

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

SEPTEMBER 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	-	2,648	7,936	9,201	(1,266)	-14%	36,650
Service charges	92,822	101,546	-	6,560	24,020	23,798	222	1%	101,546
Investment revenue	2,500	3,000	-	204	727	680	47	7%	3,000
Transfers and subsidies	226,163	245,278	-	141	99,654	81,619	18,035	22%	245,278
Other own revenue	88,454	90,309	-	1,820	5,323	22,557	(17,234)	-76%	90,309
Total Revenue (excluding capital transfers)	444,744	476,783	-	11,372	137,659	137,854	(196)	0%	476,783
Employee costs	126,105	134,149	-	10,417	31,936	31,577	358	1%	134,149
Remuneration of Councillors	23,430	25,070	-	1,875	5,624	6,202	(578)	-9%	25,070
Depreciation & asset impairment	51,200	51,181	-	-	-	12,036	(12,036)	-100%	51,181
Finance charges	2,124	2,500	-	-	-	624	(624)	-100%	2,500
Materials and bulk purchases	81,986	97,093	-	9,225	18,317	24,824	(6,507)	-26%	97,093
Transfers and subsidies	3,724	4,404	-	109	217	1,099	(882)	-80%	4,404
Other expenditure	142,563	156,909	-	10,234	30,013	30,250	(236)	-1%	156,909
Total Expenditure	431,132	471,306	-	31,861	86,107	106,612	(20,505)	-19%	471,306
Surplus/(Deficit)	13,612	5,477	-	(20,488)	51,552	31,242	20,310	65%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830	-	10,942	16,756	25,556	(8,800)	-34%	63,830
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	104,961	69,307	-	(9,546)	68,308	56,798	11,510	20%	69,307
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	104,961	69,307	-	(9,546)	68,308	56,798	11,510	20%	69,307
Capital expenditure & funds sources									
Capital expenditure	103,123	75,869	-	11,090	15,702	27,548	(11,847)	-43%	75,869
Capital transfers recognised	80,131	55,504	-	1,521	4,498	22,222	(17,725)	-80%	55,504
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,992	20,365	-	114	114	5,326	(5,212)	-98%	20,365
Total sources of capital funds	103,123	75,869	-	1,635	4,612	27,548	(22,936)	-83%	75,869
Financial position									
Total current assets	144,278	120,845	-		102,375				120,845
Total non current assets	1,084,126	1,083,492	-		1,091,955				1,083,492
Total current liabilities	111,156	73,138	-		116,041				73,138
Total non current liabilities	86,141	116,629	-		97,096				116,629
Community wealth/Equity	1,031,107	1,014,570	-		981,194				1,014,570
Cash flows									
Net cash from (used) operating	89,558	83,769	-	(10,613)	30,095	62,430	32,335	52%	83,769
Net cash from (used) investing	(63,516)	(71,869)	-	(9,085)	(13,100)	(27,315)	(14,215)	52%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	-	(548)	49	(2,455)	(2,504)	102%	(9,829)
Cash/cash equivalents at the month/year end	41,116	18,039	-	-	23,238	48,627	25,389	52%	8,265
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10,377	7,551	3,978	2,073	1,863	1,787	9,745	35,215	72,590
Creditors Age Analysis									
Total Creditors	1,670	-	-	-	-	-	-	-	1,670

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of July is R137, 659 million and the year to date budget of R137, 854 million and this reflects a negative variance of R196 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: 7% favorable variance,
- Interest earned – outstanding Debtors 3% unfavorable variance,
- Rental on Facilities and Equipment: 48% unfavorable variance,
- Transfer and Subsidies: 22% favorable variance
- License and Permits: 5% favorable variance
- Fines: 92% unfavorable variance
- Other revenue: 45% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of September amounts to R86, 107 million and the year to date budget is R106, 612 million. This reflects unfavorable variance of R 20, 505 million that translates to 19% 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: 100% under performance variance
- Other Material: 54% under performance variance
- Bulk Purchases: 20% under performance
- Transfers and subsidies: 80% 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 September amounts to R15, 702 million and the year to date budget amounts to R27, 548 million and this gives rise to R11, 847 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of September is R68, 308 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 September amounts to R72, 590 million and this shows an increase of R9, 908 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, 355 million and other debtors amounting to R14, 234 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 R1, 670 million is paid within 30 days.

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	-	3,616	69,589	58,643	10,946	19%	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	-	3,616	47,777	41,150	6,627	16%	152,939
Internal audit	6,402	7,902	-	-	3,326	2,668	659	25%	7,902
Community and public safety	18,446	18,637	-	9	9,933	5,345	4,588	86%	18,637
Community and social services	11,977	7,973	-	5	6,560	2,649	3,911	148%	7,973
Sport and recreation	6,469	10,664	-	4	3,373	2,695	678	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	200,822	185,532	-	10,280	37,330	62,408	(25,078)	-40%	185,532
Planning and development	19,012	17,319	-	207	3,201	5,156	(1,955)	-38%	17,319
Road transport	180,968	167,196	-	10,072	33,692	56,902	(23,210)	-41%	167,196
Environmental protection	842	1,018	-	-	438	351	87	25%	1,018
Trading services	132,905	132,730	-	8,409	37,562	37,014	548	1%	132,730
Energy sources	107,173	109,537	-	7,745	28,425	28,356	68	0%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	664	9,138	8,658	480	6%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	536,093	540,613	-	22,314	154,415	163,410	(8,995)	-6%	540,613
Expenditure - Functional									
Governance and administration	181,424	176,004	-	15,130	46,869	46,448	421	1%	176,004
Executive and council	42,315	42,558	-	3,945	9,756	10,207	(451)	-4%	42,558
Finance and administration	131,658	125,652	-	10,234	35,610	34,222	1,388	4%	125,652
Internal audit	7,450	7,795	-	951	1,502	2,019	(517)	-26%	7,795
Community and public safety	14,759	18,191	-	798	2,331	3,962	(1,631)	-41%	18,191
Community and social services	5,737	7,709	-	390	1,102	1,612	(510)	-32%	7,709
Sport and recreation	9,021	10,481	-	408	1,228	2,350	(1,121)	-48%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	120,307	149,194	-	5,090	14,035	25,950	(11,915)	-46%	149,194
Planning and development	17,708	23,848	-	1,067	3,568	5,732	(2,164)	-38%	23,848
Road transport	101,719	124,365	-	3,977	10,337	19,995	(9,658)	-48%	124,365
Environmental protection	880	981	-	46	129	223	(93)	-42%	981
Trading services	114,643	127,918	-	10,842	22,872	30,252	(7,380)	-24%	127,918
Energy sources	87,570	105,653	-	8,839	17,793	25,219	(7,426)	-29%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	2,003	5,079	5,033	46	1%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	431,132	471,306	-	31,861	86,107	106,612	(20,505)	-19%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	-	(9,546)	68,308	56,798	11,510	20%	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	–	3,604	17,753	17,098	656	4%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	12	17,588	14,079	3,508	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	1,619	25,456	36,396	(10,940)	-30%	127,644
Vote 6 - Technical Services	220,489	211,110	–	16,871	61,843	67,765	(5,922)	-9%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	207	563	3,040	(2,477)	-81%	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	–	22,314	154,415	163,410	(8,995)	-6%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	38,271	37,886	–	3,669	8,920	9,179	(259)	-3%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	2,976	8,888	7,485	1,403	19%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	3,945	18,522	15,456	3,066	20%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	2,101	5,163	8,261	(3,098)	-38%	37,865
Vote 5 - Community Services	79,148	105,457	–	4,566	12,457	14,309	(1,851)	-13%	105,457
Vote 6 - Technical Services	165,729	185,027	–	12,491	26,041	44,928	(18,887)	-42%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	553	2,040	2,885	(845)	-29%	11,188
Vote 8 - Executive Support	16,063	15,539	–	1,558	4,075	4,110	(34)	-1%	15,539
Total Expenditure by Vote	431,132	471,306	–	31,861	86,107	106,612	(20,505)	-19%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	–	(9,546)	68,308	56,798	11,510	20%	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		2,648	7,936	9,201	(1,266)	-14%	36,650
Service charges - electricity revenue	81,206	89,297		5,896	22,023	20,994	1,029	5%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11,616	12,249		664	1,997	2,804	(807)	-29%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		33	159	305	(146)	-48%	1,220
Interest earned - external investments	2,500	3,000		204	727	680	47	7%	3,000
Interest earned - outstanding debtors	14,260	8,161		717	2,119	2,177	(58)	-3%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		548	1,398	18,204	(16,806)	-92%	73,218
Licences and permits	4,500	4,950		398	1,300	1,237	63	5%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		141	99,654	81,619	18,035	22%	245,278
Other revenue	13,678	2,761		124	346	634	(287)	-45%	2,761
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers)	444,744	476,783	-	11,372	137,659	137,854	(196)	0%	476,783
Expenditure By Type									
Employee related costs	126,105	134,149		10,417	31,936	31,577	358	1%	134,149
Remuneration of councillors	23,430	25,070		1,875	5,624	6,202	(578)	-9%	25,070
Debt impairment	26,372	53,421		-	-	-	-		53,421
Depreciation & asset impairment	51,200	51,181		-	-	12,036	(12,036)	-100%	51,181
Finance charges	2,124	2,500		-	-	624	(624)	-100%	2,500
Bulk purchases	70,165	80,000		8,286	16,345	20,540	(4,195)	-20%	80,000
Other materials	11,821	17,093		940	1,972	4,284	(2,312)	-54%	17,093
Contracted services	65,237	60,020		6,492	17,035	16,903	132	1%	60,020
Transfers and subsidies	3,724	4,404		109	217	1,099	(882)	-80%	4,404
Other expenditure	50,954	43,468		3,742	12,979	13,346	(368)	-3%	43,468
Loss on disposal of PPE				-	-	-	-		
Total Expenditure	431,132	471,306	-	31,861	86,107	106,612	(20,505)	-19%	471,306
Surplus/(Deficit)	13,612	5,477	-	(20,488)	51,552	31,242	20,310	65%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830		10,942	16,756	25,556	(8,800)	-34%	63,830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	104,961	69,307	-	(9,546)	68,308	56,798			69,307
Taxation									
Surplus/(Deficit) after taxation	104,961	69,307	-	(9,546)	68,308	56,798			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104,961	69,307	-	(9,546)	68,308	56,798			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104,961	69,307	-	(9,546)	68,308	56,798		-	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.

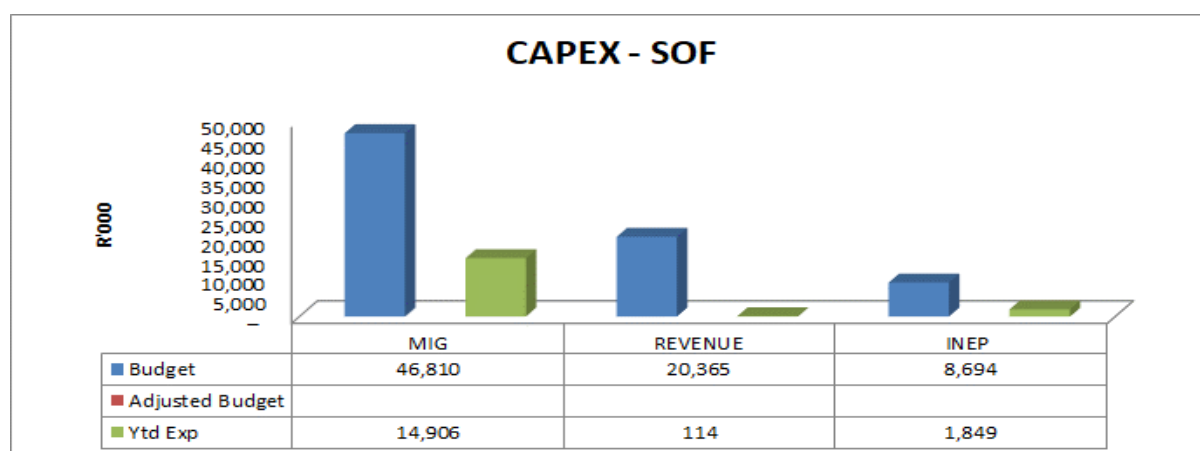
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	-	29	143	435	(292)	-67%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		29	143	435	(292)	-67%	1,700
Internal audit							-		
Community and public safety	8,479	522	-	-	-	100	(100)	-100%	522
Community and social services		522		-	-	100	(100)	-100%	522
Sport and recreation	8,479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80,021	59,779	-	8,059	12,557	24,443	(11,887)	-49%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		8,059	12,557	24,443	(11,887)	-49%	59,779
Environmental protection		-					-		-
Trading services	13,324	13,868	-	3,002	3,002	2,570	432	17%	13,868
Energy sources	13,324	10,868		3,002	3,002	1,470	1,532	104%	10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000		-	-	1,100	(1,100)	-100%	3,000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103,123	75,869	-	11,090	15,702	27,548	(11,847)	-43%	75,869
Funded by:									
National Government	80,131	55,504		1,521	4,498	22,222	(17,725)	-80%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80,131	55,504	-	1,521	4,498	22,222	(17,725)	-80%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		114	114	5,326	(5,212)	-98%	20,365
Total Capital Funding	103,123	75,869	-	1,635	4,612	27,548	(22,936)	-83%	75,869

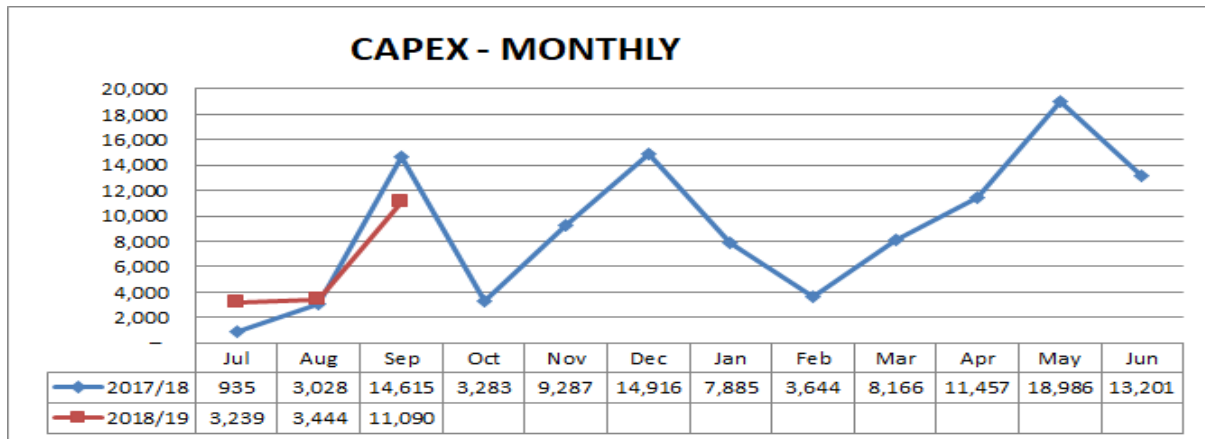
Table C5C: Monthly Capital Expenditure by Vote

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	-	-	-	335	(335)	-100%	1,400
Vote 5 - Community Services	500	3,000	-	-	-	1,100	(1,100)	-100%	3,000
Vote 6 - Technical Services	75,747	27,513	-	1,555	3,338	7,224	(3,886)	-54%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77,547	31,913	-	1,555	3,338	8,659	(5,321)	-61%	31,913
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	500	(500)	-100%	500
Vote 4 - Corporate Services	-	300	-	29	143	100	43	43%	300
Vote 5 - Community Services	400	522	-	-	-	100	(100)	-100%	522
Vote 6 - Technical Services	25,176	42,634	-	9,506	12,221	18,189	(5,968)	-33%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25,576	43,956	-	9,535	12,364	18,889	(6,526)	-35%	43,956
Total Capital Expenditure	103,123	75,869	-	11,090	15,702	27,548	(11,847)	-43%	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 September 2018, R11, 090 million spending was incurred and that increased the year to date expenditure to R15, 702 million whilst the year to date budget is R27, 548 million and this gave rise to under spending variance of R 11, 847 million that translates to 43%.



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

The above table shows that community wealth amounts to R981, 194 billion, total liabilities R213, 137 million and the total assets R1, 194 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		1,939	5,116	7,177	(2,061)	-29%	28,587
Service charges	54,524	89,922		7,310	19,999	20,549	(550)	-3%	89,922
Other revenue	31,449	18,225		2,097	4,920	4,390	530	12%	18,225
Government - operating	226,163	245,278		2,000	43,767	101,180	(57,414)	-57%	245,278
Government - capital	81,860	63,830		-	27,110	22,593	4,517	20%	63,830
Interest	1,710	4,632		259	747	1,115	(368)	-33%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(24,109)	(71,347)	(92,853)	(21,505)	23%	(359,801)
Finance charges	(448)	(2,500)		-	-	(624)	(624)	100%	(2,500)
Transfers and Grants	(6,316)	(4,404)		(109)	(217)	(1,099)	(882)	80%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,558	83,769	-	(10,613)	30,095	62,430	32,335	52%	83,769
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,000		-	-		-		2,000
Decrease (Increase) in non-current debtors		2,000		-	-		-		2,000
Decrease (increase) other non-current receivables	14,048	-		150	150	233	(83)	-36%	-
Decrease (increase) in non-current investments		-		-	-		-		-
Payments									
Capital assets	(77,564)	(75,869)		(9,235)	(13,250)	(27,548)	(14,298)	52%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(9,085)	(13,100)	(27,315)	(14,215)	52%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-		-	-		-		-
Borrowing long term/refinancing		-		-	-		-		-
Increase (decrease) in consumer deposits	(137)	171		(548)	49	45	4	9%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		-	-	(2,500)	(2,500)	100%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	(548)	49	(2,455)	(2,504)	102%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	(20,246)	17,043	32,659			2,071
Cash/cash equivalents at beginning:	20,944	15,968			6,194	15,968			6,194
Cash/cash equivalents at month/year end:	41,116	18,039			23,238	48,627			8,265

Table C7 presents details pertaining to cash flow performance. As at end of September 2018, the net cash inflow from operating activities is R30, 095 million whilst net cash outflow from investing activities is R13, 100 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R49 thousand. The cash and cash equivalent held at end of September 2018 amounted to R23, 238 million and the net effect of the above cash flows is cash outflow movement of R17, 043 million. The cash and cash equivalent at end of the reporting period of R23, 238 million is made up of cash amounting to R2, 655 million and the short term investment of R20, 583 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	-14%	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	-29%	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	-48%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Fines, penalties and forfeits	-92%	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 allocations)	-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	-100%	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	-20%	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	-54%	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	-80%	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	-80%	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	-98%	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	-56%	The collection rate of 72% on property rates is slightly below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	-38%	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	-69%	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	20%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	197%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Suppliers and employees	71%	2017/18 accrued creditors were only paid in July	No remedial action is needed
Finance charges	100%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of August	No remedial action is needed
Transfers and Grants	80%	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	1228%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	100%	The late delivery of leased fleet of vehicles	No remedial action is needed

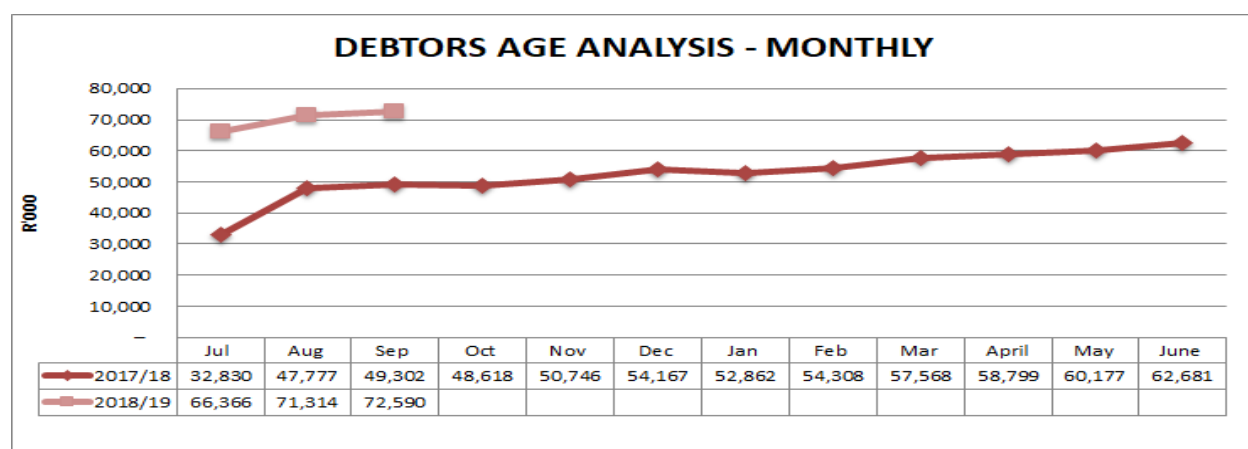
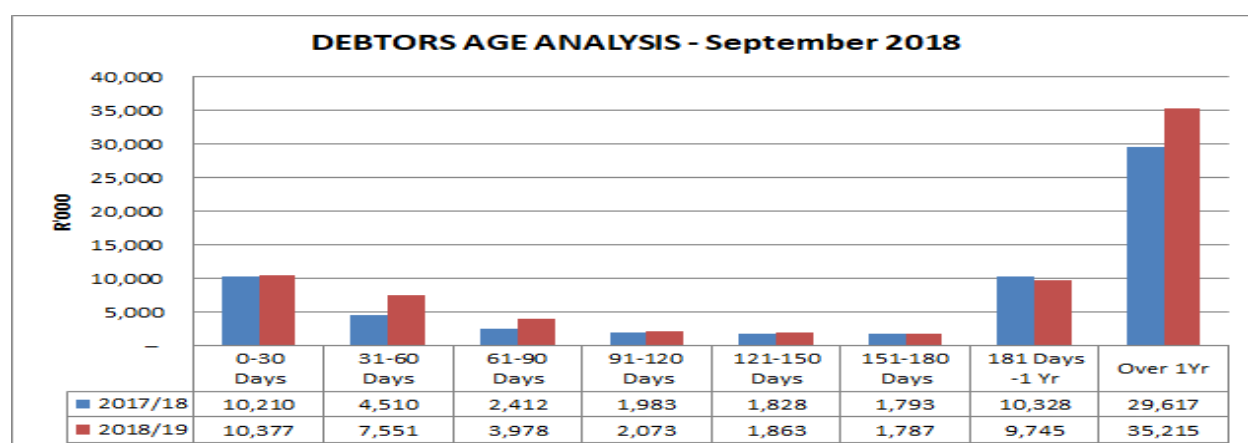
Supporting Table: SC 3 - Debtors Age Analysis

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

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of September amount to R72, 590 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 22%
- 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 September 2018) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

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

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

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OUTSTANDING TOTAL BALANCE
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	R 2,647,786.76
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	R 1,099,328.65
214913	MEAT SPOT	ACTIVE	R 532,931.46
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	R 446,735.03
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	R 427,536.48
9900028	ELIAS MOTSOLEDI (OFFICE)	ACTIVE	R 379,189.20
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	R 362,239.28
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	R 329,720.46
136	LIZINEX (PTY) LTD	ACTIVE	R 314,640.32
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRIC	ACTIVE	R 308,919.30
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	R 255,337.92
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHI	ACTIVE	R 237,329.05
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	ACTIVE	R 232,715.40
2100381	BEN VILJOEN -KOSHUISE	ACTIVE	R 226,575.39
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	R 204,486.09
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	R 200,799.25
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	R 193,407.65
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	R 183,349.56
9000802		ACTIVE	R 171,519.65
2200702	NAMIB FAMILY TRUST	ACTIVE	R 166,807.74
TOTAL			R 8,921,354.64

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	1,670	-	-	-	-	-	-	-	1,670	-
Total By Customer Type	1,670	-	-	-	-	-	-	-	1,670	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. All creditors for the month were paid within the stipulated period of thirty days and outstanding creditors amounted to R1, 670 is within 30 days.

TOP 18 CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80660	PERPETA INVESTMENT HOLDINGS	R 396,750.00
80674	OB MEDIA SOLUTIONS	R 239,717.50
80342	REDIRA SINTLE TRADING	R 163,915.00
41017	RONELI DEVELOPERS PTY LTD	R 96,000.00
41027	KDM TRAVEL EXPRESS	R 50,997.92
80865	SITHEMBE TRANSPORTATION	R 47,657.85
80257	TAKATSO YA BATHO TRADING	R 28,600.00
80295	YOUNG LADY CONSTRUCTION AN	R 26,000.00
80495	BLUE DIC E PTY LTD	R 25,800.00
80675	FARAWAY DOWN PTY LTD	R 19,943.00
80653	BABIRWA TRAVEL	R 19,850.73
80557	RAZRBLADE CONSTRUCTION	R 19,500.00
41000	THEOMEI PROJECTS	R 11,450.00
80262	THEDIMOGANE HOLDINGS (PTY) L	R 5,250.00
504	SEKHOPA PROJECTS	R 5,230.00
41095	REAKGONA TRAVEL SERVICES	R 3,687.50
80265	TINALEX (PTY)LTD	R 2,700.00
TOTAL		R 1,163,049.50

The above table presents the top creditors paid during the month of September 2018 and an amount of R1, 163 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 (037881068264/000047)	1 month	Current Investment	17-Sep-18	131	7.47%	40,377	(40,508)	-
Nedbank (03/788106826400037)	2 months	Current Investment	31-Oct-18	75	5.20%	-	20,508	20,583
TOTAL INVESTMENTS AND INTEREST				206		40,377	(20,000)	20,583

Supporting table SC5 presents all investments, and it indicates that municipality had R20, 583 million short term investment at end of September 2018. Municipality had R40, 377 million short term investment at the beginning of the month and withdrew R20, 000 million. Accrued interest for the month amounted to R206 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

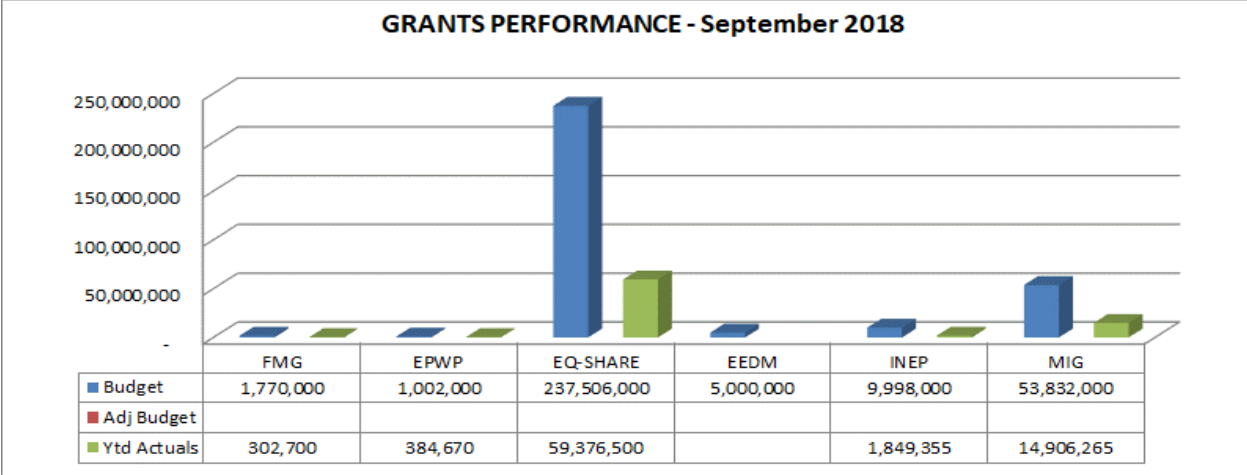
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226,163	245,278	-	-	43,606	43,606	-		245,278
Local Government Equitable Share	223,019	237,506			39,584	39,584	-		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	2,000			5,000
Provincial Government:	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	226,163	245,278	-	-	43,606	43,606	-		245,278
Capital Transfers and Grants									
National Government:	91,349	63,830	-	-	27,110	27,110	-		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	4,000	-		9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	91,349	63,830	-	-	27,110	27,110	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317,512	309,108	-	-	70,716	70,716	-		309,108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R70, 716 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	226,163	245,278	-	19,933	60,064	61,320	(1,256)	-2%	245,278
Local Government Equitable Share	223,019	237,506		19,792	59,377	59,377	-		237,506
Finance Management	1,700	1,770		25	303	443	(140)	-32%	1,770
EPWP Incentive	1,444	1,002		116	385	251	134	54%	1,002
Energy Efficiency and Demand Management	-	5,000		-	-	1,250	(1,250)	-100%	5,000
Provincial Government:	-	-	-	-	-	-	-		-
Other transfers and grants [insert description]									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total operating expenditure of Transfers and Grants:	226,163	245,278	-	19,933	60,064	61,320	(1,256)	-2%	245,278
Capital expenditure of Transfers and Grants									
National Government:	91,349	63,830	-	10,942	16,756	15,958	798	5%	63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		9,093	14,906	13,458	1,448	11%	53,832
Intergrated National Electrification Grant	15,189	9,998		1,849	1,849	2,500	(650)	-26%	9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total capital expenditure of Transfers and Grants	91,349	63,830	-	10,942	16,756	15,958	798	5%	63,830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317,512	309,108	-	30,875	76,819	77,277	(458)	-1%	309,108

An amount of R30, 875 million has been spent on grants during the month of September 2018 and the year to date actuals is R76, 819 million whilst the year to date budget amounts to R 77, 277 million and this results in underspending variance of R458 thousand that translates to negative 1%. Of the total spending amounting to R 30, 875 million, R19, 933 million is spent on operational grants whilst R10, 942 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 September 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 17.10%
- Expanded Public Work Programme 38.39%
- Equitable Share 25.0%
- Municipal Infrastructure Grant 27.69%
- Integrated National Electrification Grant 18.50%
- Energy Efficiency and Demand Side Management Grant 0%

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	14,757	15,073		1,080	3,239	3,725	(486)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		129	387	460	(73)	-16%	1,857
Medical Aid Contributions	285	317		28	84	71	13	18%	317
Motor Vehicle Allowance	4,788	5,324		412	1,237	1,321	(84)	-6%	5,324
Cellphone Allowance	1,930	2,489		226	677	622	55	9%	2,489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	2	(2)	-100%	10
Sub Total - Councillors	23,430	25,070	-	1,875	5,624	6,202	(578)	-9%	25,070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,325	4,718		342	1,189	1,221	(33)	-3%	4,718
Pension and UIF Contributions	921	1,095		18	66	255	(189)	-74%	1,095
Medical Aid Contributions	198	252		8	24	57	(33)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		60	201	140	61	44%	907
Cellphone Allowance	59	84		14	27	21	6	28%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		3	210	0	210	110486%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,775	7,137	-	444	1,717	1,695	22	1%	7,137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74,581	85,022		6,830	20,523	21,067	(544)	-3%	85,022
Pension and UIF Contributions	16,183	16,149		1,410	4,142	3,684	458	12%	16,149
Medical Aid Contributions	5,059	4,826		431	1,280	1,085	195	18%	4,826
Overtime	2,784	1,774		143	630	273	357	131%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		868	2,482	2,049	433	21%	8,965
Cellphone Allowance	835	986		129	264	235	29	12%	986
Housing Allowances	214	161		14	43	36	7	20%	161
Other benefits and allowances	8,499	8,057		66	287	1,173	(886)	-76%	8,057
Payments in lieu of leave	1,067	892		23	318	151	167	111%	892
Long service awards	627	180		53	243	60	183	306%	180
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff	119,330	127,011	-	9,967	30,213	29,813	401	1%	127,011
% increase		6%							6%
Total Parent Municipality	149,535	159,219	-	12,286	37,554	37,709	(155)	0%	159,219
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149,535	159,219	-	12,286	37,554	37,709	(155)	0%	159,219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126,105	134,149	-	10,412	31,930	31,507	422	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 September 2018 amounts to R37, 554 million and the year to date budget is R 37, 709 million and the expenditure for remuneration of councilors amounts to R5, 624 million while the year to date budget is R 6, 202 million. The year to date actuals for senior managers is R1, 717 million and the year to date budget thereof is R1, 695 million, and the year to date actuals for other municipal staff is R30, 213 million and the year to date budget is R29, 813 million. The remuneration of councilors category has under spending variance while senior managers and other municipal staff categories has over spending variance.

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

Description	Budget Year 2018/19												2018/19 Medium Term Revenue		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Budget	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	2,392	2,392	1,755	2,392	2,392	2,314	2,392	2,392	5,048	28,587	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,815	6,217	6,305	6,305	6,393	6,393	6,481	6,943	7,537	8,898	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	245	496	955	667	741	667	741	741	741	741	2,458	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	15	27	51	51	51	51	51	51	51	51	136	610	643	678
Interest earned - external investments	123	254	204	400	-	400	178	350	440	244	308	100	3,000	3,162	3,336
Interest earned - outstanding debtors	81	31	55	134	106	132	144	134	146	132	148	390	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	0	548	884	845	871	78	780	910	910	884	3,535	10,248	10,801	11,395
Licences and permits	445	458	398	413	413	413	413	413	413	413	413	350	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	181	181	226	215	225	235	200	195	(2,239)	2,417	2,548	2,688
Cash Receipts by Source	30,040	30,904	13,605	11,627	10,959	90,061	10,530	11,478	76,659	12,025	12,668	76,088	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	-	-	3,999	28,186	-	3,076	-	5,976	-	-	(4,517)	63,830	67,721	70,734
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	97	501	(548)	4	2	6	12	6	8	25	40	19	171	203	227
Receipt of non-current debtors	-	-	150	100	278	300	250	150	100	112	200	360	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	15,730	39,424	92,367	13,868	11,634	82,743	12,162	12,908	71,950	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	11,367	10,048	10,320	10,274	14,713	10,418	10,963	10,426	10,294	13,096	12,080	134,149	142,723	152,000
Remuneration of councillors	2,635	1,875	1,875	2,067	2,067	2,067	2,067	2,067	2,078	2,088	2,212	1,972	25,070	26,675	28,409
Interest paid	-	-	-	208	208	208	208	208	208	208	208	836	2,500	2,300	2,000
Bulk purchases - Electricity	729	7,331	7,286	5,200	5,900	5,513	5,700	6,950	7,247	7,250	7,300	13,595	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	778	940	353	2,836	706	1,236	535	2,059	1,252	1,427	4,718	17,093	18,017	19,007
Contracted services	5,676	4,532	3,492	5,646	3,849	5,623	3,730	5,783	3,608	5,207	3,755	9,120	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	366	1,257	4,404	4,642	4,897
General expenses	849	1,062	469	2,367	2,652	3,762	2,319	4,151	3,573	3,135	3,910	15,219	43,468	45,289	47,780
Cash Payments by Type	20,294	27,052	24,218	26,527	28,152	32,959	26,044	31,024	29,565	29,800	32,274	58,795	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	1,635	9,235	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	15,803	75,869	85,123	84,647
Repayment of borrowing	-	-	-	833	833	833	833	833	833	833	833	3,333	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	22,675	28,686	33,453	36,643	37,467	42,490	30,856	38,106	35,534	33,571	35,159	77,932	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	34,571	2,718	(20,246)	(20,913)	1,957	49,877	(16,988)	(26,472)	47,209	(21,409)	(22,251)	(5,983)	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	40,765	43,483	23,238	2,324	4,281	54,158	37,171	10,699	57,908	36,499	14,248	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	40,765	43,483	23,238	2,324	4,281	54,158	37,171	10,699	57,908	36,499	14,248	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 R13, 207 million and the total cash payment for the month were R33, 453 million and this resulted in net decrease in cash held amounting to R20, 246 million and with cash and cash equivalent of R43, 483 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R23, 238 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		3,239	3,239	6,722	3,484	52%	4%
August	3,028	9,189		3,444	6,683	15,911	9,229	58%	9%
September	13,273	11,637		11,090	17,773	27,548	9,776	35%	23%
October	3,283	9,283				36,831	–		
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	–	17,773					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of September amounts to R11, 090 million. The year to date capital budget is R27, 548 million that give rise to under spending variance of R9, 776 million or 35%.

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	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	-	5,541	7,348	9,718	2,369	24.4%	32,150
Roads Infrastructure	35,070	21,283	-	2,539	4,346	8,248	3,901	47.3%	21,283
Roads	35,070	21,283		2,539	4,346	8,248	3,901	47.3%	21,283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13,324	10,868	-	3,002	3,002	1,470	(1,532)	-104.2%	10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13,324	10,868		3,002	3,002	1,470	(1,532)	-104.2%	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	-	-	-	600	600	100.0%	4,447
Operational Buildings	-	4,447	-	-	-	600	600	100.0%	4,447
Municipal Offices	-	4,447		-	-	600	600	100.0%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	-	-	135	135	100.0%	500
Computer Equipment	800	500		-	-	135	135	100.0%	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	-	29	143	700	557	79.6%	1,300
Machinery and Equipment	1,200	1,300		29	143	700	557	79.6%	1,300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
Total Capital Expenditure on new assets	51,194	38,798	-	5,569	7,491	11,253	3,761	33.4%	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	-	5,520	8,210	15,096	6,885	45.6%	33,550
Roads Infrastructure	41,914	33,550	-	5,520	8,210	15,096	6,885	45.6%	33,550
Roads	41,414	33,550		5,520	8,210	15,096	6,885	45.6%	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	-	5,520	8,210	15,196	6,985	46.0%	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	-	603	604	2,439	1,835	75.2%	10,400
Roads Infrastructure	2,650	4,000	-	481	481	920	439	47.7%	4,000
Roads	2,650	4,000		481	481	920	439	47.7%	4,000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1,900	3,000	-	121	121	670	549	81.9%	3,000
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,800	3,000		121	121	670	549	81.9%	3,000
Capital Spares	100	-		-		-	-		-
Solid Waste Infrastructure	3,300	3,400	-	-	1	849	848	99.9%	3,400
Landfill Sites	3,150	3,400		-	1	849	848	99.9%	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	-	-	-	420	420	100.0%	2,000
Operational Buildings	1,325	2,000	-	-	-	420	420	100.0%	2,000
Municipal Offices	1,325	2,000		-	-	420	420	100.0%	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	-	-	274	650	376	57.8%	3,550
Machinery and Equipment	2,118	3,550		-	274	650	376	57.8%	3,550
Transport Assets	1,300	2,000	-	111	441	850	409	48.2%	2,000
Transport Assets	1,300	2,000		111	441	850	409	48.2%	2,000
Total Repairs and Maintenance Expenditure	12,693	17,950	-	714	1,319	4,359	3,040	69.7%	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	-	-	-	8,210	8,210	0	34,653
Roads Infrastructure	25,298	25,147	-	-	-	6,000	6,000	0	25,147
Roads	25,298	25,147		-	-	6,000	6,000	0	25,147
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	5,746	3,712	-	-	-	866	866	0	3,712
Storm water Conveyance	5,746	3,712		-	-	866	866	0	3,712
Electrical Infrastructure	12,398	5,166	-	-	-	1,202	1,202	0	5,166
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,398	5,166				1,202	1,202	0	5,166
MV Substations							-		
Solid Waste Infrastructure	2,392	629	-	-	-	141	141	0	629
Landfill Sites	2,392	629		-	-	141	141	0	629
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Waste Drop-off Points							-		
Community Assets	2,231	2,918	-	-	-	688	688	0	2,918
Community Facilities	2,231	2,918	-	-	-	688	688	0	2,918
Halls							-		
Cemeteries/Crematoria	2,231	2,918		-	-	688	688	0	2,918
Police							-		
Other assets	120	2,180	-	-	-	490	490	0	2,180
Operational Buildings	120	2,180	-	-	-	490	490	0	2,180
Municipal Offices	120	2,180		-	-	490	490	0	2,180
Pay/Enquiry Points							-		
Intangible Assets	-	378	-	-	-	85	85	0	378
Servitudes							-		
Licences and Rights	-	378	-	-	-	85	85	0	378
Solid Waste Licenses							-		
Computer Software and Applications		378				85	85	0	378
Computer Equipment	21	1,518	-	-	-	398	398	0	1,518
Computer Equipment	21	1,518		-	-	398	398	0	1,518
Furniture and Office Equipment	26	3,817	-	-	-	880	880	0	3,817
Furniture and Office Equipment	26	3,817		-	-	880	880	0	3,817
Machinery and Equipment	2,080	2,175	-	-	-	489	489	0	2,175
Machinery and Equipment	2,080	2,175				489	489	0	2,175
Transport Assets	888	3,542	-	-	-	796	796	0	3,542
Transport Assets	888	3,542				796	796	0	3,542
Total Depreciation	51,200	51,181	-	-	-	12,036	12,036	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 R7, 491 million and the year to date budget is R11, 253 million that reflects under spending variance of R3, 761 million that translates to 33.4% variance. The year to date actuals on renewal of existing assets amounts R8, 210 million and with the year to date budget of R15, 196 million and this reflects under spending variance of R 6, 985 million that translates to 46.0% variance.


The year to date actual expenditure on repairs and maintenance is R1, 319 million and the year to date budget is R4, 359 million, reflecting under spending variance of R3, 040 million that translates to 69.7%.

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 September 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)
Signature 
Date 18/10/2018
Elias Motsoaledi Local Municipality
18 OCT 2018
Municipal Manager