 843	Y
9900028	ELIAS MOTSOLEDI (OFFICE)	379 189	Y
9001077	ROYAL SQUARE INV 361 CC	375 994	Y
1501364	JAN JOUBERT TR (JO JO TANKS)	327 453	N
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	320 649	Y
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	283 205	N
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	231 372	Y
5001708	UNITRADE 518 (PTY) LTD	215 388	Y
9002958	PROVINCIAL GOVERNMENT OF LIMPO	211 609	N
9002065	GOVERNMENT OF KWANDEBELE	209 409	N
9002067	NATIONAL GOVERNMENT OF THE REP	196 926	N
2200702	NAMIB FAMILY TRUST	179 003	Y
9000802		178 032	Y
136	LIZINEX (PTY) LTD	166 204	N
5002109	VAN AARD FJ(MAPOCHH	165 882	Y
9001763	TSHEHLA TRUST MAMAILE GEORGE	165 070	N
211693	BOXER SUPERSTORE'ATT KERSHNEE	161 769	N
TOTAL		7 292 209	

Supporting Table: SC 4 - Creditors Age Analysis

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

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. All creditors for the quarter were paid within the stipulated period of thirty days and no creditors were outstanding for more than 30 days, hence the age analysis table is blank.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date	Accrued interest	Yield for the month 1 (%)	Market Value - Opening	Change in market value	Market Value - Closing
Municipality								
Nedbank (03/788106826400037)	2 months	Current Investment	31-Dec-18	0	5.55%	20 583	(20 528)	55
Nedbank (03/7881068264/0048)	1 months	Current Investment	20-Feb-19	77	7.83%	–	20 000	20 077
Nedbank (03/7881068264/0049)	2 months	Current Investment	23-Jan-19	57	7.73%	–	15 000	15 057
Municipality sub-total				135		20 583	14 472	35 189
TOTAL INVESTMENTS AND INTEREST				135		20 583	14 472	35 189

Supporting table SC5 presents all investments that indicate that the total amount of R35, 189 million had been invested as at end of second quarter. The opening balance for the quarter was R20, 583 million, and an amount of R20, 583 million was withdrawn in the reporting period whilst additional amount of R35, 000 million was invested. Accrued interest for the quarter amounted to R135 thousand as per table C4.

Supporting Table: SC 6 - Transfers and Grant Receipts

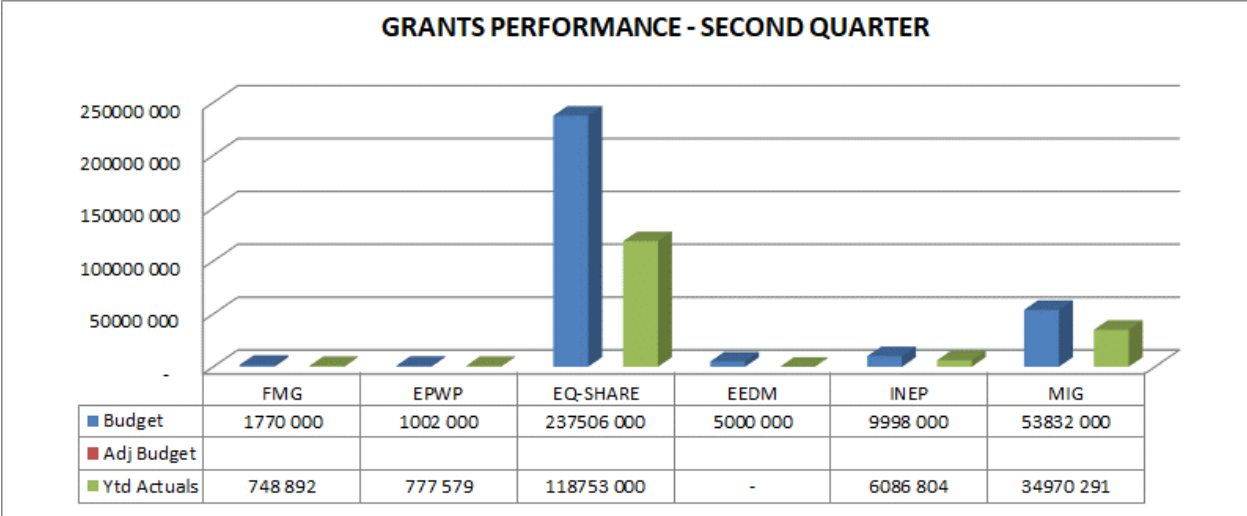
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226 163	245 278	-	81 619	184 602	184 602	-		245 278
Local Government Equitable Share	223 019	237 506		79 169	178 130	178 130	-		237 506
Finance Management	1 700	1 770		-	1 770	1 770			1 770
EPWP Incentive	1 444	1 002		450	702	702			1 002
Energy Efficiency and Demand Management	-	5 000		2 000	4 000	4 000			5 000
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	226 163	245 278	-	81 619	184 602	184 602	-		245 278
Capital Transfers and Grants									
National Government:	91 349	63 830	-	28 808	55 918	55 918	-		63 830
Municipal Infrastructure Grant (MIG)	76 160	53 832		22 810	45 920	45 920	-		53 832
Intergrated National Electrification Grant	15 189	9 998		5 998	9 998	9 998	-		9 998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	91 349	63 830	-	28 808	55 918	55 918	-		63 830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317 512	309 108	-	110 427	240 520	240 520	-		309 108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R240, 520 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.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd 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	-	60 216	120 279	121 438	(1 159)	-1%	245 278
Local Government Equitable Share	223 019	237 506		59 376	118 753	118 753	-		237 506
Finance Management	1 700	1 770		446	749	715	34	5%	1 770
EPWP Incentive	1 444	1 002		393	778	720	58	8%	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	-	60 216	120 279	121 438	(1 159)	-1%	245 278
Capital expenditure of Transfers and Grants									
National Government:	91 349	63 830	-	24 324	38 643	47 203	(8 560)	-18%	63 830
Municipal Infrastructure Grant (MIG)	76 160	53 832		20 086	34 970	42 260	(7 290)	-17%	53 832
Intergrated National Electrification Grant	15 189	9 998		4 237	6 087	4 943	(1 270)	-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	-	24 324	38 643	47 203	(8 560)	-18%	63 830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317 512	309 108	-	84 539	158 922	168 641	(9 718)	-6%	309 108

An amount of R84, 539 million has been spent on grants during the second quarter and the year to date budget amount to R158, 922 million and this resulted in under spending variance of R9, 718 million that translates to 6%. Of the total spending amounting to R84, 533 million, R60, 216 million is spent on operational grants whilst R24, 324 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 second quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 42%
- Expanded Public Work Programme 78%
- Equitable Share 50%
- Energy Efficiency Demand Side Management Grant: 0%
- Municipal Infrastructure Grant 65%
- Integrated National Electrification Grant 61%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd 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		3 240	6 479	7 450	(971)	-13%	15 073
Pension and UIF Contributions	1 670	1 857		387	774	919	(145)	-16%	1 857
Medical Aid Contributions	285	317		84	168	143	25	18%	317
Motor Vehicle Allowance	4 788	5 324		1 237	2 474	2 642	(168)	-6%	5 324
Cellphone Allowance	1 930	2 489		677	1 354	1 244	110	9%	2 489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	5	(5)	-100%	10
Sub Total - Councillors	23 430	25 070	-	5 625	11 249	12 403	(1 154)	-9%	25 070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 325	4 718		1 133	2 322	2 193	129	6%	4 718
Pension and UIF Contributions	921	1 095		54	121	511	(390)	-76%	1 095
Medical Aid Contributions	198	252		24	47	114	(67)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		201	403	420	(17)	-4%	907
Cellphone Allowance	59	84		47	74	42	32	76%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		223	433	74	359	482%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality	6 775	7 137	-	1 681	3 399	3 354	45	1%	7 137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74 581	85 022		20 547	41 070	42 135	(1 065)	-3%	85 022
Pension and UIF Contributions	16 183	16 149		4 222	8 364	7 387	977	13%	16 149
Medical Aid Contributions	5 059	4 826		1 286	2 567	2 170	397	18%	4 826
Overtime	2 784	1 774		244	874	783	91	12%	1 774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9 481	8 965		2 651	5 132	4 098	1 035	25%	8 965
Cellphone Allowance	835	986		410	674	469	204	44%	986
Housing Allowances	214	161		43	87	72	15	20%	161
Other benefits and allowances	8 499	8 057		6 808	7 100	5 999	1 101	18%	8 057
Payments in lieu of leave	1 067	892		192	510	322	188	58%	892
Long service awards	627	180		161	404	96	308	322%	180
Post-retirement benefit obligations	-	-		3 477	3 477	-	3 477	#DIV/0!	-
Sub Total - Other Municipal Staff	119 330	127 011	-	40 040	70 258	63 531	6 728	11%	127 011
% increase		6%							6%
Total Parent Municipality	149 535	159 219	-	47 347	84 907	79 288	5 619	7%	159 219
% increase		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149 535	159 219	-	47 347	84 907	79 288	5 619	7%	159 219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126 105	134 149	-	41 722	73 657	66 884	6 773	10%	134 149

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid for second quarter amounts to R47, 347 million and the expenditure for remuneration of councilors for the quarter amounts to R5, 625 million, while the year to date actual expenditure on senior managers is R3, 399 million and that of other municipal staff is R70, 258 million. The year to date budget for both remunerations of councilors and employee related cost is R79, 288 million giving rise to over spending variance of R5, 619 million and that translates to 7%.

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

Description	Budget Year 2018/19				2018/19 Medium Term Revenue		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Budget Year	Budget Year +1	Budget Year +2
	Outcome	Outcome	Budget	Budget			
Cash Receipts By Source							
Property rates	5,116	5,466	7,099	10,906	28,587	30,131	31,788
Service charges - electricity revenue	18,897	21,297	19,267	20,908	80,368	85,993	92,228
Service charges - water revenue	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—
Service charges - refuse	1,103	1,036	2,149	5,267	9,554	10,070	10,624
Service charges - other	—	—	—	—	—	—	—
Rental of facilities and equipment	68	229	152	161	610	643	678
Interest earned - external investments	580	225	968	1,226	3,000	3,162	3,336
Interest earned - outstanding debtors	167	887	423	155	1,632	1,720	1,815
Dividends received	—	—	—	—	—	—	—
Fines, penalties and forfeits	550	2,353	1,769	5,576	10,248	10,801	11,395
Licences and permits	1,300	1,266	1,238	1,146	4,950	5,217	5,504
Agency services	—	—	—	—	—	—	—
Transfer receipts - operating	43,767	79,619	64,929	56,963	245,278	269,940	293,775
Other revenue	3,001	14,740	674	(15,998)	2,417	2,548	2,688
Cash Receipts by Source	74,549	127,119	98,667	86,309	386,644	420,226	453,831
Other Cash Flows by Source							
Transfer receipts - capital	27,110	28,808	9,052	(1,140)	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	(10)	26	106	171	203	227
Receipt of non-current debtors	150	—	500	1,350	2,000	2,500	2,700
Receipt of non-current receivables	—	—	—	—	—	—	—
Change in non-current investments	—	—	—	—	—	—	—
Total Cash Receipts by Source	101,858	155,917	108,245	88,625	454,645	490,650	527,492
Employee related costs	31,566	41,722	31,807	29,054	134,149	142,723	152,000
Remuneration of councillors	6,385	5,625	6,213	6,848	25,070	26,675	28,409
Interest paid	—	(0)	624	1,876	2,500	2,300	2,000
Bulk purchases - Electricity	15,345	17,485	19,897	27,273	80,000	84,320	88,958
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—
Other materials	1,972	2,511	3,830	8,781	17,093	18,017	19,007
Contracted services	13,700	20,496	13,121	12,703	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	—	—	—	—	—	—	—
Grants and subsidies paid - other	217	1,063	1,099	2,026	4,404	4,642	4,897
General expenses	2,380	9,904	10,043	21,142	43,468	45,289	47,780
Cash Payments by Type	71,564	98,805	86,633	109,702	366,705	386,594	409,124
Capital assets	13,250	24,967	15,363	22,288	75,869	85,123	84,647
Repayment of borrowing	—	6,285	2,500	1,215	10,000	14,000	16,677
Other Cash Flows/Payments	—	6,863	—	(4,307)	—	—	—
Total Cash Payments by Type	84,814	136,921	104,496	128,898	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	17,043	18,996	3,750	(40,273)	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginn	6,194	23,238	42,233	48,539	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	23,238	42,233	48,539	8,265	8,265	13,198	30,242

Supporting table SC9 provides detailed monthly cash flow statement that presents out the receipts by source and payments by type. The second quarter cash receipts reflect an amount of R155, 917 million and the total cash payment is R136, 921 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	935	6 722		2 977	2 977	6 722	3 745	56%	4%
August	3 028	9 189		1 635	4 612	15 911	11 300	71%	6%
September	13 273	11 637		11 090	15 702	27 548	11 847	43%	21%
Quarter 1	17 236	27 548		15 702	23 291	50 182	26 891	54%	31%
October	3 283	9 283		6 418	22 119	36 831	14 712	40%	29%
November	9 287	8 482		6 413	28 532	45 313	16 780	37%	38%
December	14 916	8 697		9 987	38 519	54 010	15 491	29%	51%
Quarter 2	27 486	26 462		22 818	89 171	136 153	46 983	35%	118%
January	7 885	3 979				57 989	–		
February	3 644	6 249				64 237	–		
March	8 166	5 136				69 373	–		
Quarter 3	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	–		
Quarter 4	43 643	6 496				222 544			
Total Capital expenditure	108 060	75 869	–	38 519					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this tables serves as a supporting table for table C5. In terms of this table the capital expenditure for second quarter amounts to R22, 818 million. The year to date capital budget is R136, 153 million that gives rise to under spending variance of R46, 983 million or 35%.

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd 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	-	11 018	18 366	22 060	3 694	17%	32 150
Roads Infrastructure	35 070	21 283	-	7 176	11 523	17 112	5 589	33%	21 283
Roads	35 070	21 283		7 176	11 523	17 112	5 589	33%	21 283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13 324	10 868	-	3 841	6 843	4 948	(1 895)	-38%	10 868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13 324	10 868		3 841	6 843	4 948	(1 895)	-38%	10 868
MV Substations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	300	-	-	-	-	-	-		-
Community Facilities	300	-	-	-	-	-	-		-
Halls							-		
Cemeteries/Crematoria	300	-		-	-	-	-		-
Police							-		
Purfs							-		
Public Open Space							-		
Other assets	-	4 447	-	1 332	1 332	3 082	1 749	57%	4 447
Operational Buildings	-	4 447	-	1 332	1 332	3 082	1 749	57%	4 447
Municipal Offices	-	4 447		1 332	1 332	3 082	1 749	57%	4 447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	395	395	235	(160)	-68%	500
Computer Equipment	800	500		395	395	235	(160)	-68%	500
Furniture and Office Equipment	500	400	-	29	29	100	71	71%	400
Furniture and Office Equipment	500	400		29	29	100	71	71%	400
Machinery and Equipment	1 200	1 300	-	(67)	76	1 050	974	93%	1 300
Machinery and Equipment	1 200	1 300		(67)	76	1 050	974	93%	1 300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
Total Capital Expenditure on new assets	51 194	38 798	-	12 707	20 198	26 527	6 329	24%	38 798

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd 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	-	10 111	18 321	25 033	6 712	27%	33 550
Roads Infrastructure	41 914	33 550	-	10 111	18 321	25 033	6 712	27%	33 550
Roads	41 414	33 550		10 111	18 321	25 033	6 712	27%	33 550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Substations							-		
MV Switching Stations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	522	-	-	-	350	350	100%	522
Community Facilities	-	522	-	-	-	350	350	100%	522
Halls							-		
Libraries							-		
Cemeteries/Crematoria	-	522		-	-	350	350	100%	522
Police							-		
Purls							-		
Other assets	500	-	-	-	-	-	-		-
Operational Buildings	500	-	-	-	-	-	-		-
Municipal Offices	500	-	-	-	-	-	-		-
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	42 414	34 071	-	10 111	18 321	25 383	7 062	28%	34 071

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	7 850	10 400	–	2 172	2 776	5 208	2 432	47%	10 400
Roads Infrastructure	2 650	4 000	–	615	1 096	2 290	1 194	52%	4 000
Roads	2 650	4 000		615	1 096	2 290	1 194	52%	4 000
Road Structures							–		
Road Furniture							–		
Electrical Infrastructure	1 900	3 000	–	526	647	1 220	573	47%	3 000
HV Substations							–		
MV Substations							–		
MV Switching Stations							–		
MV Networks	1 800	3 000		526	647	1 220	573	47%	3 000
LV Networks							–		
Capital Spares	100	–		–	–	–	–		–
Solid Waste Infrastructure	3 300	3 400	–	1 032	1 033	1 698	665	39%	3 400
Landfill Sites	3 150	3 400		1 032	1 033	1 698	665	39%	3 400
Waste Transfer Stations							–		
Waste Drop-off Points							–		
Electricity Generation Facilities							–		
Capital Spares	150	–		–	–	–	–		–
Community Assets	–	–	–	–	–	–	–	–	–
Community Facilities	–	–	–	–	–	–	–	–	–
Halls							–		
Centres							–		
Crèches							–		
Other assets	1 325	2 000	–	449	477	590	113	19%	2 000
Operational Buildings	1 325	2 000	–	449	477	590	113	19%	2 000
Municipal Offices	1 325	2 000		449	477	590	113	19%	2 000
Pay/Enquiry Points							–		
Building Plan Offices							–		
Workshops							–		
Yards							–		
Stores							–		
Intangible Assets	100	–	–	10	10	–	(10)		–
Servitudes							–		
Licences and Rights	100	–	–	10	10	–	(10)		–
Water Rights							–		
Effluent Licenses							–		
Computer Software and Applications	100	–		10	10	–	(10)		–
Computer Equipment	–	–	–	–	–	–	–	–	–
Computer Equipment							–		
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment							–		
Machinery and Equipment	2 118	3 550	–	486	283	1 662	1 379	83%	3 550
Machinery and Equipment	2 118	3 550		486	283	1 662	1 379	83%	3 550
Transport Assets	1 300	2 000	–	39	480	1 200	720	60%	2 000
Transport Assets	1 300	2 000		39	480	1 200	720	60%	2 000
Total Repairs and Maintenance Expenditure	12 693	17 950	–	3 156	4 026	8 660	4 635	54%	17 950

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	45 835	34 653	-	16 139	16 139	16 375	236	1%	34 653
Roads Infrastructure	25 298	25 147	-	13 116	13 116	12 000	(1 116)	-9%	25 147
Roads	25 298	25 147		13 116	13 116	12 000	(1 116)	-9%	25 147
Road Structures						-	-		
Road Furniture									
Storm water Infrastructure	5 746	3 712	-	-	-	1 728	1 728	100%	3 712
Storm water Conveyance	5 746	3 712				1 728	1 728	100%	3 712
Attenuation									
Electrical Infrastructure	12 398	5 166	-	2 694	2 694	2 364	(331)	-14%	5 166
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	12 398	5 166		2 694	2 694	2 364	(331)	-14%	5 166
MV Substations									
Solid Waste Infrastructure	2 392	629	-	328	328	283	(45)	-16%	629
Landfill Sites	2 392	629		328	328	283	(45)	-16%	629
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Community Assets	2 231	2 918	-	1 522	1 522	1 433	(89)	-6%	2 918
Community Facilities	2 231	2 918	-	1 522	1 522	1 433	(89)	-6%	2 918
Halls									
Centres									
Cemeteries/Crematoria	2 231	2 918		1 522	1 522	1 433	(89)	-6%	2 918
Other assets	120	2 180	-	1 137	1 137	980	(157)	-16%	2 180
Operational Buildings	120	2 180	-	1 137	1 137	980	(157)	-16%	2 180
Municipal Offices	120	2 180		1 137	1 137	980	(157)	-16%	2 180
Pay/Enquiry Points									
Intangible Assets	-	378	-	197	197	170	(27)	-16%	378
Servitudes									
Licences and Rights	-	378	-	197	197	170	(27)	-16%	378
Water Rights									
Computer Software and Applications		378		197	197	170	(27)	-16%	378
Computer Equipment	21	1 518	-	-	-	824	824	100%	1 518
Computer Equipment	21	1 518				824	824	100%	1 518
Furniture and Office Equipment	26	3 817	-	1 991	1 991	1 804	(187)	-10%	3 817
Furniture and Office Equipment	26	3 817		1 991	1 991	1 804	(187)	-10%	3 817
Machinery and Equipment	2 080	2 175	-	3 070	3 070	978	(2 092)	-214%	2 175
Machinery and Equipment	2 080	2 175		3 070	3 070	978	(2 092)	-214%	2 175
Transport Assets	888	3 542	-	1 848	1 848	1 593	(255)	-16%	3 542
Transport Assets	888	3 542		1 848	1 848	1 593	(255)	-16%	3 542
Total Depreciation	51 200	51 181	-	25 904	25 904	24 157	(1 746)	-7%	51 181

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	2nd Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	3 000	-	-	-	2 100	2 100	100%	3 000
Roads Infrastructure	-	-	-	-	-	-	-		-
Roads							-		
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Substations							-		
Solid Waste Infrastructure	-	3 000	-	-	-	2 100	2 100	100%	3 000
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities		3 000				2 100	2 100	100%	3 000
Electricity Generation Facilities							-		
Capital Spares							-		
Community Assets	8 079	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
Sport and Recreation Facilities	8 079	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities	8 079						-		
Capital Spares							-		
Other assets	1 437	-	-	-	-	-	-		-
Operational Buildings	1 437	-	-	-	-	-	-		-
Municipal Offices							-		
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops	1 437						-		
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	9 515	3 000	-	-	-	2 100	2 100	100%	3 000

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets, renewal and upgrading 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 R12, 707 million and the year to date budget is R26, 527 million which reflects under spending variance of R6, 329 million that translates to 24% variance. The year to date actuals on renewal of existing assets amounts R18, 321 million and with the year to date budget of R25, 383 million and this reflects under spending variance of R7, 062 million that translates to 28% variance. The year to date actual expenditure on repairs and maintenance is R4, 026 million and the year to date budget is R8, 660 million, reflecting under spending variance of R4, 635 million that translates to 54%. The year to date actual expenditure on upgrading of existing assets is and the year to date budget is R2, 100 million, reflecting under spending variance of R2, 100 million that translates to 100%.

The total depreciation and asset impairment amounts R25, 904 million for the quarter and year to date budget is R24, 157 million which reflects under spending variance of R1, 746 million that translate to 7%.

Quality certificate

I, **MESHAK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly budget statement report and supporting documentation for quarter ending December 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature

Date

**Elias Motsoaledi Local
Municipality**

17 JAN 2019

Municipal Manager