

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

FEBRUARY 2019

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QUALITY CERTIFICATE	ERROR! BOOKMARK NOT DEFINED.

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

SUMMARY OF BUDGET AND ACTUALS 2018/19				
DESCRIPTION	2018/19			
	ORIGINAL BUDGET	ADJUSTMENT	YTD ACTUAL	PERCENTAGE
OPERATING REVENUE	476,783,655	455,696,679	301,892,456	66%
OPERATING EXPENDITURE	471,307,984	449,168,594	297,578,392	66%
TRANSFER - CAPITAL	63,830,003	64,278,678	55,918,000	87%
SURPLUS/(DEFICIT)	69,305,674	70,806,762	60,232,064	85%
CAPITAL EXPENDITURE	75,868,928	71,369,772	44,483,149	62%

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	25,978	36,650	33,010	5,058	23,286	23,551	(265)	-1%	36,650
Service charges	74,874	101,546	89,925	14,865	66,843	64,087	2,756	4%	101,546
Investment revenue	2,928	3,000	2,800	82	1,241	2,029	(788)	-39%	3,000
Transfers and subsidies	226,163	245,278	245,278	109	180,023	147,684	32,340	22%	245,278
Other own revenue	94,037	90,309	84,683	(467)	30,499	58,551	(28,051)	-48%	90,309
Total Revenue (excl capital transfers)	423,980	476,783	455,697	19,648	301,892	295,900	5,992	2%	476,783
Employee costs	127,202	134,149	130,473	10,464	95,208	86,771	8,437	10%	134,149
Remuneration of Councillors	22,874	25,070	24,291	2,366	15,490	16,644	(1,155)	-7%	25,070
Depreciation & asset impairment	53,654	51,181	51,181	–	25,989	32,767	(6,778)	-21%	51,181
Finance charges	281	2,500	2,900	305	618	1,933	(1,315)	-68%	2,500
Materials and bulk purchases	78,408	97,093	78,909	6,345	52,875	57,875	(5,000)	-9%	97,093
Transfers and subsidies	841	4,404	3,580	–	1,280	2,860	(1,581)	-55%	4,404
Other expenditure	238,169	156,909	157,835	7,875	106,119	70,724	35,395	50%	156,909
Total Expenditure	521,428	471,306	449,169	27,354	297,578	269,576	28,002	10%	471,306
Surplus/(Deficit)	(97,448)	5,477	6,528	(7,706)	4,314	26,324	(22,010)	-84%	5,477
Transfers and subsidies - capital	97,901	63,830	64,279	3,889	44,968	50,548	(5,579)	-11%	63,830
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers	453	69,307	70,807	(3,818)	49,282	76,872	(27,590)	-36%	69,307
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	453	69,307	70,807	(3,818)	49,282	76,872	(27,590)	-36%	69,307
Capital expenditure & funds sources									
Capital expenditure	107,563	75,869	71,370	4,258	44,483	63,572	(19,088)	-30%	75,869
Capital transfers recognised	83,864	55,504	55,953	3,733	40,496	47,408	(6,912)	-15%	55,504
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	23,699	20,365	15,417	526	3,987	16,163	(12,177)	-75%	20,365
Total sources of capital funds	107,563	75,869	71,370	4,258	44,483	63,572	(19,088)	-30%	75,869
Financial position									
Total current assets	65,342	120,845	127,079		157,557				120,845
Total non current assets	1,018,848	1,083,492	1,083,492		1,044,799				1,083,492
Total current liabilities	91,339	73,138	66,949		111,367				73,138
Total non current liabilities	93,955	116,629	109,192		121,097				116,629
Community wealth/Equity	898,896	1,014,570	1,034,431		969,891				1,014,570
Cash flows									
Net cash from (used) operating	96,019	83,769	90,520	(10,062)	53,254	61,698	8,444	14%	83,769
Net cash from (used) investing	(103,972)	(71,869)	(65,801)	(2,258)	(42,032)	(49,607)	(7,575)	15%	(71,869)
Net cash from (used) financing	(6,900)	(9,829)	(6,640)	(1,297)	(8,213)	(9,707)	8,270	14509%	(9,829)
Cash/cash equivalents at the month/year end	6,194	18,039	24,273	–	9,204	8,579	9,139	50%	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 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,139	4,160	2,439	2,061	1,913	1,993	10,771	41,589	77,066
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 February is R301, 892 million and the year to date budget of R295, 900 million and this reflects a positive variance of R5, 992 million that can be attributed to under-projection of transfer recognized operational. The following are the secondary revenue item categories reflecting a negative and positive material variance:

- Interest earned - external investments: 39% unfavorable variance,
- Property Rates: 1% unfavorable variance
- Rental on Facilities and Equipment: 239% unfavorable variance,
- Transfer and Subsidies: 22% favorable variance
- Services Charges – refuse revenue: 30% unfavorable variance
- Fines: 54% unfavorable variance
- Other revenue: 41% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of February amounts to R297, 578 million and the year to date budget is R269, 576 million. This reflects unfavorable variance of R28, 002 million that translates to 10% overspending variance. The variance is attributed overspending variance on employee related cost and other expenditure that are currently getting addressed by implementing MFMA circular 82 that deals with cost containment measures.

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: 68% under performance variance,
- Depreciation and asset impairment: 21% under performance variance
- Other expenditure: 50% over performance variance,
- Transfers and subsidies: 55% 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 February amounts to R44, 483 million and the year to date budget amounts to R63, 572 million and this gives rise to R19, 088 million under performance variance that is attributed to delays in the appointment of service providers for internally funded capital projects. The budget for internally funded capital projects had to be adjusted downwards during the main adjustment budget due to unfavourable cash flow position that the municipality is faced with. The procurement plans have been developed however, they are not fully implemented. These procurement plans were intended to guide the spending pattern on capital projects and partial implementation thereof makes it difficult for the municipality to forecast the cash flow projections.

Surplus/Deficit

Taking the total revenue and expenditure performance into consideration, the net operating surplus for the month of February is R49, 282 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 February amounts to R77, 066 million and this shows an increase of R14, 385 million as compared to R62, 681 million as at end of 2017/18 financial year. This increase portrays a negative picture about the revenue collection of the municipality as the higher the collection rate the lesser the increase in consumer debtors.

Consumer debtors is made up of service charges and property rates that amount to R54, 783 million and other debtors amounting to R22, 283 Million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, the do not form part of consumer debtors.

Creditors

The municipality is currently striving for paying its creditors within 30 days of receipt of invoice as required by MFMA. However, the municipality has instances where the cash flow position was quite unfavourable and it was then unable to service certain creditors as and when they became due. This resulted in the municipality incurring penalties and/or fruitless and wasteful expenditure due to late payment.

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	183,232	203,714	198,283	4,254	134,640	114,093	20,548	18%	203,714
Executive and council	35,581	42,873	42,873	-	33,275	26,686	6,589	25%	42,873
Finance and administration	141,249	152,939	147,508	4,254	95,378	82,605	12,773	15%	152,939
Internal audit	6,402	7,902	7,902	-	5,987	4,802	1,186	25%	7,902
Community and public safety	9,881	18,637	18,650	84	15,359	9,628	5,731	60%	18,637
Community and social services	3,412	7,973	7,973	84	9,298	4,777	4,521	95%	7,973
Sport and recreation	6,469	10,664	10,677	-	6,061	4,851	1,210	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	206,569	185,532	182,239	2,981	101,146	130,630	(29,484)	-23%	185,532
Planning and development	6,605	17,319	17,107	97	8,651	9,540	(889)	-9%	17,319
Road transport	199,121	167,196	164,114	2,884	91,707	120,459	(28,751)	-24%	167,196
Environmental protection	842	1,018	1,018	-	788	632	156	25%	1,018
Trading services	122,199	132,730	120,804	16,218	95,716	92,098	3,619	4%	132,730
Energy sources	91,510	109,537	102,039	15,555	77,552	73,808	3,744	5%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	30,689	23,193	18,765	663	18,164	18,289	(126)	-1%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	521,880	540,613	519,975	23,537	346,861	346,448	413	0%	540,613
Expenditure - Functional									
Governance and administration	213,465	176,004	184,555	14,016	135,626	111,386	24,239	22%	176,004
Executive and council	39,711	42,558	39,998	3,349	27,139	26,980	160	1%	42,558
Finance and administration	167,531	125,652	135,446	10,421	102,106	79,262	22,843	29%	125,652
Internal audit	6,223	7,795	9,111	246	6,381	5,144	1,236	24%	7,795
Community and public safety	14,010	18,191	15,276	828	7,370	12,034	(4,664)	-39%	18,191
Community and social services	6,687	7,709	5,563	407	3,194	4,854	(1,660)	-34%	7,709
Sport and recreation	7,323	10,481	9,713	421	4,176	7,181	(3,004)	-42%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	125,722	149,194	133,138	4,596	85,150	72,032	13,117	18%	149,194
Planning and development	14,195	23,848	15,813	1,142	9,457	14,778	(5,321)	-36%	23,848
Road transport	110,877	124,365	116,597	3,412	75,246	56,676	18,569	33%	124,365
Environmental protection	650	981	728	43	447	578	(131)	-23%	981
Trading services	168,230	127,918	116,200	7,913	69,433	74,123	(4,690)	-6%	127,918
Energy sources	140,094	105,653	92,646	6,039	50,593	62,127	(11,534)	-19%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	28,136	22,265	23,554	1,874	18,840	11,997	6,844	57%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	521,428	471,306	449,169	27,354	297,578	269,576	28,002	10%	471,306
Surplus/ (Deficit) for the year	453	69,307	70,807	(3,818)	49,282	76,872	(27,590)	-36%	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	31,540	38,168	38,168	–	29,496	23,655	5,841	25%	38,168
Vote 2 - Municipal Manager	15,805	31,469	31,469	–	14,780	11,853	2,927	25%	31,469
Vote 3 - Budget & Treasury	83,272	64,695	59,272	4,322	41,382	39,327	2,055	5%	64,695
Vote 4 - Corporate Services	34,041	39,939	39,931	(67)	31,611	25,354	6,258	25%	39,939
Vote 5 - Community Services	131,423	127,644	120,478	1,070	65,101	84,169	(19,068)	-23%	127,644
Vote 6 - Technical Services	211,539	211,110	203,280	18,116	148,681	146,836	1,845	1%	211,110
Vote 7 - Developmental Planning	1,529	11,493	11,282	97	3,903	5,732	(1,829)	-32%	11,493
Vote 8 - Executive Support	12,731	16,094	16,094	–	11,906	9,549	2,358	25%	16,094
Total Revenue by Vote	521,880	540,613	519,975	23,538	346,861	346,474	386	0%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	36,404	37,886	35,307	3,100	23,037	24,216	(1,179)	-5%	37,886
Vote 2 - Municipal Manager	20,075	31,112	37,306	2,608	29,497	20,456	9,041	44%	31,112
Vote 3 - Budget & Treasury	89,906	47,233	51,072	3,831	50,311	28,153	22,158	79%	47,233
Vote 4 - Corporate Services	39,301	37,865	30,600	1,522	16,593	22,903	(6,310)	-28%	37,865
Vote 5 - Community Services	123,541	105,457	100,333	4,356	59,163	42,144	17,019	40%	105,457
Vote 6 - Technical Services	188,616	185,027	167,702	9,768	101,901	112,674	(10,773)	-10%	185,027
Vote 7 - Developmental Planning	7,999	11,188	9,977	741	5,401	7,134	(1,733)	-24%	11,188
Vote 8 - Executive Support	15,585	15,539	16,872	1,429	11,676	10,226	1,450	14%	15,539
Total Expenditure by Vote	521,428	471,306	449,168	27,354	297,578	267,906	29,672	11%	471,306
Surplus/ (Deficit) for the year	453	69,307	70,807	(3,816)	49,282	78,568	(29,286)	-37%	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	25,978	36,650	33,010	5,058	23,286	23,551	(265)	-1%	36,650
Service charges - electricity revenue	67,575	89,297	81,798	14,202	61,532	56,498	5,035	9%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	7,299	12,249	8,127	663	5,310	7,589	(2,279)	-30%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	944	1,220	1,000	2	554	793	(239)	-30%	1,220
Interest earned - external investments	2,928	3,000	2,800	82	1,241	2,029	(788)	-39%	3,000
Interest earned - outstanding debtors	9,693	8,161	6,692	(1,177)	4,062	5,221	(1,158)	-22%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	67,325	73,218	70,209	44	21,749	47,634	(25,885)	-54%	73,218
Licences and permits	4,956	4,950	5,200	279	3,195	3,308	(113)	-3%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278	245,278	109	180,023	147,684	32,340	22%	245,278
Other revenue	11,118	2,761	1,582	386	940	1,595	(655)	-41%	2,761
Gains on disposal of PPE							-		
Total Revenue (excl capital transfers)	423,980	476,783	455,697	19,648	301,892	295,900	5,992	2%	476,783
Expenditure By Type									
Employee related costs	127,202	134,149	130,473	10,464	95,208	86,771	8,437	10%	134,149
Remuneration of councillors	22,874	25,070	24,291	2,366	15,490	16,644	(1,155)	-7%	25,070
Debt impairment	74,839	53,421	55,000	-	31,176	4,288	26,888	627%	53,421
Depreciation & asset impairment	53,654	51,181	51,181	-	25,989	32,767	(6,778)	-21%	51,181
Finance charges	281	2,500	2,900	305	618	1,933	(1,315)	-68%	2,500
Bulk purchases	68,602	80,000	70,000	5,645	46,858	47,803	(945)	-2%	80,000
Other materials	9,806	17,093	8,909	700	6,017	10,072	(4,055)	-40%	17,093
Contracted services	67,951	60,020	59,841	3,067	42,663	39,558	3,105	8%	60,020
Transfers and subsidies	841	4,404	3,580	-	1,280	2,860	(1,581)	-55%	4,404
Other expenditure	93,908	43,468	42,994	4,808	32,280	26,878	5,402	20%	43,468
Loss on disposal of PPE	1,470			-	-		-		
Total Expenditure	521,428	471,306	449,169	27,354	297,578	269,576	28,002	10%	471,306
Surplus/(Deficit)	(97,448)	5,477	6,528	(7,706)	4,314	26,324	(22,010)	-84%	5,477
Transfers and subsidies - capital (National)	97,901	63,830	64,279	3,889	44,968	50,548	(5,579)	-11%	63,830
Transfers and subsidies - capital (Other)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers	453	69,307	70,807	(3,818)	49,282	76,872			69,307
Taxation									
Surplus/(Deficit) after taxation	453	69,307	70,807	(3,818)	49,282	76,872			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	453	69,307	70,807	(3,818)	49,282	76,872			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	453	69,307	70,807	(3,818)	49,282	76,872			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, fines, penalties and forfeits and other revenue.

In the case of expenditure, the following line items reflect material variance; employee related cost, debt impairment, depreciation and asset impairment, finance charges, other materials, 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

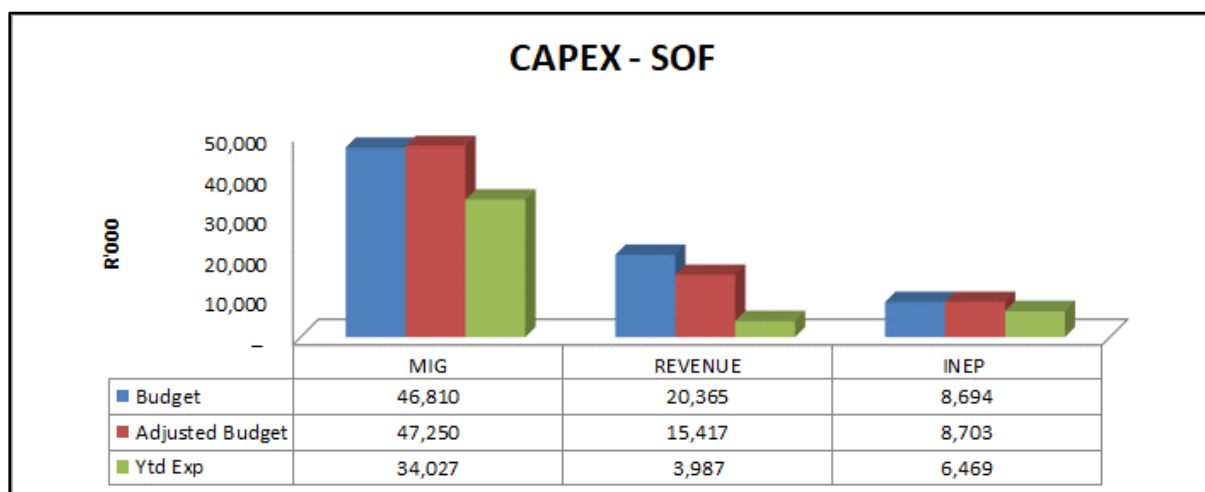
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,110	1,700	2,200	139	797	1,172	(376)	-32%	1,700
Executive and council							-		
Finance and administration	1,110	1,700	2,200	139	797	1,172	(376)	-32%	1,700
Internal audit							-		
Community and public safety	8,834	522	522	-	-	437	(437)	-100%	522
Community and social services		522	522	-	-	437	(437)	-100%	522
Sport and recreation	8,834	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	84,672	59,779	57,039	2,821	35,545	52,838	(17,293)	-33%	59,779
Planning and development		-					-		-
Road transport	84,672	59,779	57,039	2,821	35,545	52,838	(17,293)	-33%	59,779
Environmental protection		-					-		-
Trading services	12,946	13,868	11,609	1,298	8,142	9,124	(983)	-11%	13,868
Energy sources	12,946	10,868	10,009	1,298	8,142	6,386	1,755	27%	10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000	1,600	-	-	2,738	(2,738)	-100%	3,000
Other		-					-		-
Total Capital Expenditure - Functional Classification	107,563	75,869	71,370	4,258	44,483	63,572	(19,088)	-30%	75,869
Funded by:									
National Government	83,864	55,504	55,953	3,733	40,496	47,408	(6,912)	-15%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	83,864	55,504	55,953	3,733	40,496	47,408	(6,912)	-15%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	23,699	20,365	15,417	526	3,987	16,163	(12,177)	-75%	20,365
Total Capital Funding	107,563	75,869	71,370	4,258	44,483	63,572	(19,088)	-30%	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	1,110	1,400	1,400	-	582	872	(290)	-33%	1,400
Vote 5 - Community Services	434	3,000	1,600	-	-	2,738	(2,738)	-100%	3,000
Vote 6 - Technical Services	77,883	27,513	23,974	2,367	14,469	19,225	(4,756)	-25%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	79,427	31,913	26,974	2,367	15,051	22,835	(7,784)	-34%	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	800	139	215	300	(85)	-28%	300
Vote 5 - Community Services	1,005	522	522	-	-	437	(437)	-100%	522
Vote 6 - Technical Services	27,131	42,634	43,074	1,752	29,217	39,499	(10,282)	-26%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,136	43,956	44,395	1,892	29,432	40,737	(11,304)	-28%	43,956
Total Capital Expenditure	107,563	75,869	71,370	4,258	44,483	63,572	(19,088)	-30%	75,869

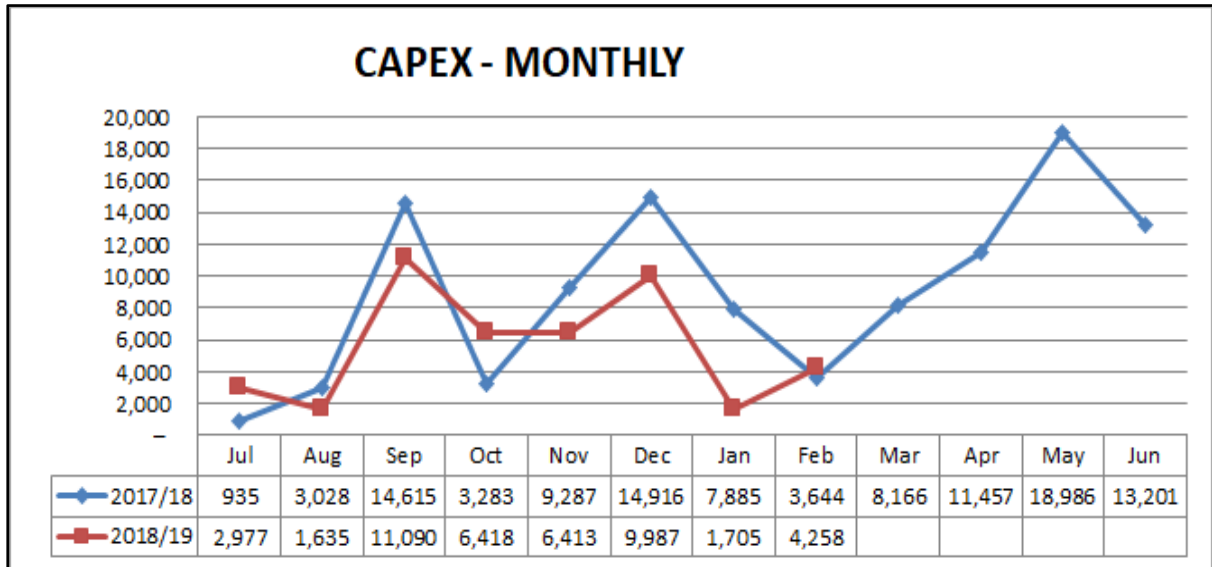
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of February 2019, R4, 258 million spending was incurred and that increased the year to date expenditure to R44, 483 million whilst the year to date budget is R63, 572 million and this gave rise to under spending variance of R 19, 008 million that translates to 30%.

Figure1: Capital expenditure by source of finance



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R71, 370 million, R47, 250 million is funded from Municipal Infrastructure grant, R8, 703 million from INEP and R15, 417 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 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	6,194	2,457	8,691	9,204	2,457
Call investment deposits	–	15,582	15,582	–	15,582
Consumer debtors	24,953	40,483	40,483	50,137	40,483
Other debtors	30,866	58,923	58,924	93,812	58,923
Current portion of long-term receivables	–	–	–	–	–
Inventory	3,328	3,400	3,400	4,404	3,400
Total current assets	65,342	120,845	127,079	157,557	120,845
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	53,739	53,728	53,728	54,139	53,728
Investments in Associate		–	–	–	–
Property, plant and equipment	952,317	1,016,632	1,016,632	989,423	1,016,632
Agricultural		–	–	–	–
Biological		–	–	–	–
Intangible	85	291	291	–	291
Other non-current assets	12,706	12,841	12,841	1,237	12,841
Total non current assets	1,018,848	1,083,492	1,083,492	1,044,799	1,083,492
TOTAL ASSETS	1,084,189	1,204,337	1,210,572	1,202,355	1,204,337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	–	10,000	6,811	10,997	10,000
Consumer deposits	5,249	5,260	5,260	5,344	5,260
Trade and other payables	81,839	52,466	52,466	91,311	52,466
Provisions	4,251	5,412	2,412	3,715	5,412
Total current liabilities	91,339	73,138	66,949	111,367	73,138
Non current liabilities					
Borrowing	–	30,677	23,240	23,097	30,677
Provisions	93,955	85,952	85,952	98,000	85,952
Total non current liabilities	93,955	116,629	109,192	121,097	116,629
TOTAL LIABILITIES	185,294	189,767	176,141	232,465	189,767
NET ASSETS	898,896	1,014,570	1,034,431	969,891	1,014,570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	898,896	1,014,570	1,034,431	969,891	1,014,570
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	898,896	1,014,570	1,034,431	969,891	1,014,570

The above table shows that community wealth amounts to R969, 891 million, total liabilities R232, 465 million and the total assets R1, 202 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1,41:1 that is slightly above the norm of 1. The municipality still needs to reduce the current liabilities and increase the current assets so as to strengthen the liquidity ratio.

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	20,409	28,587	20,797	2,092	14,522	19,574	(5,052)	-26%	28,587
Service charges	68,403	89,922	80,709	7,486	56,384	59,990	(3,606)	-6%	89,922
Other revenue	14,831	18,225	18,724	1,153	26,048	20,118	5,930	29%	18,225
Government - operating	226,165	245,278	245,278	300	124,686	143,079	(18,393)	-13%	245,278
Government - capital	97,899	63,830	63,830	-	55,918	54,778	1,140	2%	63,830
Interest	12,621	4,632	4,170	732	2,902	3,627	(725)	-20%	4,632
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(343,186)	(359,801)	(336,508)	(21,522)	(225,309)	(234,146)	(8,837)	4%	(359,801)
Finance charges	(281)	(2,500)	(2,900)	(305)	(618)	(2,457)	(1,839)	75%	(2,500)
Transfers and Grants	(841)	(4,404)	(3,580)	-	(1,280)	(2,865)	(1,586)	55%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	96,019	83,769	90,520	(10,062)	53,254	61,698	8,444	14%	83,769
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	2,400	2,000	2,000	-	-	-	-	-	2,000
Decrease (Increase) in non-current debtors		2,000	-	-	-	-	-	-	2,000
Decrease (increase) other non-current receivables	-	-	-	-	150	233	(83)	-36%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-
Payments									
Capital assets	(106,372)	(75,869)	(67,801)	(2,258)	(42,182)	(49,840)	(7,658)	15%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(103,972)	(71,869)	(65,801)	(2,258)	(42,032)	(49,607)	(7,575)	15%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	-	-	(9,764)	-100%	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	171	171	(579)	(498)	57	(555)	-974%	171
Payments									
Repayment of borrowing	(6,900)	(10,000)	(6,811)	(719)	(7,715)	(9,764)	(2,049)	21%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(6,900)	(9,829)	(6,640)	(1,297)	(8,213)	(9,707)	8,270	14509%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	(14,854)	2,071	18,079	(13,618)	3,009	2,385			2,071
Cash/cash equivalents at beginning:	21,048	15,968	6,194		6,194	6,194			6,194
Cash/cash equivalents at month/year end:	6,194	18,039	24,273		9,204	8,579			8,265

Table C7 presents details pertaining to cash flow performance. As at end of February 2019, the net cash inflow from operating activities is R53, 254 million whilst net cash outflow from investing activities is R42, 032 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R8, 213 million. The cash and cash equivalent held at end of February 2019 amounted to R9, 204 million and the net effect of the above cash flows is cash inflow movement of R3, 009 million. The cash and cash equivalent at end of the reporting period of R9, 204 million is made up solely of cash in the primary bank account. All short term investments were withdrawn during the reporting period.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanation

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Service charges - refuse revenue	-30%	The donated compactors are not yet operational and as a result, the municipality is losing revenue	The Infrastructure department must assist in constructing the stands for those compactors so that we can utilise them
Rental of facilities and equipment	-30%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related or else for officials who are renting those properties must be taxed on the difference between market related rental and actual rent billed
Interest earned - external investments	-39%	Unfavourable cash flow position that negatively affects the surplus cash available	Implement MFMA circular 82 that deals with cost containment measures and developing the financial recovery plan
Interest earned - outstanding debtors	-22%	The revenue collection has improved and hence the underperformance on interest on outstanding debtors	No remedial action is needed
Fines, penalties and forfeits	-54%	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 or else the journals should be passed monthly to realise revenue
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	-41%	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	-11%	There is underspending on both MIG and INEP relative to the projected spending	The Infrastructure department will have to accelerate the spending pattern on grants funded projects in order for this revenue source to improve
Expenditure By Type			
Employee related costs	10%	The overspending variance is attributed to overtime for the month of December 2018 and journals passed relating actuarial valuations	Overtime to be kept at fairly minimum level and vacant positions to be frozen
Finance charges	-68%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of September	Capturing of finance charges on the system must be investigated for possible transaction misclassification
Debt impairment	627%	Debt impairment calculated was for the purpose of mid year financial statements and this is usually calculated at year end	Introduce systems for calculating the debt impairment on a monthly basis

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type			
Depreciation & asset impairment	-21%	Depreciation calculated was for the purpose of mid year financial statements and this is usually calculated at year end	Integration of asset management system and Munsoft must be expedited so that the system can start populating monthly depreciation
Other materials	-40%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	Infrastructure to implement the maintenance plan that should be fully costed
Transfers and subsidies	-55%	The payments relating to this account were processed however some were not captured on munsoft and some were captured to incorrect segments	All processed invoices must be captured on munsoft before month end system closure and budget monitoring should be done on a regular basis
Other expenditure	20%	Poor expenditure management on other expenditure that includes items like subsistence and traveling, printing and publication, training, etc	Cost containment measures must be implemented to the latter in order to do away with "nice to have" expenditure items and excessive expenditures
Capital Expenditure			
National Government	-15%	Spending that is not in line with the developed procurement plans	The ed user deoaartments must always adhere to the developed procurement plans
Internally generated funds	-75%	Unfavourable cash flow position led to delays in appointing the contractors for internally funded capital projects	Cost containment measures must be implemented to the latter in order to do away with "nice to have" expenditure items and excessive expenditures
Cash Flow			
Property rates	-26%	The collection rate of 25% on property rates is below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Other revenue	29%	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	-13%	The projection for last tranche of equitable share was understated, however the total grant amount was in line with the approved DoRA.	No remedial action is needed
Interest	-20%	Unfavourable cash flow position that negatively affects the surplus cash available	Implement MFMA circular 82 that deals with cost containment measures and developing the financial recovery plan
Finance charges	75%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of September	Capturing of finance charges on the system must be investigated for possible transaction missclassification
Transfers and Grants	55%	The payments relating to this account were processed however some were not captured on munsoft and some were captured to incorrect segments	All processed invoices must be captured on munsoft before month end system closure and budget monitoring should be done on a regular basis
Repayment of borrowing	21%	The late delivery of leased fleet of vehicles and the reduction of the scope in terms of vehicles needed	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 Days	151-180 Days	181 Days 1 Yr	Over 1Yr	Total	Total over 90 days	Actual 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	7,289	1,461	246	100	85	73	377	3,408	13,039	4,043	-	-
Receivables from Non-exchange Transactions - Property Rates	2,235	1,291	1,094	1,090	925	922	4,764	20,232	32,554	27,934	-	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	640	445	378	364	358	354	1,984	4,668	9,190	7,727	-	-
Receivables from Exchange Transactions - Property Rental Debtors	8	68	16	7	5	2	105	939	1,150	1,058	-	-
Interest on Arrear Debtor Accounts	817	780	746	717	690	664	3,508	13,776	21,698	19,355	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,151	115	(41)	(217)	(151)	(22)	34	(1,435)	(565)	(1,790)	-	-
Total By Income Source	12,139	4,160	2,439	2,061	1,913	1,993	10,771	41,589	77,066	58,328	-	-
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	1,424	802	688	564	485	515	2,363	10,251	17,093	14,178	-	-
Commercial	6,160	1,070	300	216	224	269	1,553	6,126	15,918	8,389	-	-
Households	3,830	1,768	1,025	874	804	816	4,611	14,678	28,407	21,783	-	-
Other	725	520	426	407	399	393	2,244	10,534	15,648	13,977	-	-
Total By Customer Group	12,139	4,160	2,439	2,061	1,913	1,993	10,771	41,589	77,066	58,328	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of February amount to R77, 066 million. The debtors' book is made up as follows:

- Rates 42%
- Electricity 17%
- Rental 1%
- Refuse removal 12%
- Interest on Debtors 28%
- Other -1%

The negative 1 on other debtors is caused mainly by accounts that have credit balances and the system cannot split nor transfer the credits to "received in advance" accounts without manual intervention.

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

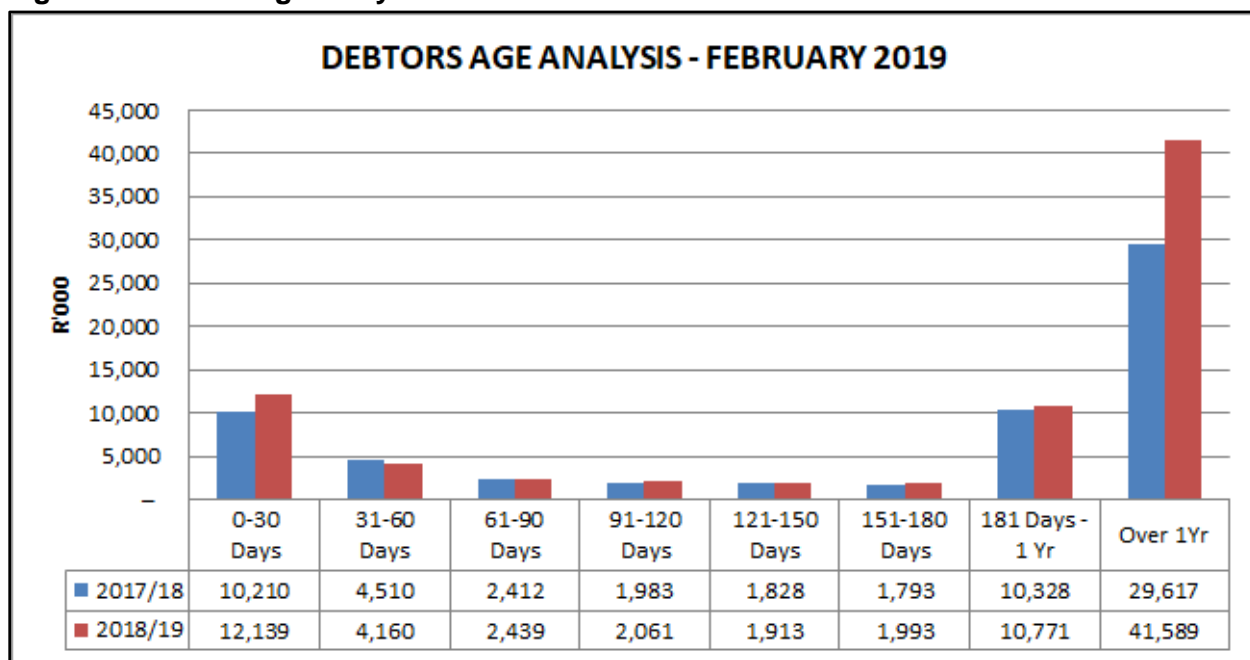
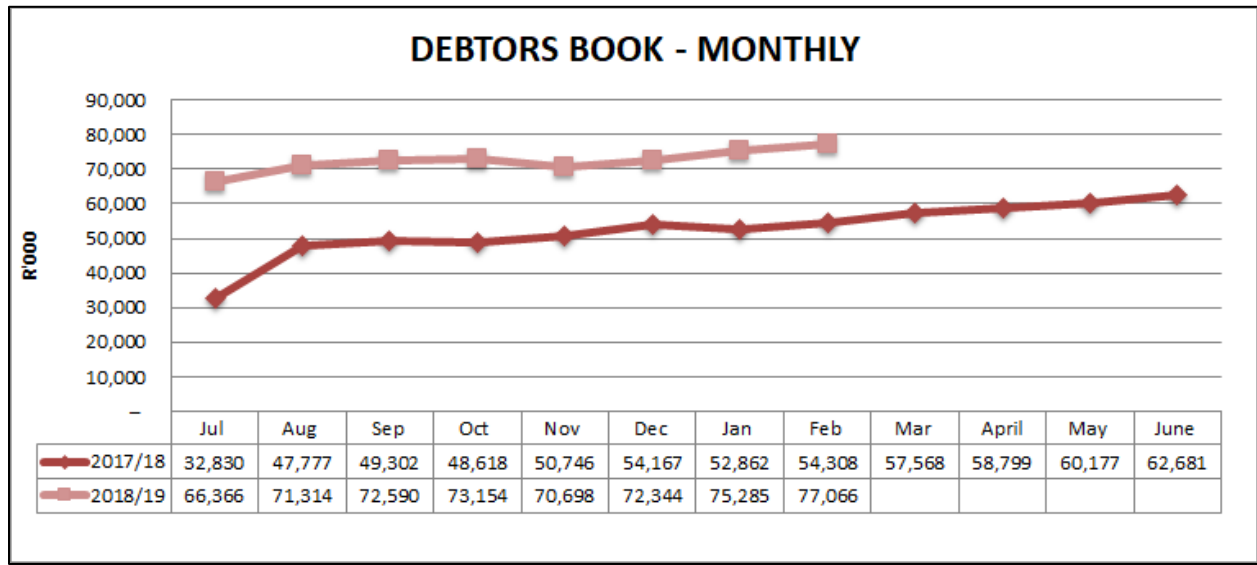


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of February 2019) 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	ACCOUNT STATUS	OCC/OWN	TOTAL BALANCE	HAND OVER
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	OWNER	1,614,487	N
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,058,395	N
214913	MEAT SPOT	ACTIVE	OCCUPIER	563,722	N
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	OWNER	461,806	Y
2000270	PROVINSIALE HOSPITAAL	ACTIVE	OCCUPIER	460,524	N
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OWNER	390,630	N
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	OWNER	385,452	Y
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	ACTIVE	OWNER	328,716	Y
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	322,535	Y
9053280	LIMPOPO GOVERNMENT PROV(BEN VILJOEN)	ACTIVE	OWNER	317,926	N
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	OWNER	222,882	Y
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	220,413	N
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	219,042	N
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	206,262	N
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	187,390	Y
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	186,517	N
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	OCCUPIER	182,266	N
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	OCCUPIER	170,714	Y
TOTAL				7,499,678	

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. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.

- The contracted services are paid through direct/straight payments that do not feed the age analysis module.

Proposal was made that the municipality need to maintain the invoice register that should be used for manually updating the creditors age analysis and the Budget and Treasury department is in a process of implementing the proposed register.

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80654	MPOFU ELECTRICAL SERVICES	263,749
80563	KF PHETLA PROJECTS	230,224
41095	REAKGONA TRAVEL SERVICES	128,875
41027	KDM TRAVEL EXPRESS	84,531
37581	PHELADI NOKO B1 FUNERAL	61,668
31335	247 TRAVEL AND TOURISM	55,000
80653	BABIRWA TRAVEL	48,099
80896	SABOSHILO & RAKGWADI CONSULTIN	29,800
80895	BATHALE FINAL PRINT	29,416
41085	T SELONA TRADING	29,000
80598	PUTUKU TRADING AND PROJECTS	28,800
80644	PEARL MARIA PROJECTS	28,500
32604	SEGOKGOME TRADING AND PROJECTS	28,000
80891	ATANG INVESTMENTS	27,600
37690	THUTHUTO SETSHABENG TRADING	26,500
80894	BD MAMOD CONSTRUCTION	25,200
41073	GOING PLACES CONSTRUCTION	24,720
80898	REYATLEGILE BMS	22,070
80525	TSHEPO YAKA NKASE ELAHLE PROJE	19,500
80890	SPR 333 HOLDINGS	19,000
TOTAL		1,210,251

The above table presents the top creditors paid during the month of February 2019 and an amount of R1, 210 million will paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality								
Nedbank (03/7881068264/0048)	1 Month	Current Investment	43	133	0	20,210	(20,343)	-
Total Investment and Interest				133		20,210	(20,343)	-

Supporting table SC5 presents all investment movements, and it indicates that municipality had R20, 210 million short term investment at end of January 2019. The municipality had and withdrawn R20, 343 that left the municipality's investment account with zero balance.

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	245,278	300	185,902	185,902	-		245,278
Local Government Equitable Share	223,019	237,506	237,506	-	178,130	178,130	-		237,506
Finance Management	1,700	1,770	1,770	-	1,770	1,770			1,770
EPWP Incentive	1,444	1,002	1,002	300	1,002	1,002			1,002
Energy Efficiency and Demand Management	-	5,000	5,000	-	5,000	5,000			5,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Operating Transfers and Grants	226,163	245,278	245,278	300	185,902	185,902	-		245,278
Capital Transfers and Grants									
National Government:	81,860	63,830	63,830	-	55,918	55,918	-		63,830
Municipal Infrastructure Grant (MIG)	66,860	53,832	53,832	-	45,920	45,920	-		53,832
Intergrated National Electrification Grant	15,000	9,998	9,998	-	9,998	9,998	-		9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	81,860	63,830	63,830	-	55,918	55,918	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	308,023	309,108	309,108	300	241,820	241,820	-		309,108

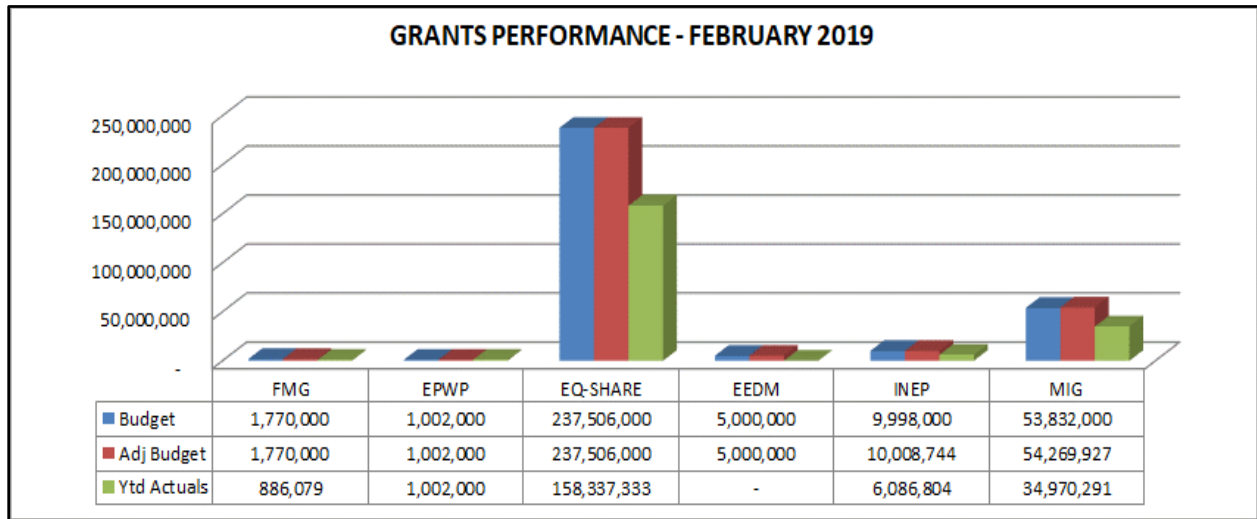
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R241, 820 million of which the major portion is attributed to equitable share. For the reporting period at least R300 thousand was received for EPWP. All the grants allocated for the current financial 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	245,278	19,902	160,225	142,907	17,318	12%	245,278
Local Government Equitable Share	223,019	237,506	237,506	19,792	158,337	138,545	19,792	14%	237,506
Finance Management	1,700	1,770	1,770	25	886	1,057	(171)	-16%	1,770
EPWP Incentive	1,444	1,002	1,002	84	1,002	804	198	25%	1,002
Energy Efficiency and Demand Management	-	5,000	5,000	-	-	2,500	(2,500)	-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	245,278	19,902	160,225	142,907	17,318	12%	245,278
Capital expenditure of Transfers and Grants									
National Government:	97,901	63,830	63,830	3,889	44,968	51,092	(6,123)	-12%	63,830
Municipal Infrastructure Grant (MIG)	82,722	53,832	53,832	2,536	37,529	44,796	(7,267)	-16%	53,832
Intergrated National Electrification Grant	15,179	9,998	9,998	1,353	7,439	6,295	1,144	18%	9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total capital expenditure of Transfers and Grants	97,901	63,830	63,830	3,889	44,968	51,092	(6,123)	-12%	63,830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	324,064	309,108	309,108	23,790	205,194	193,999	11,195	6%	309,108

An amount of R23, 790 million has been spent on grants during the month of February 2019 and the year to date actuals is 205, 194 million whilst the year to date budget amounts to R 193, 999 million and this results in overspending variance of R11, 195 million that translates to positive 5,8%. Of the total spending amounting to R23, 790 million, R19, 902 million is spent on operational grants whilst R3, 889 million is spent of capital grants.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of February 2019. The grants expenditure is shown below in percentages:

- Financial Management Grant 50.06%
- Expanded Public Work Programme 100%
- Equitable Share 66.67%
- Municipal Infrastructure Grant 65.96%
- Integrated National Electrification Grant 60.88%
- Energy Efficiency and Demand Side Management Grant 0%

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

Description	Budget Year 2018/19				
	Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
National Government:	-	-	-	-	-
Local Government Equitable Share	-	-	-	-	-
Finance Management	-	-	-	-	-
EPWP Incentive	-	-	-	-	-
Energy Efficiency and Demand Management	-	-	-	-	-
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total operating expenditure of Approved Roll-overs	-	-	-	-	-
Capital expenditure of Approved Roll-overs					
National Government:	449	-	-	449	100%
Municipal Infrastructure Grant (MIG)	438			438	100%
Intergrated National Electrification Grant	11			11	100%
Provincial Government:	-	-	-	-	-
N/A	-	-	-	-	-
District Municipality:	-	-	-	-	-
N/A	-	-	-	-	-
Other grant providers:	-	-	-	-	-
N/A	-	-	-	-	-
Total capital expenditure of Approved Roll-overs	449	-	-	449	100%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	449	-	-	449	100%

Table SC7 (2) provides details for expenditure on approved roll-overs, for February 2019 the is no spending on approved roll-overs.

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor 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	12,690	15,073	14,450	1,379	8,933	10,020	(1,087)	-11%	15,073
Pension and UIF Contributions	1,778	1,857	1,657	170	1,073	1,220	(147)	-12%	1,857
Medical Aid Contributions	295	317	351	33	235	197	38	19%	317
Motor Vehicle Allowance	4,947	5,324	5,334	544	3,430	3,559	(129)	-4%	5,324
Cellphone Allowance	2,708	2,489	2,499	226	1,806	1,643	163	10%	2,489
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	454	10	-	13	13	5	7	139%	10
Sub Total - Councillors	22,874	25,070	24,291	2,366	15,490	16,644	(1,155)	-7%	25,070
% increase		10%	6%						10%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,073	4,718	4,532	336	3,004	2,885	118	4%	4,718
Pension and UIF Contributions	234	1,095	245	13	146	616	(470)	-76%	1,095
Medical Aid Contributions	92	252	102	7	61	142	(81)	-57%	252
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	672	907	760	54	512	550	(38)	-7%	907
Cellphone Allowance	41	84	141	14	102	60	42	70%	84
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	221	81	528	17	466	90	376	417%	81
Payments in lieu of leave	103	-	-	-	40	-	40	#DIV/0!	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,436	7,137	6,308	440	4,331	4,344	(13)	0%	7,137
% increase		11%	-2%						11%
Other Municipal Staff									
Basic Salaries and Wages	73,490	85,022	79,451	6,797	54,784	55,572	(788)	-1%	85,022
Pension and UIF Contributions	14,304	16,149	16,141	1,409	11,172	9,942	1,230	12%	16,149
Medical Aid Contributions	7,931	4,826	4,726	456	3,477	2,891	586	20%	4,826
Overtime	2,357	1,774	2,108	132	1,553	1,270	282	22%	1,774
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7,782	8,965	10,043	881	6,894	5,599	1,296	23%	8,965
Cellphone Allowance	507	986	1,147	138	943	626	317	51%	986
Housing Allowances	143	161	160	14	116	97	19	20%	161
Other benefits and allowances	11,264	8,057	8,638	121	7,385	6,107	1,277	21%	8,057
Payments in lieu of leave	677	892	1,173	26	541	384	157	41%	892
Long service awards	559	180	578	51	535	123	412	336%	180
Post-retirement benefit obligations	1,752	-	-	-	3,477	-	3,477	#DIV/0!	-
Sub Total - Other Municipal Staff	120,766	127,011	124,165	10,024	90,877	82,612	8,266	10%	127,011
% increase		5%	3%						5%
Total Parent Municipality	150,075	159,219	154,764	12,830	110,698	103,599	7,098	7%	159,219
		6%	3%						6%
TOTAL SALARY, ALLOWANCES & BENEFITS	150,075	159,219	154,764	12,830	110,698	103,599	7,098	7%	159,219
% increase		6%	3%						6%
TOTAL MANAGERS AND STAFF	127,202	134,149	130,473	10,464	95,208	86,955	8,253	9%	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 February 2019 amounts to R90, 877 million and the year to date budget is R 82, 612 million and the expenditure for remuneration of councilors amounts to R15, 490 million while the year to date budget is R16, 644 million. The year to date actual expenditure for senior managers is R4, 331 million and the year to date budget thereof is R4, 344 million, and the year to date actuals for other municipal staff is R90, 877 million and the year to date budget is R82, 612 million. The remuneration of councilors category has under spending variance, and senior managers' expenditure is in line with the projected budget and there is only one vacant position in the senior management level and the position will be filled by year end. The other municipal staff category has over spending variance that is attributed to post retirement benefit, pension and UIF, and other benefits and allowance.

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	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	2018/19	2019/20	2020/21	
Cash Receipts By Source																
Property rates	1,905	1,271	1,939	1,806	2,068	1,592	1,847	2,092	2,314	2,392	2,392	6,966	28,587	30,131	31,788	
Service charges - electricity revenue	6,380	5,702	6,815	6,695	8,360	6,242	6,238	7,151	6,481	6,943	7,537	5,824	80,368	85,993	92,228	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse	362	245	496	335	378	323	328	335	741	741	741	4,529	9,554	10,070	10,624	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	25	15	27	161	16	53	17	29	51	51	51	115	610	643	678	
Interest earned - external investments	123	254	204	68	23	135	208	82	440	244	308	913	3,000	3,162	3,336	
Interest earned - outstanding debtors	81	31	55	74	683	131	103	651	146	132	148	(601)	1,632	1,720	1,815	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	1	0	548	0	28	2,325	-	459	910	910	884	4,181	10,248	10,801	11,395	
Licences and permits	445	458	398	497	460	309	349	279	413	413	413	518	4,950	5,217	5,504	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	19,953	21,814	2,000	-	450	79,169	1,000	300	64,929	-	-	55,663	245,278	269,940	293,775	
Other revenue	764	1,114	1,124	1,611	13,040	89	1,021	386	235	200	195	(17,359)	2,417	2,548	2,688	
Cash Receipts by Source	30,040	30,904	13,605	11,248	25,504	90,367	11,110	11,764	76,659	12,025	12,668	60,749	386,644	420,226	453,831	
Other Cash Flows by Source																
Transfer receipts - capital	27,110	-	-	4,000	-	24,808	-	-	5,976	-	-	1,936	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)	41	(579)	8	25	40	596	171	203	227	
Receipt of non-current debtors	-	-	150	-	-	-	-	-	100	112	200	1,438	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	11,152	11,186	82,743	12,162	12,908	66,719	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	11,087	10,164	10,426	10,294	13,096	5,795	134,149	142,723	152,000	
Remuneration of councillors	2,635	1,875	1,875	1,875	1,875	1,876	1,875	2,366	2,078	2,088	2,212	2,442	25,070	26,675	28,409	
Interest paid	-	-	-	239	260	(499)	313	305	208	208	208	1,258	2,500	2,300	2,000	
Bulk purchases - Electricity	729	7,331	7,286	103	1,069	16,313	7,383	5,146	7,247	7,250	7,300	12,844	80,000	84,320	88,958	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	254	778	940	635	637	1,238	835	452	2,059	1,252	1,427	6,586	17,093	18,017	19,007	
Contracted services	5,676	4,532	3,492	4,767	6,157	9,573	3,856	2,652	3,608	5,207	3,755	6,747	60,020	62,629	66,073	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	-	107	109	-	-	1,063	-	-	366	366	366	2,026	4,404	4,642	4,897	
General expenses	849	1,062	469	2,628	3,288	3,987	2,799	742	3,573	3,135	3,910	17,025	43,468	45,289	47,780	
Cash Payments by Type	20,294	27,052	24,218	20,799	23,687	54,319	28,147	21,827	29,565	29,800	32,274	54,723	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	1,705	2,258	5,136	2,938	2,052	23,561	75,869	85,123	84,647	
Repayment of borrowing	-	-	-	2,710	549	3,026	711	719	833	833	833	(215)	10,000	14,000	16,677	
Other Cash Flows/Payments	-	-	-	-	-	6,863	-	-	-	-	-	(6,863)	-	-	-	
Total Cash Payments by Type	22,675	28,686	33,453	32,076	30,649	74,196	30,563	24,804	35,534	33,571	35,159	71,206	452,574	485,717	510,448	
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(16,799)	(5,145)	40,939	(19,411)	(13,618)	47,209	(21,409)	(22,251)	(4,487)	2,071	4,933	17,044	
Cash/cash equivalents at the month/year beginning:	6,194	40,765	43,483	23,238	6,438	1,294	42,233	22,822	9,204	56,413	35,004	12,753	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	22,822	9,204	56,413	35,004	12,753	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 R11, 186 million and the total cash payment for the month were R24, 804 million and this resulted in net decrease in cash held amounting to R13, 618 million. With cash and cash equivalent of R22, 822 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R9, 204 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	6,624	6,722	4,292	2,977	2,977	4,292	1,315	31%	4%
August	8,720	9,189	1,635	1,635	4,612	5,927	1,315	22%	6%
September	7,500	11,637	9,816	11,090	15,702	15,743	41	0%	21%
October	9,227	9,283	5,461	6,418	22,119	21,204	(916)	-4%	29%
November	11,572	8,482	6,413	6,413	28,532	27,617	(916)	-3%	38%
December	10,917	8,697	7,217	9,987	38,519	34,834	(3,686)	-11%	51%
January	7,350	3,979	2,762	1,705	40,225	37,595	(2,630)	-7%	53%
February	10,580	6,249	5,583	4,258	44,483	43,178	(1,305)	-3%	59%
March	6,580	5,136	2,500			45,678	-		
April	7,221	2,938	5,844			51,522	-		
May	14,033	2,052	8,105			59,627	-		
June	7,239	1,505	11,742			71,370	-		
Total Capit	107,563	75,869	71,370	44,483					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of February amounts to R4, 258 million. The year to date actual expenditure incurred is R44,483 million whilst the year to date budget is R43, 178 million that gives rise to over spending variance of R1, 305 million or 3%.

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	52,811	32,150	28,613	2,317	20,759	26,742	5,983	22%	32,150
Roads Infrastructure	39,865	21,283	18,604	1,019	12,618	20,356	7,738	38%	21,283
Roads	39,865	21,283	18,604	1,019	12,618	20,356	7,738	38%	21,283
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Storm water Conveyance							-		
Electrical Infrastructure	12,946	10,868	10,009	1,298	8,142	6,386	(1,755)	-27%	10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,946	10,868	10,009	1,298	8,142	6,386	(1,755)	-27%	10,868
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
Other assets	-	4,447	4,947	386	3,190	3,473	283	8%	4,447
Operational Buildings	-	4,447	4,947	386	3,190	3,473	283	8%	4,447
Municipal Offices	-	4,447	4,947	386	3,190	3,473	283	8%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
Effluent Licenses							-		
Computer Equipment	749	500	1,000	-	553	305	(248)	-81%	500
Computer Equipment	749	500	1,000	-	553	305	(248)	-81%	500
Furniture and Office Equipment	362	400	400	-	29	167	138	83%	400
Furniture and Office Equipment	362	400	400	-	29	167	138	83%	400
Machinery and Equipment	3,138	1,300	300	139	215	1,117	902	81%	1,300
Machinery and Equipment	3,138	1,300	300	139	215	1,117	902	81%	1,300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	57,060	38,798	35,260	2,843	24,746	31,804	7,058	22%	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	42,135	33,550	33,988	1,416	19,737	30,430	10,693	35%	33,550
Roads Infrastructure	42,135	33,550	33,988	1,416	19,737	30,430	10,693	35%	33,550
Roads	42,135	33,550	33,988	1,416	19,737	30,430	10,693	35%	33,550
Road Structures							-		
Road Furniture	-	-	-	-	-	-	-		-
Capital Spares							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Community Assets	-	522	522	-	-	437	437	100%	522
Community Facilities	-	522	522	-	-	437	437	100%	522
Halls							-		
Centres							-		
Cemeteries/Crematoria	-	522	522	-	-	437	437	100%	522
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	434	-	-	-	-	-	-		-
Operational Buildings	434	-	-	-	-	-	-		-
Municipal Offices	434	-	-	-	-	-	-		-
Pay/Enquiry Points							-		
Intangible Assets	-	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	-	-	-	-	-	-	-		-
Water Rights							-		
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	42,569	34,071	34,509	1,416	19,737	30,867	11,130	36%	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									
Infrastructure	7,850	10,400	-	24	2,800	5,541	2,741	49%	10,400
Roads Infrastructure	1,266	4,000	2,000	-	1,096	2,451	1,355	55%	4,000
Roads	1,266	4,000	2,000	-	1,096	2,451	1,355	55%	4,000
Road Structures							-		
Storm water Infrastructure	-	-	-	-	-	-	-		
Electrical Infrastructure	1,891	3,000	1,000	60	731	1,320	-		
HV Substations							-		
HV Switching Station							-		
MV Networks	1,891	3,000	1,000	60	731	1,320	-		-
Capital Spares	-	-	-	-	-	-	-		
Solid Waste Infrastructure	2,538	3,400	3,704	309	1,343	2,333	-		
Landfill Sites	2,538	3,400	3,704	309	1,343	2,333	-		
Waste Transfer Stations							-		
Other assets	929	2,000	1,000	40	290	1,230	941	76%	2,000
Operational Buildings	929	2,000	1,000	40	290	1,230	-		
Municipal Offices	929	2,000	1,000	40	290	1,230	-		
Workshops							-		
Yards							-		
Stores							-		
Intangible Assets	-	-	-	-	19	-	(19)	#DIV/0!	-
Servitudes							-		
Licences and Rights	-	-	-	-	19	-	-		
Solid Waste Licenses							-		
Computer Software and Applications	-	-	-	-	19	-	-		
Computer Equipment	-	-	-	-	-	-	-		
Computer Equipment							-		-
Furniture and Office Equipment	-	-	-	-	-	-	-		
Furniture and Office Equipment							522	25%	3,550
Machinery and Equipment	4,905	3,550	1,670	349	1,567	2,089			
Machinery and Equipment	4,905	3,550	1,670	349	1,567	2,089	806	55%	2,000
Transport Assets	777	2,000	1,000	117	664	1,470			
Transport Assets	777	2,000	1,000	117	664	1,470	-		-
Total Repairs and Maintenance Expenditure	12,305	17,950	10,374	875	5,709	10,894	5,184	48%	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	43,138	34,653	34,653	-	16,139	16,375	236	1%	34,653
Roads Infrastructure	3,039	25,147	25,147	-	13,116	12,000	(1,116)	-9%	25,147
Roads	3,039	25,147	25,147	-	13,116	12,000	(1,116)	-9%	25,147
Road Structures			-			-	-		
Road Furniture			-			-	-		
Capital Spares			-			-	-		
Storm water Infrastructure	(767)	3,712	3,712	-	-	1,728	1,728	100%	3,712
Storm water Conveyance	(767)	3,712	3,712	-	-	1,728	1,728	100%	3,712
Attenuation			-			-	-		
Electrical Infrastructure	40,326	5,166	5,166	-	2,694	2,364	(331)	-14%	5,166
HV Substations			-			-	-		
HV Switching Station			-			-	-		
HV Transmission Conductors	40,326	5,166	5,166	-	2,694	2,364	(331)	-14%	5,166
MV Substations			-			-	-		
MV Switching Stations			-			-	-		
Solid Waste Infrastructure	540	629	629	-	328	283	(45)	-16%	629
Landfill Sites	540	629	629	-	328	283	(45)	-16%	629
Community Assets	1,161	2,918	2,918	-	1,522	1,433	(89)	-6%	2,918
Community Facilities	1,161	2,918	2,918	-	1,522	1,433	(89)	-6%	2,918
Libraries			-			-	-		
Cemeteries/Crematoria	1,161	2,918	2,918	-	1,522	1,433	(89)	-6%	2,918
Other assets	5,033	2,180	2,180	-	1,137	980	(157)	-16%	2,180
Operational Buildings	5,033	2,180	2,180	-	1,137	980	(157)	-16%	2,180
Municipal Offices	5,033	2,180	2,180	-	1,137	980	(157)	-16%	2,180
Intangible Assets	-	378	378	-	197	170	(27)	-16%	378
Servitudes			-			-	-		
Licences and Rights	-	378	378	-	197	170	(27)	-16%	378
Solid Waste Licenses			-			-	-		
Computer Software and Applications		378	378	-	197	170	(27)	-16%	378
Computer Equipment	526	1,518	1,518	-	-	824	824	100%	1,518
Computer Equipment	526	1,518	1,518	-	-	824	824	100%	1,518
Furniture and Office Equipment	685	3,817	3,817	-	1,991	1,804	(187)	-10%	3,817
Furniture and Office Equipment	685	3,817	3,817	-	1,991	1,804	(187)	-10%	3,817
Machinery and Equipment	1,188	2,175	2,175	-	3,070	978	(2,092)	-214%	2,175
Machinery and Equipment	1,188	2,175	2,175	-	3,070	978	(2,092)	-214%	2,175
Transport Assets	1,716	3,542	3,542	-	1,848	1,593	(255)	-16%	3,542
Transport Assets	1,716	3,542	3,542	-	1,848	1,593	(255)	-16%	3,542
Total Depreciation	53,449	51,181	51,181	-	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									
Infrastructure	-	3,000	1,600	-	-	900	900	100%	3,000
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads									
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Substations								-	
HV Transmission Conductors								-	
MV Switching Stations								-	
MV Networks								-	
Solid Waste Infrastructure	-	3,000	1,600	-	-	900	900	100%	3,000
Landfill Sites								-	
Waste Transfer Stations								-	
Waste Processing Facilities		3,000	1,600			900	900	100%	3,000
Community Assets	7,829	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls								-	
Libraries								-	
Cemeteries/Crematoria								-	
Sport and Recreation Facilities	7,829	-	-	-	-	-	-	-	-
Indoor Facilities								-	
Outdoor Facilities	7,829							-	
Other assets	105	-	-	-	-	-	-	-	-
Operational Buildings	105	-	-	-	-	-	-	-	-
Municipal Offices								-	
Workshops	105							-	
Training Centres								-	
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	7,934	3,000	1,600	-	-	900	900	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 R24, 746 million and the year to date budget is R31, 804 million that reflects under spending variance of R7, 058 million that translates to 22% variance. The year to date actuals on renewal of existing assets amounts R19, 737 million and with the year to date budget of R30, 867 million and this reflects under spending variance of R 11, 130 million that translates to 36% variance.

The year to date actual expenditure on repairs and maintenance is R5, 709 million and the year to date budget is R10, 894 million, reflecting under spending variance of R5, 184 million that translates to 48%.

The year to date actual expenditure on upgrading of existing assets is R 0 million and the year to date budget is R900 thousand, reflecting spending variance of R900 thousand 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.

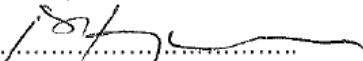
List of Capital Programmes and Projects

Function	Project Description	Type	Asset Class	Asset Sub-Class	Ward Location	Medium Term Revenue and Expenditure Framework			
						Budget Year 2018/19			
						Original Budget	Adjusted Budget	YTD Actuals	Percentage
Budgetand Treasury	Mobile Office	New	Other assets	Municipal Offices	Administrative or Head Office (Including Satellite Offices)	500	-	-	0%
Community Services	Fencing of Elandsdoorn Cemeteries	Renewal	Community	Cemeteries/Crematoria	9	522	522	-	0%
Community Services	Grobblersdal Landfill site	Upgrading	Infrastructure	Waste Management	Administrative or Head Office (Including Satellite Offices)	3,000	1,600	-	0%
Corporate Services	Air Conditioner	New	Machinery and Equipment	Machinery and Equipment	Administrative or Head Office (Including Satellite Offices)	300	400	150	38%
Corporate Services	Furniture and Office Equipment	New	Furniture and Office Equipment	Furniture and Office Equipment	Administrative or Head Office (Including Satellite Offices)	400	400	29	7%
Corporate Services	Machinery and Equipment	New	Machinery and Equipment	Machinery and Equipment	Administrative or Head Office (Including Satellite Offices)	500	400	65	16%
Corporate Services	Computer Equipment	New	Computer Equipment	Computer Equipment	Administrative or Head Office (Including Satellite Offices)	500	1,000	553	55%
Technical Services	Electrification of Makaepa	New	Infrastructure	Electrical Infrastructure	24	2,870	2,870	2,837	99%
Technical Services	Electrification of Masakaneng	New	Infrastructure	Electrical Infrastructure	14	2,912	2,921	2,413	83%
Technical Services	Electrification of Tambo Village - New Town	New	Infrastructure	Electrical Infrastructure	9	2,912	2,912	2,891	99%
Technical Services	Installation of electrical meters in Groblersdal	New	Infrastructure	Electrical Infrastructure	13	1,304	1,304	-	0%
Technical Services	Upgrading of Groblersdal subsation	Upgrading	Infrastructure	Electrical Infrastructure	13	870	(0)	-	0%
Technical Services	Monsterlus to Makgopheng Road, Kgoshi Mathebe and Kgoshi Masepe Construction	New	Infrastructure	Roads Infrastructure	Whole of the Municipality	7,826	7,826	4,193	54%
Technical Services	Mogaung Road	New	Infrastructure	Roads Infrastructure		-	-	-	-
Technical Services	Mpheleng Road Construction	New	Infrastructure	Roads Infrastructure	5	8,478	8,478	8,424	99%
Technical Services	Motetema Internal Streets	New	Infrastructure	Roads Infrastructure	30	3,478	800	-	0%
Technical Services	Laersdrift Road	Renewal	Infrastructure	Roads Infrastructure	30	6,087	9,842	4,971	51%
Technical Services	Naganeng Bus Route	Renewal	Infrastructure	Roads Infrastructure	14	8,817	5,500	5,601	102%
Technical Services	Grobblersdal Roads and Streets	Renewal	Infrastructure	Roads Infrastructure	13	1,739	1,739	-	0%
Technical Services	Kgapamadi road	Renewal	Infrastructure	Roads Infrastructure	21	15,602	15,602	9,165	59%
Technical Services	Nyakoroane Road	Renewal	Infrastructure	Roads Infrastructure	7	1,304	1,304	-	0%
Technical Services	Development of workshop Ramogwerane to Nkadimeng Road and Stormwater	New	Other assets	Operational Buildings		4,447	4,447	3,190	72%
Technical Services		New	Infrastructure	Roads Infrastructure	25	1,500	1,500	-	0%
Grand Total						75,869	71,368	44,483	62%

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of February 2019 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature 

Date 08/03/2019

**Elias Motsoaledi Local
Municipality**

08 MAR 2019

Municipal Manager