

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

DECEMBER 2018

PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the Mayor and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results.

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 transfers)	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	39,346	45,331	(5,986)	-13%	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	90,556	54,149	36,407	67%	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 allocations)	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	41,046	(4,358)	-11%	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	54,010	(15,491)	-29%	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	82,909	(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 end	41,116	18,039	-	-	44,789	(37,553)	(82,343)	219%	8,265
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	11,007	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 December is R269, 482 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 positive/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,
- Property Rates: 11% unfavorable variance
- Rental on Facilities and Equipment: 25% unfavorable variance,
- Transfer and Subsidies: 22% favorable variance
- Services Charges – refuse revenue: 34% unfavorable variance
- Fines: 43% unfavorable variance
- Other revenue: 58% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of December amounts to R242, 077 million and the year to date budget is R206, 372 million. This reflects favorable variance of R 35, 706 million that translates to 17% overspending variance. The variance is attributed to non-incorporation of depreciation. The municipality managed to link the Asset Management system with core financial system and the depreciation calculated on the initial system can be interfaced to the financial system and therefore depreciation is calculated bi-annually.

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:

- Finance charges: 100% under performance variance,
- Employee related costs: 10% over performance variance,
- Other Material: 33% under performance variance,
- Transfers and subsidies: 42% under performance variance

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

Capital Expenditure

The year to date actual capital expenditure as at end of December amounts to R38, 519 million and the year to date budget amounts to R54, 010 million and this gives rise to R15, 491 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of December is R68, 844 million that is mainly attributed over performance on MIG in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of December amounts to R72, 344 million and this shows an increase of R9, 663 million as compared to R62, 681 million as at end of 2017/18 financial year.

Consumer debtors is made up of service charges and property rates that amount to R52, 262 million and other debtors amounting to R20, 082 Million.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

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
Revenue - Functional									
Governance and administration	183,920	203,714	-	50,205	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	-	32,755	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	-	48,763	97,557	116,897	(19,340)	-17%	185,532
Planning and development	19,012	17,319	-	4,834	8,388	9,367	(979)	-10%	17,319
Road transport	180,968	167,196	-	43,579	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	-	16,554	71,394	74,784	(3,390)	-5%	132,730
Energy sources	107,173	109,537	-	10,186	54,558	58,195	(3,637)	-6%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	6,367	16,836	16,589	247	1%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	536,093	540,613	-	120,845	310,921	308,264	2,657	1%	540,613
Expenditure - Functional									
Governance and administration	181,424	176,004	-	35,477	110,059	90,559	19,500	22%	176,004
Executive and council	42,315	42,558	-	5,125	21,039	20,124	915	5%	42,558
Finance and administration	131,658	125,652	-	28,174	83,188	66,425	16,762	25%	125,652
Internal audit	7,450	7,795	-	2,179	5,833	4,010	1,823	45%	7,795
Community and public safety	14,759	18,191	-	1,337	6,242	8,916	(2,673)	-30%	18,191
Community and social services	5,737	7,709	-	607	2,435	3,754	(1,320)	-35%	7,709
Sport and recreation	9,021	10,481	-	731	3,808	5,161	(1,354)	-26%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	120,307	149,194	-	50,914	73,663	49,253	24,409	50%	149,194
Planning and development	17,708	23,848	-	1,571	7,219	8,742	(1,524)	-17%	23,848
Road transport	101,719	124,365	-	49,270	66,083	40,049	26,033	65%	124,365
Environmental protection	880	981	-	73	361	462	(100)	-22%	981
Trading services	114,643	127,918	-	23,756	52,113	57,644	(5,531)	-10%	127,918
Energy sources	87,570	105,653	-	17,064	37,285	47,246	(9,961)	-21%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	6,691	14,829	10,398	4,431	43%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	431,132	471,306	-	111,484	242,077	206,372	35,706	17%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	-	9,361	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	Monthly actual	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	–	8,753	33,385	32,178	1,208	4%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	14,053	31,665	25,344	6,322	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	34,915	63,016	72,208	(9,192)	-13%	127,644
Vote 6 - Technical Services	220,489	211,110	–	35,430	123,033	127,919	(4,886)	-4%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	2,724	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	–	120,845	310,921	308,264	2,657	1%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	38,271	37,886	–	2,946	17,429	17,908	(479)	-3%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	7,521	23,876	15,697	8,179	52%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	18,134	43,551	24,671	18,880	77%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	5,119	14,115	17,839	(3,724)	-21%	37,865
Vote 5 - Community Services	79,148	105,457	–	28,742	50,379	30,293	20,087	66%	105,457
Vote 6 - Technical Services	165,729	185,027	–	46,183	79,736	85,851	(6,115)	-7%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	839	3,968	5,833	(1,865)	-32%	11,188
Vote 8 - Executive Support	16,063	15,539	–	2,001	9,023	7,892	1,131	14%	15,539
Total Expenditure by Vote	431,132	471,306	–	111,484	242,077	205,985	36,093	18%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	–	9,361	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	34,805	36,650		2,538	15,621	17,585	(1,964)	-11%	36,650
Service charges - electricity revenue	81,206	89,297		6,158	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		655	3,983	5,997	(2,014)	-34%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		231	459	610	(151)	-25%	1,220
Interest earned - external investments	2,500	3,000		135	952	1,480	(528)	-36%	3,000
Interest earned - outstanding debtors	14,260	8,161		1,108	4,493	4,036	456	11%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		19,965	21,705	38,208	(16,503)	-43%	73,218
Licences and permits	4,500	4,950		309	2,567	2,475	92	4%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		79,311	179,662	147,062	32,600	22%	245,278
Other revenue	13,678	2,761		89	511	1,221	(710)	-58%	2,761
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers)	444,744	476,783	-	110,498	269,842	261,062	8,780	3%	476,783
Expenditure By Type									
Employee related 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
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		(499)	(0)	1,248	(1,248)	-100%	2,500
Bulk purchases	70,165	80,000		16,313	33,830	37,153	(3,323)	-9%	80,000
Other materials	11,821	17,093		1,238	5,516	8,178	(2,663)	-33%	17,093
Contracted services	65,237	60,020		9,573	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		3,987	24,142	22,128	2,014	9%	43,468
Loss on disposal of PPE				-	-		-		
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 allocations)	91,349	63,830		10,347	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	-	9,361	68,844	101,892			69,307
Taxation							-		
Surplus/(Deficit) after taxation	104,961	69,307	-	9,361	68,844	101,892			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104,961	69,307	-	9,361	68,844	101,892			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104,961	69,307	-	9,361	68,844	101,892			69,307

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on service charges refuse removal, electricity, fines, Rental of facilities, and interest earned – external investments, outstanding debtors and other revenue. In the case of expenditure, the following line items reflect material variance; Finance charges, Bulk purchases, other material, transfer and subsidies, and other expenditure.

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

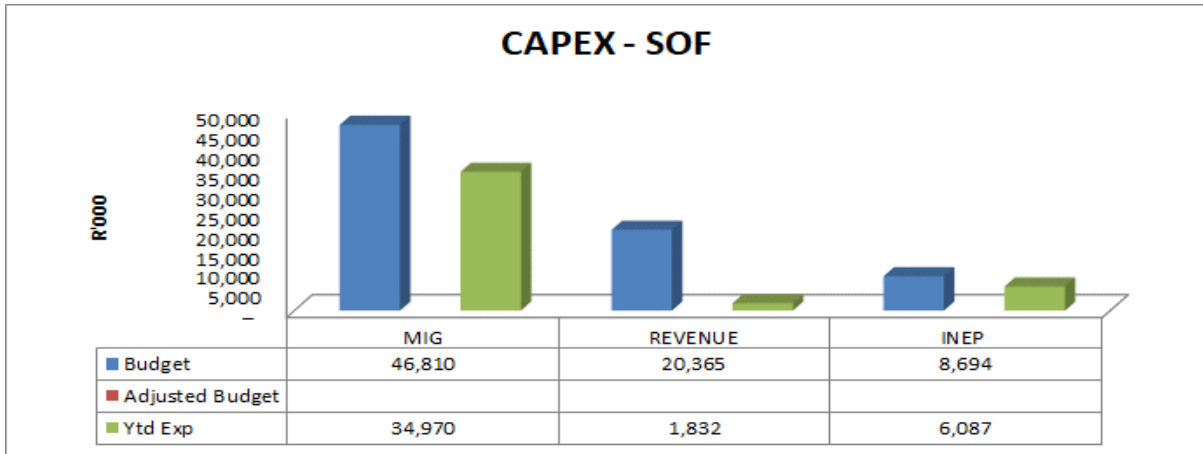
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	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
Capital Expenditure - Functional Classification									
Governance and administration	1,300	1,700	-	(445)	499	885	(386)	-44%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		(445)	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	-	10,433	31,177	45,727	(14,550)	-32%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		10,433	31,177	45,727	(14,550)	-32%	59,779
Environmental protection		-					-		-
Trading services	13,324	13,868	-	-	6,843	7,048	(205)	-3%	13,868
Energy sources	13,324	10,868		-	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	-	9,987	38,519	54,010	(15,491)	-29%	75,869
Funded by:									
National Government	80,131	55,504		10,433	36,688	41,046	(4,358)	-11%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80,131	55,504	-	10,433	36,688	41,046	(4,358)	-11%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		(445)	1,832	12,964	(11,132)	-86%	20,365
Total Capital Funding	103,123	75,869	-	9,987	38,519	54,010	(15,491)	-29%	75,869

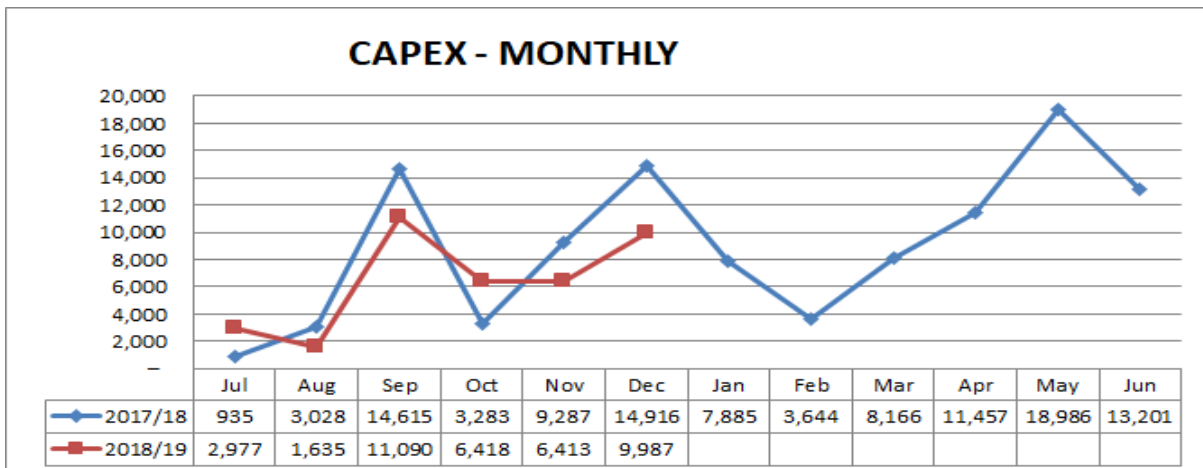
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,300	1,400	-	14	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	-	4,334	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	-	4,348	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	-	(459)	76	150	(74)	-49%	300
Vote 5 - Community Services	400	522	-	-	-	350	(350)	-100%	522
Vote 6 - Technical Services	25,176	42,634	-	6,098	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	-	5,639	25,993	36,413	(10,419)	-29%	43,956
Total Capital Expenditure	103,123	75,869	-	9,987	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 the month of December 2018, R9, 987 million spending was incurred and that increased the year to date expenditure to R38, 519 million whilst the year to date budget is R54, 010 million and this gave rise to under spending variance of R 15, 491 million that translates to 29%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R75, 869 million, R46, 810 million is funded from Municipal Infrastructure grant, R8, 694 million from INEP and R 20, 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 monthly capital expenditure performance.

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 billion, total liabilities R214, 797 million and the total assets R1, 199 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site and bonus.

Table C7: Monthly Budget Statement Cash Flow

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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	15,677	28,587		1,592	10,582	13,716	(3,134)	-23%	28,587
Service charges	54,524	89,922		6,565	42,332	41,739	593	1%	89,922
Other revenue	31,449	18,225		2,775	23,508	8,927	14,582	163%	18,225
Government - operating	226,163	245,278		79,169	123,386	41,739	81,647	196%	245,278
Government - capital	81,860	63,830		24,808	55,918	54,778	1,140	2%	63,830
Interest	1,710	4,632		265	1,859	2,790	(930)	-33%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(58,417)	(175,953)	(170,407)	2,991	-2%	(359,801)
Finance charges	(448)	(2,500)		499	(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	-	56,194	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)		(9,987)	(38,218)	(42,915)	(4,697)	11%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(9,987)	(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		(39)	39	57	(18)	-32%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		(3,026)	(6,285)	(9,764)	(3,479)	36%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	(3,066)	(6,246)	57	6,303	11058%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	43,141	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 December 2018, 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 inflow movement of R36, 039 million. The cash and cash equivalent at end of the reporting period of R42, 233 million is made up of cash amounting to R7, 044 million and the investment of R35, 189 for the month under review.

PART 2: SUPPORTING TABLES

Supporting Table: SC 3 Material Variance Explanation

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-11%	The projected monthly revenue appear to be too high in light of the actual revenue performance	There might be downwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	-34%	There is underperformance variance on this source of revenue especially on refuse removal skips	The tariff applied on rental of skips must be in line with the approved tariffs
Rental of facilities and equipment	-25%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Fines, penalties and forfeits	-43%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Transfers and subsidies	22%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	-58%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Transfers and subsidies - capital	-13%	There is overspending on both MIG and INEP relative to the projected spending	The Infrastructure department will have to accelerate the spending pattern on grants funded projects
Expenditure By Type			
Finance charges	-100%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of September	No remedial action is needed
Contracted services	10%	The late delivery of leased fleet of vehicles	No remedial action is needed
Other materials	-33%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Transfers and subsidies	-88%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Capital Expenditure			
National Government	-11%	The spending on grants funded capital projects was delayed by the fact that contractors were started working in July	The spending will only start improving in August
Internally generated funds	-86%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
Cash Flow			
Property rates	-23%	The collection rate of 72% on property rates is slightly below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Other revenue	163%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Government - operating	196%	The equitable share grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	-33%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Finance charges	100%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of August	No remedial action is needed
Transfers and Grants	42%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Increase (decrease) in consumer deposits	-32%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	36%	The late delivery of leased fleet of vehicles	No remedial action is needed

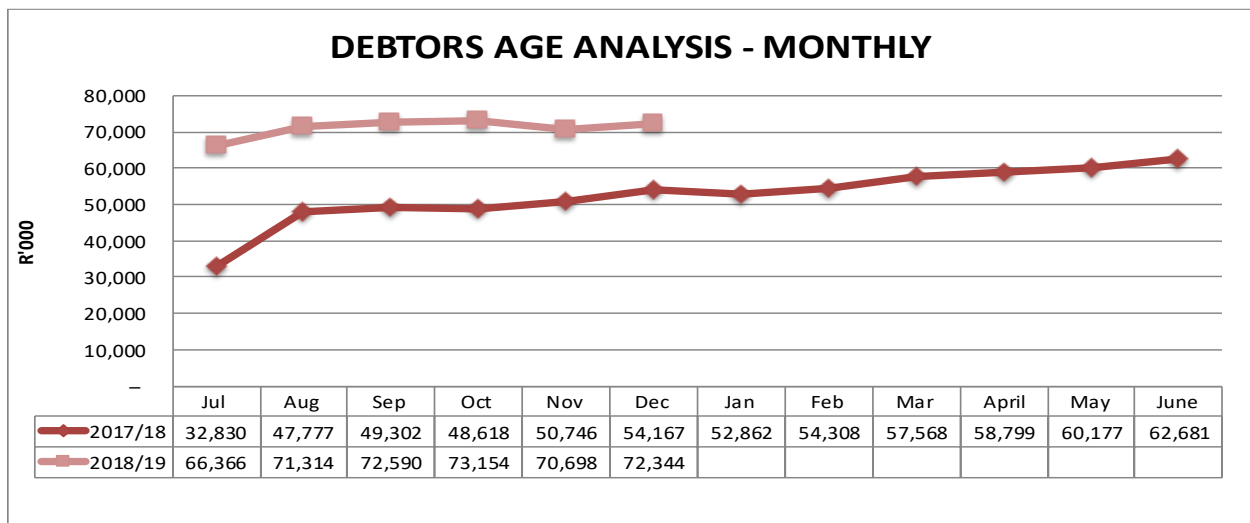
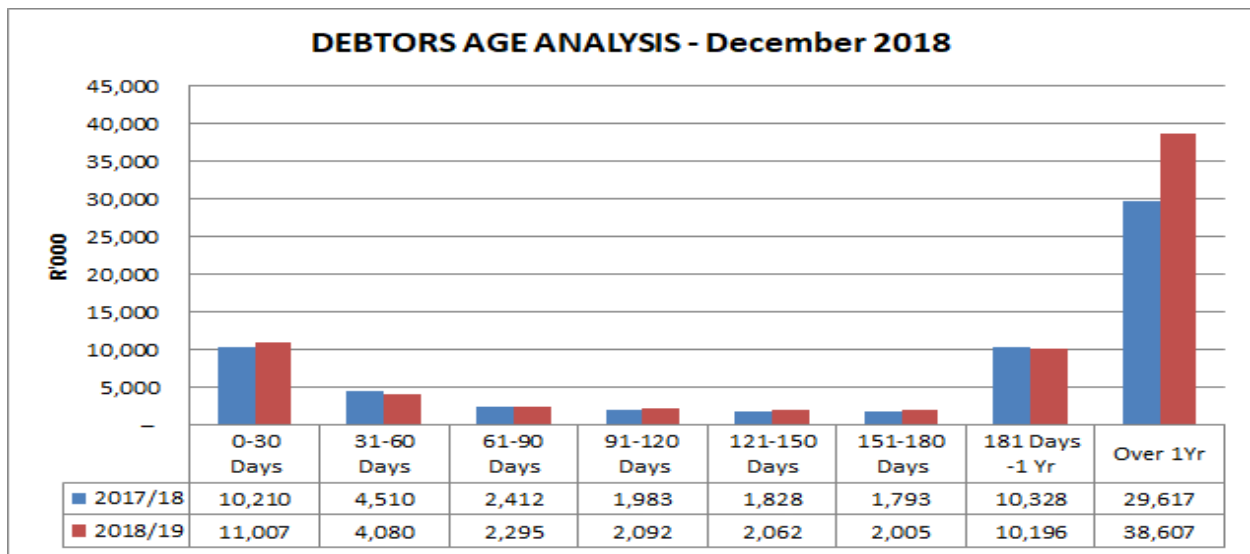
Supporting Table: SC 3 - Debtors Age Analysis

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		
Receivables from Non-exchange Transactions - Property Rates	2,676	1,476	1,009	994	953	900	4,492	19,120	31,621	26,459		
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		
Receivables from Exchange Transactions - Property Rental Debtors	33	17	5	2	2	60	102	889	1,110	1,054		
Interest on Arrear Debtor Accounts	779	741	715	679	650	624	3,296	12,892	20,376	18,142		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	702	(97)	(193)	(81)	17	(20)	(36)	(1,696)	(1,404)	(1,816)		
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 December amount to R72, 344 million. The debtors' book is made up as follows:

- Rates 44%
- 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 December 2018) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

The debtors book is materially less than the 2017/18 monthly figures and this is attributed to debtors write off done at end of 2017/18 financial year.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	STATUS	TYPE	OUTSTANDING TOTAL BALANCE
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	OWNER	1,551,919.37
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	974,116.38
214913	MEAT SPOT	ACTIVE	OCCUPIER	551,175.90
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	OWNER	447,842.50
9900028	ELIAS MOTSOLEDI (OFFICE)	ACTIVE	OCCUPIER	379,189.20
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	OWNER	375,993.76
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	335,697.13
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	327,452.55
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	ACTIVE	OWNER	320,649.18
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	ACTIVE	OWNER	283,205.49
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	231,372.04
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	215,388.22
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	211,608.72
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	209,409.19
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	196,925.63
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	179,003.27
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	166,204.18
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	165,882.48
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	165,069.51
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	161,768.82
TOTAL				7,449,873.52

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 month were paid within the stipulated period of thirty days.

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
1004	LERMAT CONSTRUCTION & PROJECTS	362,250
80660	PERPETA INVESTMENT HOLDINGS	276,000
41095	REAKGONA TRAVEL SERVICES	228,375
41098	EMVUZO PROPERTY (PTY) LTD	194,146
80653	BABIRWA TRAVEL	156,661
1256	MANY LE MANG CONSTRUCTION	110,100
80289	MEGAGY GZ COMPUTERS PTY LTD	73,528
80879	ENAWKUSHAM (PTY) LTD	68,460
35516	MAHLOME TRADING ENTERPRISE	37,500
80884	TLOU TT	28,866
37616	ANDRI-ROSE TRADING ENTERPRISE	28,850
80887	LEAGO M (PTY) LTD	28,716
80338	BANDOX HOLDINGS	27,150
80558	MMUSI BUSINESS SOLUTION	23,850
80882	SNOW INVESTMENT GOUP	22,560
80883	EMELDAH MASIMULA	22,020
80886	KAMELA TRADING ENTERPRICES	18,985
80138	MAKABONGIWE TRADING	17,800
80881	SHEMYS (PTY) LTD	6,980
59	DIBATSELA BUSINESS ENTERPRISE	5,220
TOTAL		1,738,016

The above table presents the top creditors paid during the month of December 2018 and an amount of R1, 738 million will be paid to these creditors during the reporting period.

Supporting Table: SC 6 - Transfers and Grant Receipts

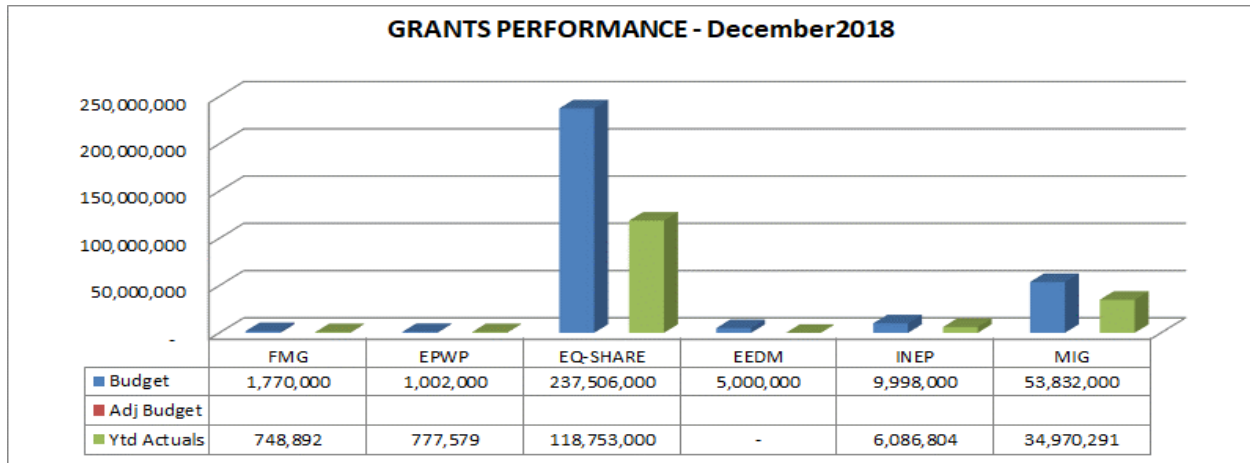
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226,163	245,278	-	79,619	184,602	184,602	-		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		-	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	-	79,619	184,602	184,602	-		245,278
Capital Transfers and Grants									
National Government:	91,349	63,830	-	24,808	55,918	55,918	-		63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		22,810	45,920	45,920	-		53,832
Integrated National Electrification Grant	15,189	9,998		1,998	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	-	24,808	55,918	55,918	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317,512	309,108	-	104,427	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. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	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
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	226,163	245,278	-	19,934	120,279	121,438	(1,159)	-1%	245,278
Local Government Equitable Share	223,019	237,506		19,792	118,753	118,753	-		237,506
Finance Management	1,700	1,770		34	749	715	34	5%	1,770
EPWP Incentive	1,444	1,002		107	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	-	19,934	120,279	121,438	(1,159)	-1%	245,278
Capital expenditure of Transfers and Grants									
National Government:	91,349	63,830	-	10,347	38,643	47,203	(8,560)	-18%	63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		10,347	34,970	42,260	(7,290)	-17%	53,832
Intergrated National Electrification Grant	15,189	9,998		-	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	-	10,347	38,643	47,203	(8,560)	-18%	63,830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317,512	309,108	-	30,281	158,922	168,641	(9,718)	-6%	309,108

An amount of R30, 281 million has been spent on grants during the month of December 2018 and the year to date actuals is 158, 922 million whilst the year to date budget amounts to R 168, 641 million and this results in underspending variance of R9, 719 million that translates to negative 6%. Of the total spending amounting to R 30, 281 million, R19, 934 million is spent on operational grants whilst R10, 347 million is spent of capital grants.



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of December 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 42.31%
- Expanded Public Work Programme 77.60%
- Equitable Share 50.00%
- Municipal Infrastructure Grant 64.96%
- Integrated National Electrification Grant 60.88%
- Energy Efficiency and Demand Side Management Grant 0%

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	Monthly actual	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		1,081	6,479	7,450	(971)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		129	774	919	(145)	-16%	1,857
Medical Aid Contributions	285	317		28	168	143	25	18%	317
Motor Vehicle Allowance	4,788	5,324		412	2,474	2,642	(168)	-6%	5,324
Cellphone Allowance	1,930	2,489		226	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	-	1,876	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		395	2,322	2,193	129	6%	4,718
Pension and UIF Contributions	921	1,095		18	121	511	(390)	-76%	1,095
Medical Aid Contributions	198	252		8	47	114	(67)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		70	403	420	(17)	-4%	907
Cellphone Allowance	59	84		16	74	42	32	76%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		218	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	-	726	3,399	3,354	45	1%	7,137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74,581	85,022		6,889	41,070	42,135	(1,065)	-3%	85,022
Pension and UIF Contributions	16,183	16,149		1,401	8,364	7,387	977	13%	16,149
Medical Aid Contributions	5,059	4,826		432	2,567	2,170	397	18%	4,826
Overtime	2,784	1,774		27	874	783	91	12%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		881	5,132	4,098	1,035	25%	8,965
Cellphone Allowance	835	986		132	674	469	204	44%	986
Housing Allowances	214	161		14	87	72	15	20%	161
Other benefits and allowances	8,499	8,057		6,653	7,100	5,999	1,101	18%	8,057
Payments in lieu of leave	1,067	892		102	510	322	188	58%	892
Long service awards	627	180		33	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	-	20,043	70,258	63,531	6,728	11%	127,011
% increase		6%							6%
Total Parent Municipality	149,535	159,219	-	22,644	84,907	79,288	5,619	7%	159,219
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149,535	159,219	-	22,644	84,907	79,288	5,619	7%	159,219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126,105	134,149	-	20,768	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 as at end of December 2018 amounts to R73, 657 million and the year to date budget is R 66, 884 million and the expenditure for remuneration of councilors amounts to R11, 249 million while the year to date budget is R 12, 403 million. The year to date actuals for senior managers is R3, 399 million and the year to date budget thereof is R3, 354 million, and the year to date actuals for other municipal staff is R70, 258 million and the year to date budget is R63, 531 million. The remuneration of councilors category has under spending variance and senior managers while other municipal staff categories has over spending variance.

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

Description	Budget Year 2018/19												2018/19 Medium Term Revenue		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	1,905	1,271	1,939	1,806	2,068	1,592	2,392	2,392	2,314	2,392	2,392	6,121	28,587	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,815	6,695	8,360	6,242	6,393	6,393	6,481	6,943	7,537	6,428	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	245	496	335	378	323	667	741	741	741	741	3,785	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	15	27	161	16	53	51	51	51	51	51	59	610	643	678
Interest earned - external investments	123	254	204	68	23	135	178	350	440	244	308	674	3,000	3,162	3,336
Interest earned - outstanding debtors	81	31	55	74	683	131	144	134	146	132	148	(125)	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	0	548	0	28	2,325	78	780	910	910	884	3,782	10,248	10,801	11,395
Licences and permits	445	458	398	497	460	309	413	413	413	413	413	321	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	19,953	21,814	2,000	-	450	79,169	-	-	64,929	-	-	56,963	245,278	269,940	293,775
Other revenue	764	1,114	1,124	1,611	13,040	89	215	225	235	200	195	(16,392)	2,417	2,548	2,688
Cash Receipts by Source	30,040	30,904	13,605	11,248	25,504	90,367	10,530	11,478	76,659	12,025	12,668	61,615	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	-	-	4,000	-	24,808	3,076	-	5,976	-	-	(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	97	501	(548)	29	-	(39)	12	6	8	25	40	41	171	203	227
Receipt of non-current debtors	-	-	150	-	-	-	250	150	100	112	200	1,038	2,000	2,500	2,700
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	57,247	31,404	13,207	15,277	25,504	115,136	13,868	11,634	82,743	12,162	12,908	63,554	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	11,367	10,048	10,552	10,401	20,768	10,418	10,963	10,426	10,294	13,096	5,665	134,149	142,723	152,000
Remuneration of councillors	2,635	1,875	1,875	1,875	1,875	1,876	2,067	2,067	2,078	2,088	2,212	2,548	25,070	26,675	28,409
Interest paid	-	-	-	239	260	(499)	208	208	208	208	208	1,460	2,500	2,300	2,000
Bulk purchases - Electricity	729	7,331	7,286	103	1,069	16,313	5,700	6,950	7,247	7,250	7,300	12,723	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	778	940	635	637	1,238	1,236	535	2,059	1,252	1,427	6,102	17,093	18,017	19,007
Contracted services	5,676	4,532	3,492	4,767	6,157	9,573	3,730	5,783	3,608	5,207	3,755	3,742	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	107	109	-	-	1,063	366	366	366	366	366	1,293	4,404	4,642	4,897
General expenses	849	1,062	469	2,628	3,288	3,987	2,319	4,151	3,573	3,135	3,910	14,097	43,468	45,289	47,780
Cash Payments by Type	20,294	27,052	24,218	20,799	23,687	54,319	26,044	31,024	29,565	29,800	32,274	47,629	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	1,635	9,235	8,567	6,413	9,987	3,979	6,249	5,136	2,938	2,052	17,297	75,869	85,123	84,647
Repayment of borrowing	-	-	-	2,710	549	3,026	833	833	833	833	833	(452)	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	6,863	-	-	-	-	-	(4,307)	-	-	-
Total Cash Payments by Type	22,675	28,686	33,453	32,076	30,649	74,196	30,856	38,106	35,534	33,571	35,159	60,167	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(16,799)	(5,145)	40,939	(16,988)	(26,472)	47,209	(21,409)	(22,251)	3,387	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginn	6,194	40,765	43,483	23,238	6,438	1,294	44,789	27,801	1,330	48,539	27,130	4,879	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	40,765	43,483	23,238	6,438	1,294	42,233	27,801	1,330	48,539	27,130	4,879	8,265	8,265	13,198	30,242

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R90, 367 million and the total cash payment for the month were R54, 319 million and this resulted in net increase in cash held amounting to R40, 939 million. In addition, with cash and cash equivalent of R1, 294 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R42, 233 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%
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%
January	7,885	3,979				57,989	-		
February	3,644	6,249				64,237	-		
March	8,166	5,136				69,373	-		
April	11,457	2,938				72,311	-		
May	18,986	2,052				74,364	-		
June	13,201	1,505				75,869	-		
Total Capital expenditure	108,060	75,869	-	38,519					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R9, 987 million. The year to date capital budget is R54, 010 million that give rise to under spending variance of R15, 491 million or 29%.

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

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
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	48,394	32,150	-	3,529	18,366	22,060	3,694	16.7%	32,150
Roads Infrastructure	35,070	21,283	-	3,529	11,523	17,112	5,589	32.7%	21,283
Roads	35,070	21,283		3,529	11,523	17,112	5,589	32.7%	21,283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13,324	10,868	-	-	6,843	4,948	(1,895)	-38.3%	10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13,324	10,868		-	6,843	4,948	(1,895)	-38.3%	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							-		
Purls							-		
Public Open Space							-		
Other assets	-	4,447	-	-	1,332	3,082	1,749	56.8%	4,447
Operational Buildings	-	4,447	-	-	1,332	3,082	1,749	56.8%	4,447
Municipal Offices	-	4,447	-	-	1,332	3,082	1,749	56.8%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	(15)	395	235	(160)	-68.0%	500
Computer Equipment	800	500		(15)	395	235	(160)	-68.0%	500
Furniture and Office Equipment	500	400	-	29	29	100	71	71.3%	400
Furniture and Office Equipment	500	400		29	29	100	71	71.3%	400
Machinery and Equipment	1,200	1,300	-	(459)	76	1,050	974	92.8%	1,300
Machinery and Equipment	1,200	1,300		(459)	76	1,050	974	92.8%	1,300
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	51,194	38,798	-	3,083	20,198	26,527	6,329	23.9%	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	Monthly actual	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	-	6,904	18,321	25,033	6,712	26.8%	33,550
Roads Infrastructure	41,914	33,550	-	6,904	18,321	25,033	6,712	26.8%	33,550
Roads	41,414	33,550		6,904	18,321	25,033	6,712	26.8%	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	100.0%	522
Community Facilities	-	522	-	-	-	350	350	100.0%	522
Halls							-		
Libraries							-		
Cemeteries/Crematoria	-	522	-	-	-	350	350	100.0%	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	-	6,904	18,321	25,383	7,062	27.8%	34,071

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

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
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	7,850	10,400	-	1,099	2,776	5,208	2,432	46.7%	10,400
Roads Infrastructure	2,650	4,000	-	143	1,096	2,290	1,194	52.1%	4,000
Roads	2,650	4,000		143	1,096	2,290	1,194	52.1%	4,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,900	3,000	-	338	647	1,220	573	47.0%	3,000
HV Substations							-		
MV Substations							-		
MV Switching Stations							-		
MV Networks	1,800	3,000		338	647	1,220	573	47.0%	3,000
LV Networks							-		
Capital Spares	100	-		-	-	-	-		-
Solid Waste Infrastructure	3,300	3,400	-	618	1,033	1,698	665	39.2%	3,400
Landfill Sites	3,150	3,400		618	1,033	1,698	665	39.2%	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%	2,000
Operational Buildings	1,325	2,000		449	477	590	113	19.2%	2,000
Municipal Offices	1,325	2,000		449	477	590	113	19.2%	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	-	(132)	283	1,662	1,379	83.0%	3,550
Machinery and Equipment	2,118	3,550		(132)	283	1,662	1,379	83.0%	3,550
Transport Assets	1,300	2,000	-	2	480	1,200	720	60.0%	2,000
Transport Assets	1,300	2,000		2	480	1,200	720	60.0%	2,000
Total Repairs and Maintenance Expenditure	12,693	17,950	-	1,427	4,026	8,660	4,635	53.5%	17,950

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

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
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	Monthly actual	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 and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R20, 198 million and the year to date budget is R26, 527 million that reflects under spending variance of R6, 329 million that translates to 23.9% 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 R 7, 062 million that translates to 27.8% 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 53.5%.

The year to date actual expenditure on upgrading of existing assets is RNil million and the year to date budget is R1, 100 million, reflecting spending variance of R1, 100 million that translates to 100%.

The year to date actual expenditure on depreciation and asset impairment is R25, 904 million and the year to date budget is R24, 157 million, reflecting over spending variance of R1, 746 million that translates to 7% which means the integration between Asset management system and core financial system is done bi-annually and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying with some of mSCOA requirements.

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of 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 (LIM472)

Signature

Date 24/01/2019

Elias Motsoaledi Local
Municipality

24 JAN 2019

Municipal Manager