

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

OCTOBER 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	–	2,449	10,385	12,268	(1,884)	-15%	36,650
Service charges	92,822	101,546	–	7,060	31,080	32,153	(1,073)	-3%	101,546
Investment revenue	2,500	3,000	–	68	795	1,080	(285)	-26%	3,000
Transfers and subsidies	226,163	245,278	–	466	100,120	82,182	17,937	22%	245,278
Other own revenue	88,454	90,309	–	1,489	6,812	30,724	(23,912)	-78%	90,309
Total Revenue (excluding capital transfers)	444,744	476,783	–	11,533	149,191	158,407	(9,216)	-6%	476,783
Employee costs	126,105	134,149	–	10,552	42,487	41,897	590	1%	134,149
Remuneration of Councillors	23,430	25,070	–	1,875	7,499	8,269	(770)	-9%	25,070
Depreciation & asset impairment	51,200	51,181	–	–	–	16,088	(16,088)	-100%	51,181
Finance charges	2,124	2,500	–	239	239	832	(593)	-71%	2,500
Materials and bulk purchases	81,986	97,093	–	738	19,055	30,377	(11,322)	-37%	97,093
Transfers and subsidies	3,724	4,404	–	–	217	1,465	(1,249)	-85%	4,404
Other expenditure	142,563	156,909	–	7,395	37,409	38,263	(854)	-2%	156,909
Total Expenditure	431,132	471,306	–	20,799	106,906	137,191	(30,285)	-22%	471,306
Surplus/(Deficit)	13,612	5,477	–	(9,266)	42,286	21,217	21,069	99%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830	–	6,591	23,346	34,118	(10,772)	-32%	63,830
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	104,961	69,307	–	(2,676)	65,632	55,335	10,298	19%	69,307
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	104,961	69,307	–	(2,676)	65,632	55,335	10,298	19%	69,307
Capital expenditure & funds sources									
Capital expenditure	103,123	75,869	–	6,418	22,119	36,831	(14,712)	-40%	75,869
Capital transfers recognised	80,131	55,504	–	5,682	21,241	29,668	(8,427)	-28%	55,504
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	22,992	20,365	–	736	879	7,163	(6,284)	-88%	20,365
Total sources of capital funds	103,123	75,869	–	6,418	22,119	36,831	(14,712)	-40%	75,869
Financial position									
Total current assets	144,278	120,845	–	–	87,100	–	–	–	120,845
Total non current assets	1,084,126	1,083,492	–	–	1,041,816	–	–	–	1,083,492
Total current liabilities	111,156	73,138	–	–	113,133	–	–	–	73,138
Total non current liabilities	86,141	116,629	–	–	97,096	–	–	–	116,629
Community wealth/Equity	1,031,107	1,014,570	–	–	918,688	–	–	–	1,014,570
Cash flows									
Net cash from (used) operating	89,558	83,769	–	(5,551)	9,793	27,923	18,130	65%	83,769
Net cash from (used) investing	(63,516)	(71,869)	–	(8,567)	(21,668)	(27,315)	(5,648)	21%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	–	(2,681)	(2,631)	(2,455)	176	-7%	(9,829)
Cash/cash equivalents at the month/year end	41,116	18,039	–	–	6,438	14,120	7,682	54%	23,015
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90	91-120	121-150 Dys	151-180	181 Dys-1	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10,975	5,460	4,661	2,381	1,855	1,809	9,790	36,223	73,154
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 October is R149, 191 million and the year to date budget of R158, 407 million and this reflects a negative variance of R9,216 thousand 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: 26% unfavorable variance,
- Interest earned – outstanding Debtors 5% unfavorable variance,
- Rental on Facilities and Equipment: 52% unfavorable variance,
- Transfer and Subsidies: 22% favorable variance
- License and Permits: 9% favorable variance
- Fines: 93% unfavorable variance
- Other revenue: 50% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of October amounts to R106, 906 million and the year to date budget is R137, 191 million. This reflects unfavorable variance of R 30, 285 million that translates to 22% underspending variance. The variance is attributed to non-incorporation of depreciation, and material and bulk purchases. The municipality is however, in a process of linking the Asset Management system with core financial system so that the depreciation calculated on the initial system can be interfaced to the financial system and this will assist in doing away with the practice of calculating depreciation only at year end.

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: 71% under performance variance
- Other Material: 44% under performance variance
- Bulk Purchases: 36% under performance
- Transfers and subsidies: 85% under performance variance

With regards to the over performance variance on contracted services, the municipality needs to reduce the level of reliance on consultants as outlined in the Treasury Instruction letter number 01. 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 October amounts to R22, 119 million and the year to date budget amounts to R36, 831 million and this gives rise to R14, 712 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of October is R65, 632 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 October amounts to R73, 154 million and this shows an increase of R10, 473 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 R58, 950 million and other debtors amounting to R14, 204 Million.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result, our creditor's age analysis shows that RNil amount is paid to creditors.

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	-	3,436	73,025	62,666	10,359	17%	203,714
Executive and council	35,581	42,873	-	-	18,486	14,825	3,661	25%	42,873
Finance and administration	141,936	152,939	-	3,436	51,213	45,173	6,040	13%	152,939
Internal audit	6,402	7,902	-	-	3,326	2,668	659	25%	7,902
Community and public safety	18,446	18,637	-	10	9,943	5,348	4,595	86%	18,637
Community and social services	11,977	7,973	-	10	6,570	2,653	3,917	148%	7,973
Sport and recreation	6,469	10,664	-	-	3,373	2,695	678	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	200,822	185,532	-	5,794	43,124	77,428	(34,304)	-44%	185,532
Planning and development	19,012	17,319	-	177	3,377	5,316	(1,939)	-36%	17,319
Road transport	180,968	167,196	-	5,617	39,309	71,761	(32,452)	-45%	167,196
Environmental protection	842	1,018	-	-	438	351	87	25%	1,018
Trading services	132,905	132,730	-	8,883	46,445	47,083	(638)	-1%	132,730
Energy sources	107,173	109,537	-	8,217	36,642	37,085	(443)	-1%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	666	9,804	9,998	(194)	-2%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	536,093	540,613	-	18,123	172,538	192,525	(19,988)	-10%	540,613
Expenditure - Functional									
Governance and administration	181,424	176,004	-	12,414	59,283	59,872	(589)	-1%	176,004
Executive and council	42,315	42,558	-	3,049	12,805	13,508	(703)	-5%	42,558
Finance and administration	131,658	125,652	-	8,331	43,942	43,594	348	1%	125,652
Internal audit	7,450	7,795	-	1,034	2,536	2,770	(234)	-8%	7,795
Community and public safety	14,759	18,191	-	1,340	3,671	5,372	(1,701)	-32%	18,191
Community and social services	5,737	7,709	-	373	1,475	2,245	(770)	-34%	7,709
Sport and recreation	9,021	10,481	-	967	2,196	3,127	(931)	-30%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	120,307	149,194	-	4,424	18,459	33,104	(14,644)	-44%	149,194
Planning and development	17,708	23,848	-	1,036	4,605	7,319	(2,714)	-37%	23,848
Road transport	101,719	124,365	-	3,274	13,611	25,491	(11,880)	-47%	124,365
Environmental protection	880	981	-	114	244	294	(50)	-17%	981
Trading services	114,643	127,918	-	2,620	25,493	38,843	(13,350)	-34%	127,918
Energy sources	87,570	105,653	-	539	18,332	32,241	(13,909)	-43%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	2,082	7,161	6,602	559	8%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	431,132	471,306	-	20,799	106,906	137,191	(30,285)	-22%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	-	(2,676)	65,632	55,335	10,298	19%	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	–	–	16,387	13,142	3,245	25%	38,168
Vote 2 - Municipal Manager	23,080	31,469	–	–	8,211	6,585	1,626	25%	31,469
Vote 3 - Budget & Treasury	71,894	64,695	–	3,424	21,177	21,119	58	0%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	12	17,600	14,081	3,519	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	1,488	26,943	44,953	(18,010)	-40%	127,644
Vote 6 - Technical Services	220,489	211,110	–	13,023	74,866	84,140	(9,275)	-11%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	177	740	3,201	(2,461)	-77%	11,493
Vote 8 - Executive Support	12,731	16,094	–	–	6,615	5,305	1,310	25%	16,094
Total Revenue by Vote	536,093	540,613	–	18,123	172,538	192,525	(19,988)	-10%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	38,271	37,886	–	2,729	11,649	12,163	(514)	-4%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	3,140	12,028	10,544	1,484	14%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	2,761	21,283	18,724	2,559	14%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	1,678	6,840	11,033	(4,192)	-38%	37,865
Vote 5 - Community Services	79,148	105,457	–	5,254	17,711	19,004	(1,293)	-7%	105,457
Vote 6 - Technical Services	165,729	185,027	–	3,027	29,069	57,156	(28,087)	-49%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	530	2,570	3,451	(881)	-26%	11,188
Vote 8 - Executive Support	16,063	15,539	–	1,680	5,756	5,117	639	12%	15,539
Total Expenditure by Vote	431,132	471,306	–	20,799	106,906	137,191	(30,285)	-22%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	–	(2,676)	65,632	55,335	10,298	19%	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		2,449	10,385	12,268	(1,884)	-15%	36,650
Service charges - electricity revenue	81,206	89,297		6,394	28,417	28,058	359	1%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11,616	12,249		666	2,663	4,094	(1,431)	-35%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		35	194	406	(212)	-52%	1,220
Interest earned - external investments	2,500	3,000		68	795	1,080	(285)	-26%	3,000
Interest earned - outstanding debtors	14,260	8,161		583	2,702	2,847	(144)	-5%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		314	1,712	25,006	(23,294)	-93%	73,218
Licences and permits	4,500	4,950		497	1,798	1,650	148	9%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		466	100,120	82,182	17,937	22%	245,278
Other revenue	13,678	2,761		60	406	815	(409)	-50%	2,761
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers)	444,744	476,783	-	11,533	149,191	158,407	(9,216)	-6%	476,783
Expenditure By Type									
Employee related costs	126,105	134,149		10,552	42,487	41,897	590	1%	134,149
Remuneration of councillors	23,430	25,070		1,875	7,499	8,269	(770)	-9%	25,070
Debt impairment	26,372	53,421		-	-	-	-		53,421
Depreciation & asset impairment	51,200	51,181		-	-	16,088	(16,088)	-100%	51,181
Finance charges	2,124	2,500		239	239	832	(593)	-71%	2,500
Bulk purchases	70,165	80,000		103	16,448	25,740	(9,292)	-36%	80,000
Other materials	11,821	17,093		635	2,607	4,637	(2,030)	-44%	17,093
Contracted services	65,237	60,020		4,767	21,802	22,550	(748)	-3%	60,020
Transfers and subsidies	3,724	4,404		-	217	1,465	(1,249)	-85%	4,404
Other expenditure	50,954	43,468		2,628	15,607	15,713	(106)	-1%	43,468
Loss on disposal of PPE				-	-		-		
Total Expenditure	431,132	471,306	-	20,799	106,906	137,191	(30,285)	-22%	471,306
Surplus/(Deficit)	13,612	5,477	-	(9,266)	42,286	21,217	21,069	99%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830		6,591	23,346	34,118	(10,772)	-32%	63,830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers	104,961	69,307	-	(2,676)	65,632	55,335			69,307
Taxation									
Surplus/(Deficit) after taxation	104,961	69,307	-	(2,676)	65,632	55,335			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104,961	69,307	-	(2,676)	65,632	55,335			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104,961	69,307	-	(2,676)	65,632	55,335			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.

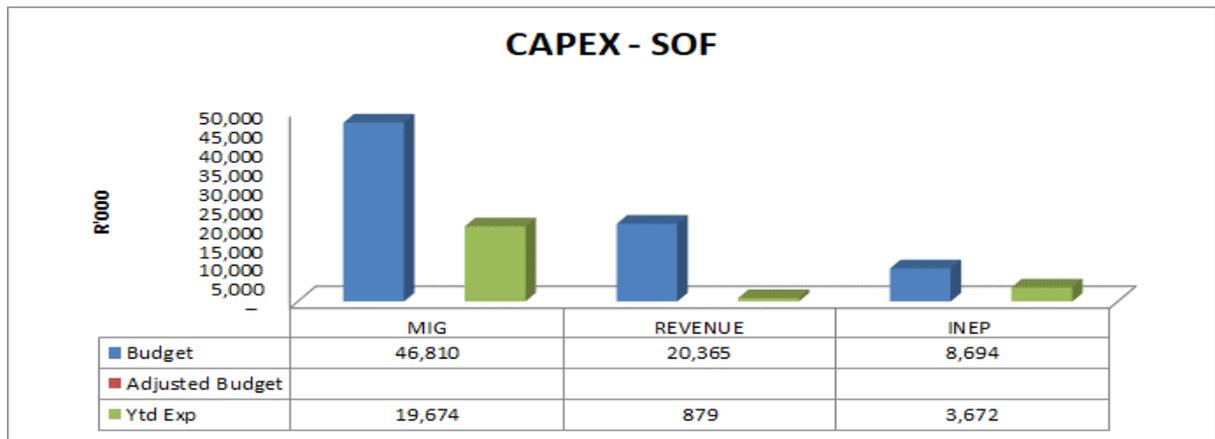
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	-	736	879	685	194	28%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		736	879	685	194	28%	1,700
Internal audit							-		
Community and public safety	8,479	522	-	-	-	100	(100)	-100%	522
Community and social services		522		-	-	100	(100)	-100%	522
Sport and recreation	8,479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80,021	59,779	-	3,936	16,492	32,526	(16,034)	-49%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		3,936	16,492	32,526	(16,034)	-49%	59,779
Environmental protection		-					-		-
Trading services	13,324	13,868	-	1,746	4,748	3,520	1,228	35%	13,868
Energy sources	13,324	10,868		1,746	4,748	2,420	2,328	96%	10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000		-	-	1,100	(1,100)	-100%	3,000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103,123	75,869	-	6,418	22,119	36,831	(14,712)	-40%	75,869
Funded by:									
National Government	80,131	55,504		5,682	21,241	29,668	(8,427)	-28%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80,131	55,504	-	5,682	21,241	29,668	(8,427)	-28%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		736	879	7,163	(6,284)	-88%	20,365
Total Capital Funding	103,123	75,869	-	6,418	22,119	36,831	(14,712)	-40%	75,869

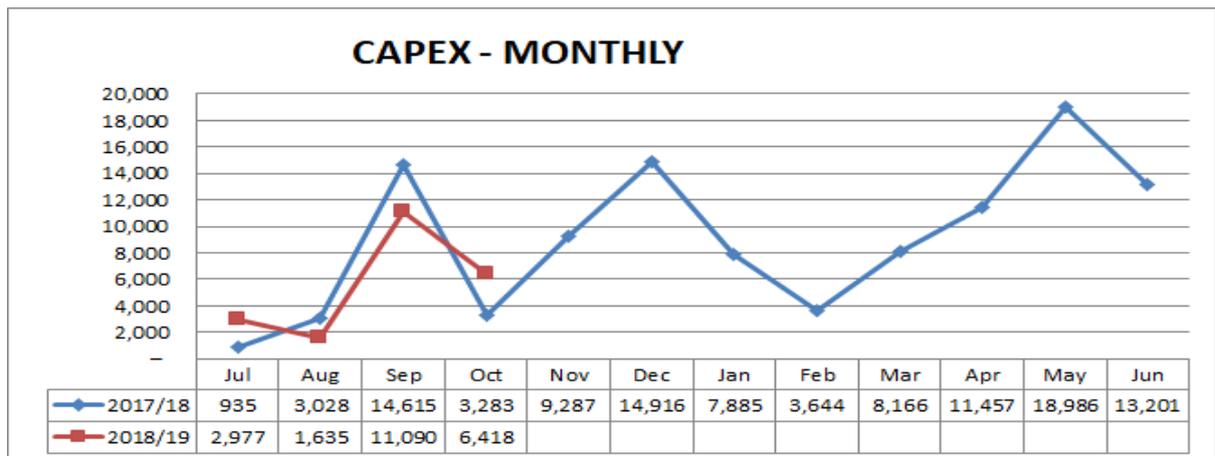
Table C5C: Monthly Capital Expenditure by Vote

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	-	410	410	535	(125)	-23%	1,400
Vote 5 - Community Services	500	3,000	-	-	-	1,100	(1,100)	-100%	3,000
Vote 6 - Technical Services	75,747	27,513	-	3,564	6,902	8,829	(1,928)	-22%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77,547	31,913	-	3,973	7,311	10,464	(3,153)	-30%	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	-	326	469	150	319	213%	300
Vote 5 - Community Services	400	522	-	-	-	100	(100)	-100%	522
Vote 6 - Technical Services	25,176	42,634	-	2,118	14,339	25,617	(11,278)	-44%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25,576	43,956	-	2,444	14,808	26,367	(11,559)	-44%	43,956
Total Capital Expenditure	103,123	75,869	-	6,418	22,119	36,831	(14,712)	-40%	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 October 2018, R6, 418 million spending was incurred and that increased the year to date expenditure to R22, 119 million whilst the year to date budget is R36, 831 million and this gave rise to under spending variance of R 14, 712 million that translates to 40%.



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		2,388	2,457
Call investment deposits	30,277	15,582		4,050	15,582
Consumer debtors	48,056	40,483		24,608	40,483
Other debtors	51,359	58,923		52,552	58,923
Current portion of long-term receivables	–			–	
Inventory	3,747	3,400		3,502	3,400
Total current assets	144,278	120,845	–	87,100	120,845
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	56,136	53,728		53,196	53,728
Investments in Associate		–		–	
Property, plant and equipment	1,015,767	1,016,632		975,366	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	–	1,041,816	1,083,492
TOTAL ASSETS	1,228,404	1,204,337	–	1,128,917	1,204,337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	5,839	10,000		572	10,000
Consumer deposits	5,770	5,260		5,328	5,260
Trade and other payables	90,057	52,466		104,421	52,466
Provisions	9,489	5,412		2,812	5,412
Total current liabilities	111,156	73,138	–	113,133	73,138
Non current liabilities					
Borrowing	–	30,677		38,560	30,677
Provisions	86,141	85,952		58,536	85,952
Total non current liabilities	86,141	116,629	–	97,096	116,629
TOTAL LIABILITIES	197,297	189,767	–	210,229	189,767
NET ASSETS	1,031,107	1,014,570	–	918,688	1,014,570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,031,107	1,014,570		918,688	1,014,570
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,031,107	1,014,570	–	918,688	1,014,570

The above table shows that community wealth amounts to R918, 688 billion, total liabilities R210, 229 million and the total assets R1, 128 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		1,806	6,922	9,529	(2,607)	-27%	28,587
Service charges	54,524	89,922		7,030	27,029	29,974	(2,945)	-10%	89,922
Other revenue	31,449	18,225		2,270	7,189	6,075	1,114	18%	18,225
Government - operating	226,163	245,278		-	43,767	81,759	(37,993)	-46%	245,278
Government - capital	81,860	63,830		4,000	31,110	21,277	9,833	46%	63,830
Interest	1,710	4,632		142	889	1,544	(655)	-42%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(20,560)	(106,657)	(119,934)	(13,276)	11%	(359,801)
Finance charges	(448)	(2,500)		(239)	(239)	(833)	(594)	71%	(2,500)
Transfers and Grants	(6,316)	(4,404)		-	(217)	(1,468)	(1,251)	85%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,558	83,769	-	(5,551)	9,793	27,923	18,130	65%	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)		(8,567)	(21,818)	(27,548)	(5,731)	21%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(8,567)	(21,668)	(27,315)	(5,648)	21%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-		-	-		-		-
Borrowing long term/refinancing		-		-	-		-		-
Increase (decrease) in consumer deposits	(137)	171		29	78	45	33	74%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		(2,710)	(2,710)	(2,500)	210	-8%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	(2,681)	(2,631)	(2,455)	176	-7%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	(16,799)	(14,506)	(1,847)			2,071
Cash/cash equivalents at beginning:	20,944	15,968			20,944	15,968			20,944
Cash/cash equivalents at month/year end:	41,116	18,039			6,438	14,120			23,015

Table C7 presents details pertaining to cash flow performance. As at end of October 2018, the net cash inflow from operating activities is R9, 793 million whilst net cash outflow from investing activities is R21, 668 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 631 million. The cash and cash equivalent held at end of October 2018 amounted to R6, 438 million and the net effect of the above cash flows is cash outflow movement of R14, 506 million. The cash and cash equivalent at end of the reporting period of R6, 438 million is made up of cash amounting to R2, 388 million and the short term investment of R4, 050 million 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	-15%	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	-35%	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	-52%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Fines, penalties and forfeits	-93%	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	-48%	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 (monetary allocation)	-45%	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
Expenditure By Type			
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-71%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of September	No remedial action is needed
Bulk purchases	-36%	The main Eskom bill for the month of September was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-44%	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	-85%	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

Supporting Table: SC 3 Material Variance Explanation

Capital Expenditure			
National Government	-28%	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	-88%	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	-27%	The collection rate of 27% on property rates is below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	-10%	The collection rate on electricity is less by 10% whilst that of refuse removal is less by 20%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Other revenue	18%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Government - capital	46%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	-42%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Suppliers and employees	11%	2017/18 accrued creditors were only paid in July	No remedial action is needed
Finance charges	71%	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	85%	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	74%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	-8%	The late delivery of leased fleet of vehicles	No remedial action is needed

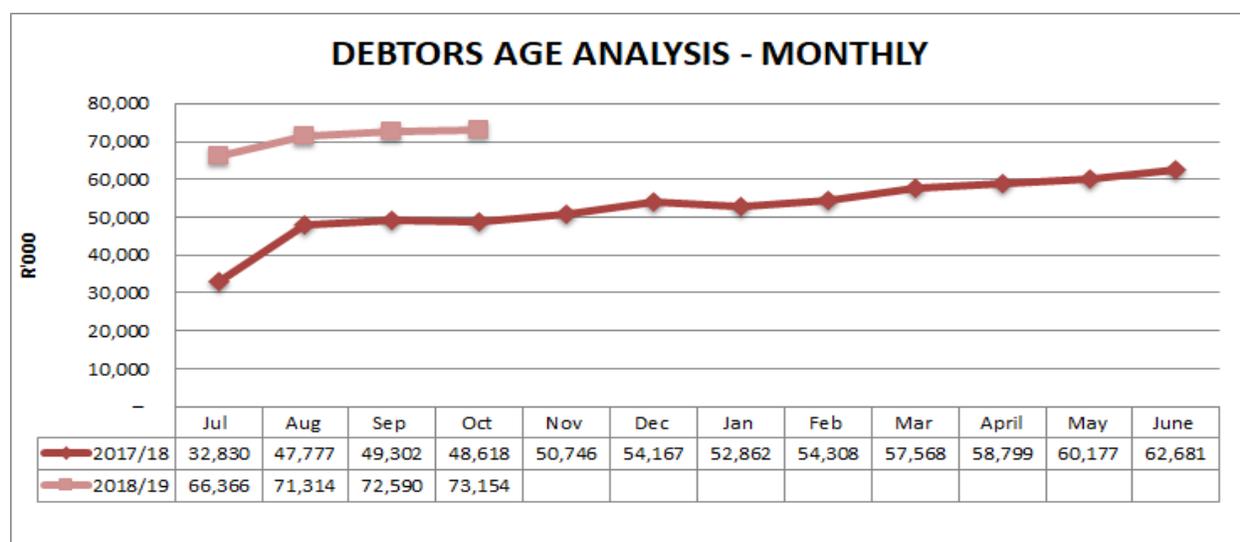
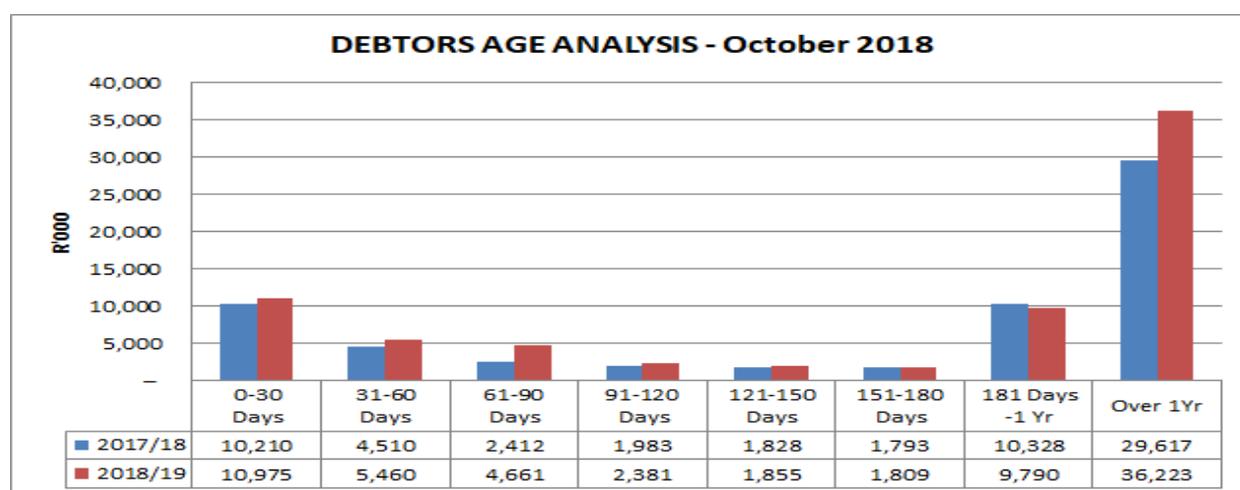
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19											Actual Bad Debts Written Off	Impairment - Bad Debts i.t.o Council Policy	
	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				
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water									-	-				
Trade and Other Receivables from Exchange Transactions - Electricity	6,384	2,604	2,099	322	102	109	496	3,255	15,370	4,283				
Receivables from Non-exchange Transactions - Property Rates	2,623	1,486	1,148	969	850	794	4,400	18,125	30,395	25,137				
Receivables from Exchange Transactions - Waste Water Management									-	-				
Receivables from Exchange Transactions - Waste Management	666	479	423	378	336	330	1,913	3,482	8,007	6,439				
Receivables from Exchange Transactions - Property Rental Debtors	33	16	3	60	2	20	84	884	1,103	1,051				
Interest on Arrear Debtor Accounts	780	752	699	639	615	590	3,100	12,094	19,269	17,038				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-				
Other	488	122	290	13	(49)	(33)	(204)	(1,616)	(989)	(1,890)				
Total By Income Source	10,975	5,460	4,661	2,381	1,855	1,809	9,790	36,223	73,154	52,058	-	-		
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	1,378	968	864	608	381	376	1,877	9,134	15,585	12,375				
Commercial	5,563	2,420	2,108	310	249	278	1,550	5,346	17,823	7,733				
Households	3,320	1,633	1,280	999	854	784	4,205	12,466	25,541	19,308				
Other	714	438	409	464	372	372	2,157	9,278	14,204	12,643				
Total By Customer Group	10,975	5,460	4,661	2,381	1,855	1,809	9,790	36,223	73,154	52,058	-	-		

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of October amount to R73, 154 million. The debtors' book is made up as follows:

- Rates 34%
- Electricity 21%
- Rental 2%
- Refuse removal 11%
- Interest on Debtors 26%
- Other -1%

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 October 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.

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	STATUS	OUTSTANDING TOTAL AMOUNT
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	1,446,150.67
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	957,488.80
214913	MEAT SPOT	ACTIVE	538,937.55
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	434,221.24
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	389,658.10
9900028	ELIAS MOTSOLEDI (OFFICE)	ACTIVE	379,189.20
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	366,767.27
211693	BOXER SUPERSTORE ATT KERSHNEE	ACTIVE	322,808.56
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFR	ACTIVE	312,780.79
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	ACTIVE	249,336.80
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	208,075.80
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	204,357.74
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	198,675.37
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	187,818.82
2200702	NAMIB FAMILY TRUST	ACTIVE	170,822.52
5002109	VAN AARD FJ(MAPOCHH	ACTIVE	161,166.87
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	161,018.87
9002387	NATIONAL GOVERNMENT OF THE REP	ACTIVE	149,614.34
136	LIZINEX (PTY) LTD	ACTIVE	147,286.06
9000400	UITZOECHT LANDGOED CC	ACTIVE	147,262.07
TOTAL			7,133,437.44

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 and outstanding creditors amounted to RNil amount.

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
41027	KDM TRAVEL EXPRESS	643,938
41111	MOAGI TECHNOLOGIES	448,616
80653	BABIRWA TRAVEL	441,210
80552	MOHLAKA MEDIA SOLUTIONS	218,329
35403	BONGILEMASHUMI C C	171,855
41095	REAKGONA TRAVEL SERVICES	166,238
504	SEKHOBHA PROJECTS	150,000
41060	PAPI INVESTMENT	150,000
80868	D B NKAMBULE BUSINESS ENTERPRI	100,900
80513	NAJALI TRADING ENTERPRISE	92,632
31606	MONAIWA MONGATANE T/ENTERPRISE	68,500
41083	DITLOTLO TRADING	62,150
37647	MAHLAKO LE NGWAKETSE CATERING	27,800
41028	SHELL B BUSINESS ENTERPRISE	24,000
8926	PLANT MACHINERY KING	23,225
80870	CHARTZ HOLDINGS	22,957
80871	SHADADI LE HLABIRWA	18,000
80869	MOHGAO (PTY) LTD	17,757
80862	LEGONG LA MOKETLA	17,596
32800	BATAU THUSHANANG T/ENTERPRISE	14,970
TOTAL		2,880,672

The above table presents the top creditors paid during the month of October 2018 and an amount of R2, 880 million will be 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	Accrued interest	Yield for the month 1 (%)	Market Value - Opening	Change in market value	Market Value - Closing
Nedbank (03/788106826400037)	2 months	Current Investment	17-Sep-18	68	5.20%	20,583	(16,600)	4,050
TOTAL INVESTMENTS AND INTEREST				68		20,583	(16,600)	4,050

Supporting table SC5 presents all investments, and it indicates that municipality had R20, 583 million short term investment at end of October 2018. Municipality had R20, 583 million short term investment at the beginning of the month and withdrew R16, 600 million and the balance amounts to R4, 050. Accrued interest for the month amounted to R68 thousand.

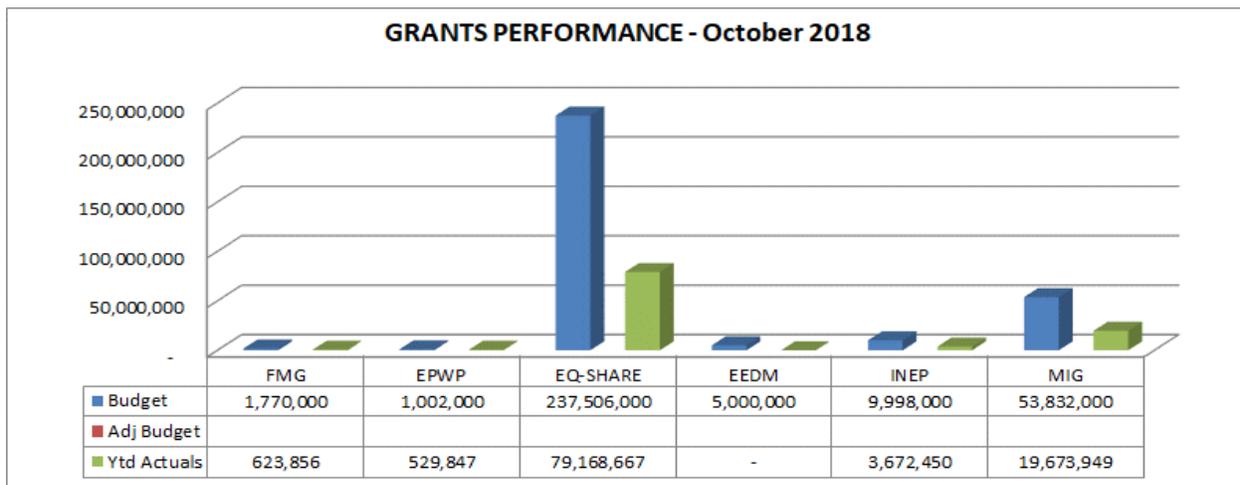
Supporting Table: SC 6 - Transfers and Grant Receipts

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	-	2,000	104,983	104,983	-		245,278
Local Government Equitable Share	223,019	237,506		-	98,961	98,961	-		237,506
Finance Management	1,700	1,770		-	1,770	1,770			1,770
EPWP Incentive	1,444	1,002		-	252	252			1,002
Energy Efficiency and Demand Management	-	5,000		2,000	4,000	4,000			5,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	226,163	245,278	-	2,000	104,983	104,983	-		245,278
Capital Transfers and Grants									
National Government:	91,349	63,830	-	4,000	31,110	31,110	-		63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		-	23,110	23,110	-		53,832
Intergrated National Electrification Grant	15,189	9,998		4,000	8,000	8,000	-		9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	91,349	63,830	-	4,000	31,110	31,110	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317,512	309,108	-	6,000	136,093	136,093	-		309,108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R136, 093 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

An amount of R26, 849 million has been spent on grants during the month of October 2018 and the year to date actuals is R103, 669 million whilst the year to date budget amounts to R 103, 036 million and this results in overspending variance of R633 thousand that translates to negative 1%. Of the total spending amounting to R 26, 849 million, R20, 259 million is spent on operational grants whilst R6, 591 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 October 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 35.25%
- Expanded Public Work Programme 52.88%
- Equitable Share 33.33%
- Municipal Infrastructure Grant 36.55%
- Integrated National Electrification Grant 36.73%
- 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		1,080	4,319	4,967	(648)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		129	516	613	(97)	-16%	1,857
Medical Aid Contributions	285	317		28	112	95	17	18%	317
Motor Vehicle Allowance	4,788	5,324		412	1,649	1,761	(112)	-6%	5,324
Cellphone Allowance	1,930	2,489		226	903	830	73	9%	2,489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	3	(3)	-100%	10
Sub Total - Councillors	23,430	25,070	-	1,875	7,499	8,269	(770)	-9%	25,070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,325	4,718		342	1,531	1,545	(15)	-1%	4,718
Pension and UIF Contributions	921	1,095		18	84	340	(256)	-75%	1,095
Medical Aid Contributions	198	252		8	31	76	(45)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		60	262	280	(18)	-7%	907
Cellphone Allowance	59	84		14	41	28	13	48%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		3	213	0	212	84249%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,775	7,137	-	445	2,162	2,270	(108)	-5%	7,137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74,581	85,022		6,829	27,352	28,090	(738)	-3%	85,022
Pension and UIF Contributions	16,183	16,149		1,412	5,554	4,911	642	13%	16,149
Medical Aid Contributions	5,059	4,826		430	1,710	1,447	264	18%	4,826
Overtime	2,784	1,774		184	813	550	264	48%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		870	3,352	2,732	621	23%	8,965
Cellphone Allowance	835	986		142	406	313	93	30%	986
Housing Allowances	214	161		14	58	48	10	20%	161
Other benefits and allowances	8,499	8,057		91	384	1,266	(882)	-70%	8,057
Payments in lieu of leave	1,067	892		82	401	191	210	110%	892
Long service awards	627	180		52	296	80	216	269%	180
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff	119,330	127,011	-	10,107	40,325	39,627	698	2%	127,011
% increase		6%							6%
Total Parent Municipality	149,535	159,219	-	12,426	49,986	50,166	(180)	0%	159,219
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149,535	159,219	-	12,426	49,986	50,166	(180)	0%	159,219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126,105	134,149	-	10,552	42,487	41,897	590	1%	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 October 2018 amounts to R49, 986 million and the year to date budget is R 50, 166 million and the expenditure for remuneration of councilors amounts to R7, 499 million while the year to date budget is R 8, 269 million. The year to date actuals for senior managers is R2, 162 million and the year to date budget thereof is R2, 270 million, and the year to date actuals for other municipal staff is R40, 325 million and the year to date budget is R39, 627 million. The remuneration of councilors and senior managers' category has under spending variance while municipal staff categories have 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	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Budget	Budget	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	2,392	1,755	2,392	2,392	2,314	2,392	2,392	5,634	28,587	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,815	6,695	6,305	6,305	6,393	6,393	6,481	6,943	7,537	8,420	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	245	496	335	667	741	667	741	741	741	741	3,077	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	15	27	161	51	51	51	51	51	51	51	26	610	643	678
Interest earned - external investments	123	254	204	68	-	400	178	350	440	244	308	432	3,000	3,162	3,336
Interest earned - outstanding debtors	81	31	55	74	106	132	144	134	146	132	148	450	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	0	548	0	845	871	78	780	910	910	884	4,418	10,248	10,801	11,395
Licences and permits	445	458	398	497	413	413	413	413	413	413	413	265	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	19,953	21,814	2,000	-	-	79,168	-	-	64,929	-	-	57,414	245,278	269,940	293,775
Other revenue	764	1,114	1,124	1,611	181	226	215	225	235	200	195	(3,669)	2,417	2,548	2,688
Cash Receipts by Source	30,040	30,904	13,605	11,248	10,959	90,061	10,530	11,478	76,659	12,025	12,668	76,467	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	-	-	4,000	28,186	-	3,076	-	5,976	-	-	(4,518)	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	2	6	12	6	8	25	40	(6)	171	203	227
Receipt of non-current debtors	-	-	150	-	278	300	250	150	100	112	200	460	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	39,424	92,367	13,868	11,634	82,743	12,162	12,908	72,403	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	11,367	10,048	10,552	10,274	14,713	10,418	10,963	10,426	10,294	13,096	11,848	134,149	142,723	152,000
Remuneration of councillors	2,635	1,875	1,875	1,875	2,067	2,067	2,067	2,067	2,078	2,088	2,212	2,164	25,070	26,675	28,409
Interest paid	-	-	-	239	208	208	208	208	208	208	208	805	2,500	2,300	2,000
Bulk purchases - Electricity	729	7,331	7,286	103	5,900	5,513	5,700	6,950	7,247	7,250	7,300	18,692	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	778	940	635	2,836	706	1,236	535	2,059	1,252	1,427	4,436	17,093	18,017	19,007
Contracted services	5,676	4,532	3,492	4,767	3,849	5,623	3,730	5,783	3,608	5,207	3,755	9,999	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	107	109	-	366	366	366	366	366	366	366	1,623	4,404	4,642	4,897
General expenses	849	1,062	469	2,628	2,652	3,762	2,319	4,151	3,573	3,135	3,910	14,957	43,468	45,289	47,780
Cash Payments by Type	20,294	27,052	24,218	20,799	28,152	32,959	26,044	31,024	29,565	29,800	32,274	64,524	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	1,635	9,235	8,567	8,482	8,697	3,979	6,249	5,136	2,938	2,052	16,519	75,869	85,123	84,647
Repayment of borrowing	-	-	-	2,710	833	833	833	833	833	833	833	1,457	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	22,675	28,686	33,453	32,076	37,467	42,490	30,856	38,106	35,534	33,571	35,159	82,499	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(16,799)	1,957	49,877	(16,988)	(26,472)	47,209	(21,409)	(22,251)	(10,097)	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	40,765	43,483	23,238	6,438	8,395	58,272	41,285	14,813	62,022	40,613	18,362	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	40,765	43,483	23,238	6,438	8,395	58,272	41,285	14,813	62,022	40,613	18,362	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 R15, 277 million and the total cash payment for the month were R32, 076 million and this resulted in net decrease in cash held amounting to R16, 799 million and with cash and cash equivalent of R23, 238 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R6, 438 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				45,313	–		
December	14,916	8,697				54,010	–		
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	–	22,119					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of October amounts to R6, 418 million. The year to date capital budget is R36, 831 million that give rise to under spending variance of R14, 712 million or 40%.

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	-	2,872	10,220	13,384	3,163	23.6%	32,150
Roads Infrastructure	35,070	21,283	-	1,126	5,472	10,964	5,492	50.1%	21,283
Roads	35,070	21,283		1,126	5,472	10,964	5,492	50.1%	21,283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13,324	10,868	-	1,746	4,748	2,420	(2,328)	-96.2%	10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13,324	10,868		1,746	4,748	2,420	(2,328)	-96.2%	10,868
MV Substations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	300	-	-	-	-	-	-		-
Community Facilities	300	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Cemeteries/Crematoria	300	-		-	-	-	-		-
Nature Reserves							-		
Public Ablution Facilities							-		
Other assets	-	4,447	-	-	-	1,482	1,482	100.0%	4,447
Operational Buildings	-	4,447	-	-	-	1,482	1,482	100.0%	4,447
Municipal Offices	-	4,447		-	-	1,482	1,482	100.0%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	410	410	135	(275)	-203.5%	500
Computer Equipment	800	500		410	410	135	(275)	-203.5%	500
Furniture and Office Equipment	500	400	-	-	-	100	100	100.0%	400
Furniture and Office Equipment	500	400		-	-	100	100	100.0%	400
Machinery and Equipment	1,200	1,300	-	326	469	950	481	50.6%	1,300
Machinery and Equipment	1,200	1,300		326	469	950	481	50.6%	1,300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
Total Capital Expenditure on new assets	51,194	38,798	-	3,608	11,099	16,050	4,952	30.9%	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	-	2,810	11,020	19,580	8,560	43.7%	33,550
Roads Infrastructure	41,914	33,550	-	2,810	11,020	19,580	8,560	43.7%	33,550
Roads	41,414	33,550		2,810	11,020	19,580	8,560	43.7%	33,550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Substations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	522	-	-	-	100	100	100.0%	522
Community Facilities	-	522	-	-	-	100	100	100.0%	522
Halls							-		
Centres							-		
Cemeteries/Crematoria	-	522		-	-	100	100	100.0%	522
Nature Reserves							-		
Public Ablution Facilities							-		
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	-	2,810	11,020	19,680	8,660	44.0%	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	-	616	1,220	2,922	1,702	58.2%	10,400
Roads Infrastructure	2,650	4,000	-	211	693	920	227	24.7%	4,000
Roads	2,650	4,000		211	693	920	227	24.7%	4,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,900	3,000	-	96	218	870	652	75.0%	3,000
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,800	3,000		96	218	870	652	75.0%	3,000
Capital Spares	100	-		-		-	-		-
Solid Waste Infrastructure	3,300	3,400	-	309	310	1,132	822	72.6%	3,400
Landfill Sites	3,150	3,400		309	310	1,132	822	72.6%	3,400
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Electricity Generation Facilities							-		
Capital Spares	150	-		-	-	-	-		-
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
Other assets	1,325	2,000	-	28	28	420	392	93.4%	2,000
Operational Buildings	1,325	2,000	-	28	28	420	392	93.4%	2,000
Municipal Offices	1,325	2,000		28	28	420	392	93.4%	2,000
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Stores							-		
Intangible Assets	100	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	100	-	-	-	-	-	-		-
Water Rights							-		
Computer Software and Applications	100	-	-	-	-	-	-		-
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	2,118	3,550	-	23	298	699	401	57.4%	3,550
Machinery and Equipment	2,118	3,550		23	298	699	401	57.4%	3,550
Transport Assets	1,300	2,000	-	-	441	850	409	48.2%	2,000
Transport Assets	1,300	2,000		-	441	850	409	48.2%	2,000
Total Repairs and Maintenance Expenditure	12,693	17,950	-	667	1,986	4,891	2,905	59.4%	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	-	-	-	10,922	10,922	0	34,653
Roads Infrastructure	25,298	25,147	-	-	-	8,000	8,000	0	25,147
Roads	25,298	25,147		-	-	8,000	8,000	0	25,147
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	5,746	3,712	-	-	-	1,144	1,144	0	3,712
Storm water Conveyance	5,746	3,712	-	-	-	1,144	1,144	0	3,712
Electrical Infrastructure	12,398	5,166	-	-	-	1,589	1,589	0	5,166
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,398	5,166				1,589	1,589	0	5,166
MV Substations							-		
Solid Waste Infrastructure	2,392	629	-	-	-	189	189	0	629
Landfill Sites	2,392	629				189	189	0	629
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Waste Drop-off Points							-		
Community Assets	2,231	2,918	-	-	-	907	907	0	2,918
Community Facilities	2,231	2,918	-	-	-	907	907	0	2,918
Halls							-		
Cemeteries/Crematoria	2,231	2,918				907	907	0	2,918
Police							-		
Other assets	120	2,180	-	-	-	653	653	0	2,180
Operational Buildings	120	2,180	-	-	-	653	653	0	2,180
Municipal Offices	120	2,180	-	-	-	653	653	0	2,180
Pay/Enquiry Points							-		
Intangible Assets	-	378	-	-	-	113	113	0	378
Servitudes							-		
Licences and Rights	-	378	-	-	-	113	113	0	378
Solid Waste Licenses							-		
Computer Software and Applications		378				113	113	0	378
Computer Equipment	21	1,518	-	-	-	597	597	0	1,518
Computer Equipment	21	1,518	-	-	-	597	597	0	1,518
Furniture and Office Equipment	26	3,817	-	-	-	1,182	1,182	0	3,817
Furniture and Office Equipment	26	3,817	-	-	-	1,182	1,182	0	3,817
Machinery and Equipment	2,080	2,175	-	-	-	652	652	0	2,175
Machinery and Equipment	2,080	2,175	-	-	-	652	652	0	2,175
Transport Assets	888	3,542	-	-	-	1,062	1,062	0	3,542
Transport Assets	888	3,542	-	-	-	1,062	1,062	0	3,542
Total Depreciation	51,200	51,181	-	-	-	16,088	16,088	0	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	-	-	-	1,100	1,100	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	-	-	-	1,100	1,100	100%	3,000
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities		3,000				1,100	1,100	100%	3,000
Waste Drop-off Points									
Waste Separation Facilities									
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	-	-	-	1,100	1,100	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 R11, 099 million and the year to date budget is R16, 050 million that reflects under spending variance of R4, 952 million that translates to 30.9% variance. The year to date actuals on renewal of existing assets amounts R11, 020 million and with the year to date budget of R19, 680 million and this reflects under spending variance of R 8, 660 million that translates to 44.0% variance.

The year to date actual expenditure on repairs and maintenance is R1, 986 million and the year to date budget is R4, 891 million, reflecting under spending variance of R2, 905 million that translates to 59.4%.

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 depreciation and asset impairment will only have actuals once the integration between Asset management system and core financial system is done and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is not complying with some of mSCOA requirements.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of October 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature L. Maredi

Date 20/11/2018 **Elias Motsoaledi Local Municipality**

20 NOV 2018

Municipal Manager