

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**AUGUST 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
<b>Financial Performance</b>									
Property rates	34,805	36,650	-	2,633	5,287	6,134	(847)	-14%	36,650
Service charges	92,822	101,546	-	8,583	17,460	15,752	1,709	11%	101,546
Investment revenue	2,500	3,000	-	339	523	400	123	31%	3,000
Transfers and subsidies	226,163	245,278	-	386	99,513	80,955	18,558	23%	245,278
Other own revenue	88,454	90,309	-	1,596	3,503	14,683	(11,181)	-76%	90,309
<b>Total Revenue (excluding capital transfers)</b>	<b>444,744</b>	<b>476,783</b>	<b>-</b>	<b>13,538</b>	<b>126,286</b>	<b>117,924</b>	<b>8,362</b>	<b>7%</b>	<b>476,783</b>
Employee costs	126,105	134,149	-	11,367	21,518	21,192	327	2%	134,149
Remuneration of Councillors	23,430	25,070	-	1,875	3,749	4,134	(385)	-9%	25,070
Depreciation & asset impairment	51,200	51,181	-	-	-	8,015	(8,015)	-100%	51,181
Finance charges	2,124	2,500	-	-	-	416	(416)	-100%	2,500
Materials and bulk purchases	81,986	97,093	-	8,108	9,092	17,620	(8,529)	-48%	97,093
Transfers and subsidies	3,724	4,404	-	107	107	733	(625)	-85%	4,404
Other expenditure	142,563	156,909	-	5,594	19,779	22,621	(2,842)	-13%	156,909
<b>Total Expenditure</b>	<b>431,132</b>	<b>471,306</b>	<b>-</b>	<b>27,052</b>	<b>54,246</b>	<b>74,731</b>	<b>(20,485)</b>	<b>-27%</b>	<b>471,306</b>
<b>Surplus/(Deficit)</b>	<b>13,612</b>	<b>5,477</b>	<b>-</b>	<b>(13,514)</b>	<b>72,040</b>	<b>43,194</b>	<b>28,847</b>	<b>67%</b>	<b>5,477</b>
Transfers and subsidies - capital (monetary allocations)	91,349	63,830	-	3,433	5,814	15,048	(9,234)	-61%	63,830
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>	<b>19,612</b>	<b>34%</b>	<b>69,307</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>	<b>19,612</b>	<b>34%</b>	<b>69,307</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>103,123</b>	<b>75,869</b>	<b>-</b>	<b>1,635</b>	<b>4,612</b>	<b>15,911</b>	<b>(11,300)</b>	<b>-71%</b>	<b>75,869</b>
Capital transfers recognised	80,131	55,504	-	1,521	4,498	13,085	(8,588)	-66%	55,504
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,992	20,365	-	114	114	2,826	(2,712)	-96%	20,365
<b>Total sources of capital funds</b>	<b>103,123</b>	<b>75,869</b>	<b>-</b>	<b>1,635</b>	<b>4,612</b>	<b>15,911</b>	<b>(11,300)</b>	<b>-71%</b>	<b>75,869</b>
<b>Financial position</b>									
Total current assets	144,278	120,845	-	-	266,373	-	-	-	120,845
Total non current assets	1,084,126	1,083,492	-	-	2,015,762	-	-	-	1,083,492
Total current liabilities	111,156	73,138	-	-	151,123	-	-	-	73,138
Total non current liabilities	86,141	116,629	-	-	193,406	-	-	-	116,629
Community wealth/Equity	1,031,107	1,014,570	-	-	1,937,605	-	-	-	1,014,570
<b>Cash flows</b>									
Net cash from (used) operating	89,558	83,769	-	3,852	62,217	(1,460)	(63,677)	4362%	83,769
Net cash from (used) investing	(63,516)	(71,869)	-	(1,635)	(2,381)	(6,322)	(3,942)	62%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	-	501	597	(819)	(1,417)	173%	(9,829)
<b>Cash/cash equivalents at the month/year end</b>	<b>41,116</b>	<b>18,039</b>	<b>-</b>	<b>-</b>	<b>77,049</b>	<b>7,366</b>	<b>(69,683)</b>	<b>-946%</b>	<b>18,687</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys- 1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	12,924	4,438	2,117	1,755	1,736	1,753	10,845	30,800	66,366
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 August is R126, 286 million and the year to date budget of R117, 924 million and this reflects a positive variance of R8, 362 million that can be attributed to property rates, service charges electricity and refuse removal that have positive/negative variance of material figure. The following are the secondary revenue item categories reflecting a negative and positive material variance:

- Interest earned - external investments: 31% favorable variance,
- Interest earned – outstanding Debtors 1% favorable variance,

- Rental on Facilities and Equipment: 38% unfavorable variance,
- Transfer and Subsidies: 23% favorable variance
- License and Permits: 9% favorable variance
- Fines: 93% unfavorable variance
- Other revenue: 48% unfavorable variance

### **Operating Expenditure**

The year to date operational expenditure as at end of August amounts to R54, 246 million and the year to date budget is R74, 731 million. This reflects unfavorable variance of R 20, 485 million that translates to 27% 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:

- Contracted Services: 15% under performance variance
- Other Material: 72% under performance variance
- Bulk Purchases: 42% 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 August amounts to R4, 612 million and the year to date budget amounts to R15, 911 million and this gives rise to R11, 300 million under performance variance.

### **Surplus/Deficit**

Taking the above into consideration, the net operating surplus/deficit for the month of August is R77, 854 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 August amounts to R71, 314 million and this shows an increase of R8, 633 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 R54, 736 million and other debtors amounting to R18, 579 Million.

### **Creditors**

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

**Table C2 – Financial Performance (Standard Classification)**

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>183,920</b>	<b>203,714</b>	<b>-</b>	<b>3,974</b>	<b>65,973</b>	<b>54,719</b>	<b>11,254</b>	<b>21%</b>	<b>203,714</b>
Executive and council	35,581	42,873	-	-	18,486	14,825	3,661	25%	42,873
Finance and administration	141,936	152,939	-	3,974	44,161	37,226	6,934	19%	152,939
Internal audit	6,402	7,902	-	-	3,326	2,668	659	25%	7,902
<b>Community and public safety</b>	<b>18,446</b>	<b>18,637</b>	<b>-</b>	<b>15</b>	<b>9,924</b>	<b>5,341</b>	<b>4,583</b>	<b>86%</b>	<b>18,637</b>
Community and social services	11,977	7,973	-	8	6,555	2,646	3,909	148%	7,973
Sport and recreation	6,469	10,664	-	7	3,369	2,695	674	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>200,822</b>	<b>185,532</b>	<b>-</b>	<b>4,399</b>	<b>27,050</b>	<b>45,499</b>	<b>(18,448)</b>	<b>-41%</b>	<b>185,532</b>
Planning and development	19,012	17,319	-	155	2,993	4,995	(2,002)	-40%	17,319
Road transport	180,968	167,196	-	4,243	23,620	40,153	(16,533)	-41%	167,196
Environmental protection	842	1,018	-	-	438	351	87	25%	1,018
<b>Trading services</b>	<b>132,905</b>	<b>132,730</b>	<b>-</b>	<b>8,583</b>	<b>29,153</b>	<b>27,414</b>	<b>1,739</b>	<b>6%</b>	<b>132,730</b>
Energy sources	107,173	109,537	-	7,919	20,680	19,783	897	5%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	664	8,474	7,631	842	11%	23,193
Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>536,093</b>	<b>540,613</b>	<b>-</b>	<b>16,970</b>	<b>132,100</b>	<b>132,972</b>	<b>(872)</b>	<b>-1%</b>	<b>540,613</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>181,424</b>	<b>176,004</b>	<b>-</b>	<b>13,189</b>	<b>31,739</b>	<b>35,109</b>	<b>(3,371)</b>	<b>-10%</b>	<b>176,004</b>
Executive and council	42,315	42,558	-	2,741	5,812	6,840	(1,028)	-15%	42,558
Finance and administration	131,658	125,652	-	10,130	25,376	27,027	(1,651)	-6%	125,652
Internal audit	7,450	7,795	-	318	551	1,242	(691)	-56%	7,795
<b>Community and public safety</b>	<b>14,759</b>	<b>18,191</b>	<b>-</b>	<b>804</b>	<b>1,533</b>	<b>2,601</b>	<b>(1,069)</b>	<b>-41%</b>	<b>18,191</b>
Community and social services	5,737	7,709	-	379	712	1,022	(310)	-30%	7,709
Sport and recreation	9,021	10,481	-	425	821	1,579	(759)	-48%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>120,307</b>	<b>149,194</b>	<b>-</b>	<b>4,006</b>	<b>8,945</b>	<b>16,303</b>	<b>(7,358)</b>	<b>-45%</b>	<b>149,194</b>
Planning and development	17,708	23,848	-	1,368	2,501	2,627	(126)	-5%	23,848
Road transport	101,719	124,365	-	2,593	6,360	13,534	(7,174)	-53%	124,365
Environmental protection	880	981	-	44	84	142	(58)	-41%	981
<b>Trading services</b>	<b>114,643</b>	<b>127,918</b>	<b>-</b>	<b>9,053</b>	<b>12,030</b>	<b>20,717</b>	<b>(8,687)</b>	<b>-42%</b>	<b>127,918</b>
Energy sources	87,570	105,653	-	7,774	8,954	17,291	(8,337)	-48%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	1,279	3,076	3,427	(350)	-10%	22,265
Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>431,132</b>	<b>471,306</b>	<b>-</b>	<b>27,052</b>	<b>54,246</b>	<b>74,731</b>	<b>(20,485)</b>	<b>-27%</b>	<b>471,306</b>
<b>Surplus/ (Deficit) for the year</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>	<b>19,612</b>	<b>34%</b>	<b>69,307</b>

**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
<b>Revenue by Vote</b>									
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	–	3,962	14,149	13,175	974	7%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	12	17,576	14,078	3,498	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	1,422	23,837	28,553	(4,717)	-17%	127,644
Vote 6 - Technical Services	220,489	211,110	–	11,419	44,971	49,255	(4,284)	-9%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	155	356	2,880	(2,524)	-88%	11,493
Vote 8 - Executive Support	12,731	16,094	–	–	6,615	5,305	1,310	25%	16,094
<b>Total Revenue by Vote</b>	<b>536,093</b>	<b>540,613</b>	<b>–</b>	<b>16,970</b>	<b>132,100</b>	<b>132,972</b>	<b>(872)</b>	<b>-1%</b>	<b>540,613</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	38,271	37,886	–	2,412	5,251	6,151	(900)	-15%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	3,284	5,911	4,806	1,106	23%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	4,299	14,577	13,421	1,156	9%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	1,355	3,061	5,336	(2,275)	-43%	37,865
Vote 5 - Community Services	79,148	105,457	–	3,764	7,891	9,459	(1,568)	-17%	105,457
Vote 6 - Technical Services	165,729	185,027	–	9,661	13,551	30,848	(17,297)	-56%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	887	1,487	1,789	(302)	-17%	11,188
Vote 8 - Executive Support	16,063	15,539	–	1,389	2,517	2,922	(405)	-14%	15,539
<b>Total Expenditure by Vote</b>	<b>431,132</b>	<b>471,306</b>	<b>–</b>	<b>27,052</b>	<b>54,246</b>	<b>74,731</b>	<b>(20,485)</b>	<b>-27%</b>	<b>471,306</b>
<b>Surplus/ (Deficit) for the year</b>	<b>104,961</b>	<b>69,307</b>	<b>–</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>	<b>19,612</b>	<b>34%</b>	<b>69,307</b>

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
<b>Revenue By Source</b>									
Property rates	34,805	36,650		2,633	5,287	6,134	(847)	-14%	36,650
Service charges - electricity revenue	81,206	89,297		7,919	16,127	13,929	2,198	16%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11,616	12,249		664	1,333	1,823	(490)	-27%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		41	125	203	(78)	-38%	1,220
Interest earned - external investments	2,500	3,000		339	523	400	123	31%	3,000
Interest earned - outstanding debtors	14,260	8,161		726	1,403	1,424	(21)	-1%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		285	850	11,803	(10,953)	-93%	73,218
Licences and permits	4,500	4,950		458	903	825	78	9%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		386	99,513	80,955	18,558	23%	245,278
Other revenue	13,678	2,761		86	222	429	(207)	-48%	2,761
Gains on disposal of PPE							-		
<b>Total Revenue (excluding capital transfers)</b>	<b>444,744</b>	<b>476,783</b>	<b>-</b>	<b>13,538</b>	<b>126,286</b>	<b>117,924</b>	<b>8,362</b>	<b>7%</b>	<b>476,783</b>
<b>Expenditure By Type</b>									
Employee related costs	126,105	134,149		11,367	21,518	21,192	327	2%	134,149
Remuneration of councillors	23,430	25,070		1,875	3,749	4,134	(385)	-9%	25,070
Debt impairment	26,372	53,421		-	-	-	-		53,421
Depreciation & asset impairment	51,200	51,181		-	-	8,015	(8,015)	-100%	51,181
Finance charges	2,124	2,500		-	-	416	(416)	-100%	2,500
Bulk purchases	70,165	80,000		7,331	8,059	13,927	(5,868)	-42%	80,000
Other materials	11,821	17,093		778	1,032	3,693	(2,661)	-72%	17,093
Contracted services	65,237	60,020		4,532	10,543	12,444	(1,901)	-15%	60,020
Transfers and subsidies	3,724	4,404		107	107	733	(625)	-85%	4,404
Other expenditure	50,954	43,468		1,062	9,237	10,177	(941)	-9%	43,468
Loss on disposal of PPE				-	-		-		
<b>Total Expenditure</b>	<b>431,132</b>	<b>471,306</b>	<b>-</b>	<b>27,052</b>	<b>54,246</b>	<b>74,731</b>	<b>(20,485)</b>	<b>-27%</b>	<b>471,306</b>
<b>Surplus/(Deficit)</b>	<b>13,612</b>	<b>5,477</b>	<b>-</b>	<b>(13,514)</b>	<b>72,040</b>	<b>43,194</b>	<b>28,847</b>	<b>67%</b>	<b>5,477</b>
Transfers and subsidies - capital (monetary allocations)	91,349	63,830		3,433	5,814	15,048	(9,234)	-61%	63,830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>			<b>69,307</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>			<b>69,307</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>			<b>69,307</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>104,961</b>	<b>69,307</b>	<b>-</b>	<b>(10,081)</b>	<b>77,854</b>	<b>58,242</b>		<b>-</b>	<b>69,307</b>

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.

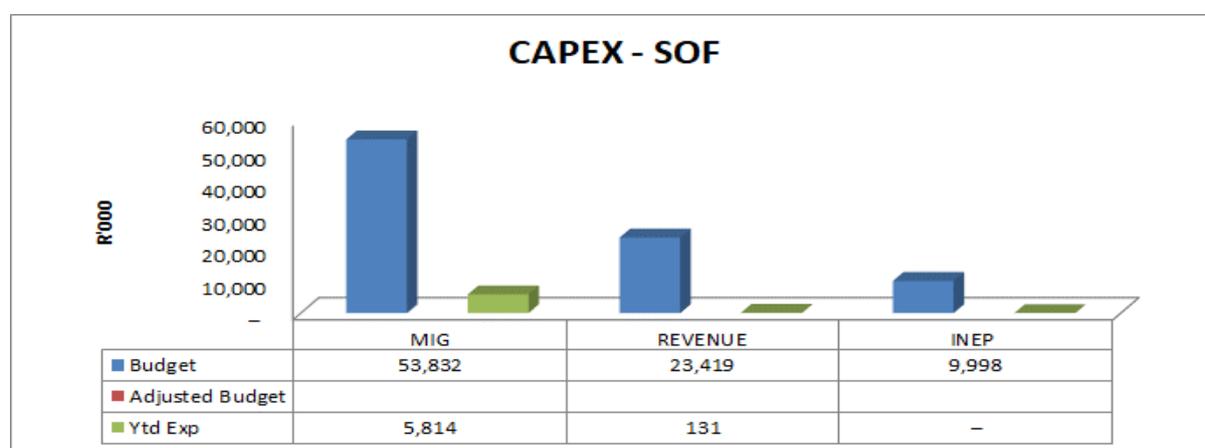
**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

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
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,300	1,700	-	114	114	285	(171)	-60%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		114	114	285	(171)	-60%	1,700
Internal audit							-		
<b>Community and public safety</b>	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							-		
<b>Economic and environmental services</b>	80,021	59,779	-	1,521	4,498	13,906	(9,409)	-68%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		1,521	4,498	13,906	(9,409)	-68%	59,779
Environmental protection		-					-		-
<b>Trading services</b>	13,324	13,868	-	-	-	1,620	(1,620)	-100%	13,868
Energy sources	13,324	10,868		-	-	820	(820)	-100%	10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000		-	-	800	(800)	-100%	3,000
Other		-					-		-
<b>Total Capital Expenditure - Functional Classification</b>	<b>103,123</b>	<b>75,869</b>	<b>-</b>	<b>1,635</b>	<b>4,612</b>	<b>15,911</b>	<b>(11,300)</b>	<b>-71%</b>	<b>75,869</b>
<b>Funded by:</b>									
National Government	80,131	55,504		1,521	4,498	13,085	(8,588)	-66%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
<b>Transfers recognised - capital</b>	<b>80,131</b>	<b>55,504</b>	<b>-</b>	<b>1,521</b>	<b>4,498</b>	<b>13,085</b>	<b>(8,588)</b>	<b>-66%</b>	<b>55,504</b>
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		114	114	2,826	(2,712)	-96%	20,365
<b>Total Capital Funding</b>	<b>103,123</b>	<b>75,869</b>	<b>-</b>	<b>1,635</b>	<b>4,612</b>	<b>15,911</b>	<b>(11,300)</b>	<b>-71%</b>	<b>75,869</b>

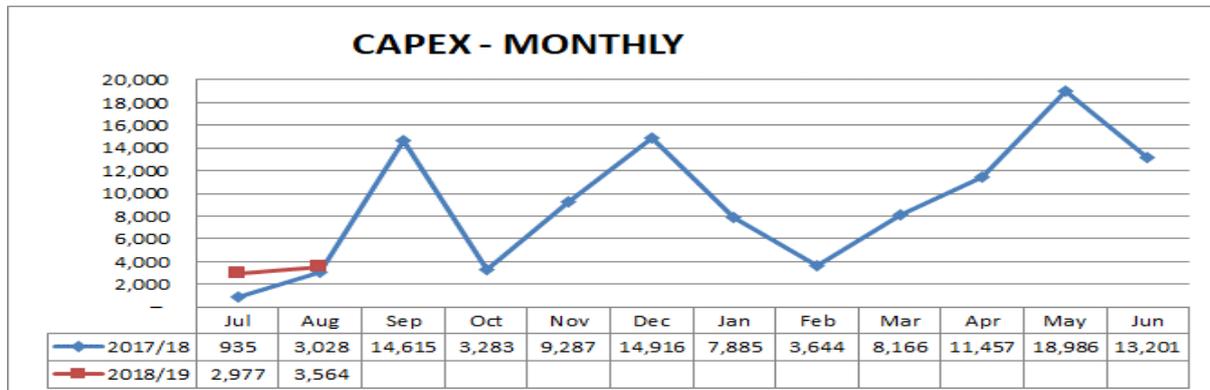
**Table C5C: Monthly Capital Expenditure by Vote**

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
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,300	1,400	-	114	114	185	(71)	-38%	1,400
Vote 5 - Community Services	500	3,000	-	-	-	800	(800)	-100%	3,000
Vote 6 - Technical Services	75,747	27,513	-	-	1,783	3,113	(1,330)	-43%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>77,547</b>	<b>31,913</b>	<b>-</b>	<b>114</b>	<b>1,897</b>	<b>4,098</b>	<b>(2,201)</b>	<b>-54%</b>	<b>31,913</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	500
Vote 4 - Corporate Services	-	300	-	-	-	100	(100)	-100%	300
Vote 5 - Community Services	400	522	-	-	-	100	(100)	-100%	522
Vote 6 - Technical Services	25,176	42,634	-	1,521	2,714	11,613	(8,899)	-77%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>25,576</b>	<b>43,956</b>	<b>-</b>	<b>1,521</b>	<b>2,714</b>	<b>11,813</b>	<b>(9,099)</b>	<b>-77%</b>	<b>43,956</b>
<b>Total Capital Expenditure</b>	<b>103,123</b>	<b>75,869</b>	<b>-</b>	<b>1,635</b>	<b>4,612</b>	<b>15,911</b>	<b>(11,300)</b>	<b>-71%</b>	<b>75,869</b>

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 August 2018, R1, 635 million spending was incurred and that increased the year to date expenditure to R4, 614 million whilst the year to date budget is R15, 911 million and this gave rise to under spending variance of R 11, 300 million that translates to 71%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R75, 869 million, R53, 832 million is funded from Municipal Infrastructure grant, R9, 998 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
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	10,840	2,457		10,421	2,457
Call investment deposits	30,277	15,582		40,377	15,582
Consumer debtors	48,056	40,483		71,314	40,483
Other debtors	51,359	58,923		137,562	58,923
Current portion of long-term receivables	–			–	
Inventory	3,747	3,400		6,698	3,400
<b>Total current assets</b>	<b>144,278</b>	<b>120,845</b>	<b>–</b>	<b>266,373</b>	<b>120,845</b>
<b>Non current assets</b>					
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		1,905,633	1,016,632
Agricultural		–		–	
Biological		–		–	
Intangible	291	291		376	291
Other non-current assets	11,932	12,841		–	12,841
<b>Total non current assets</b>	<b>1,084,126</b>	<b>1,083,492</b>	<b>–</b>	<b>2,015,762</b>	<b>1,083,492</b>
<b>TOTAL ASSETS</b>	<b>1,228,404</b>	<b>1,204,337</b>	<b>–</b>	<b>2,282,134</b>	<b>1,204,337</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft					
Borrowing	5,839	10,000		–	10,000
Consumer deposits	5,770	5,260		11,177	5,260
Trade and other payables	90,057	52,466		129,429	52,466
Provisions	9,489	5,412		10,517	5,412
<b>Total current liabilities</b>	<b>111,156</b>	<b>73,138</b>	<b>–</b>	<b>151,123</b>	<b>73,138</b>
<b>Non current liabilities</b>					
Borrowing	–	30,677		–	30,677
Provisions	86,141	85,952		193,406	85,952
<b>Total non current liabilities</b>	<b>86,141</b>	<b>116,629</b>	<b>–</b>	<b>193,406</b>	<b>116,629</b>
<b>TOTAL LIABILITIES</b>	<b>197,297</b>	<b>189,767</b>	<b>–</b>	<b>344,529</b>	<b>189,767</b>
<b>NET ASSETS</b>	<b>1,031,107</b>	<b>1,014,570</b>	<b>–</b>	<b>1,937,605</b>	<b>1,014,570</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,031,107	1,014,570		1,937,605	1,014,570
Reserves	–	–		–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,031,107</b>	<b>1,014,570</b>	<b>–</b>	<b>1,937,605</b>	<b>1,014,570</b>

The above table shows that community wealth amounts to R1, 937 billion, total liabilities R344, 529 million and the total assets R2, 282 billion. Non-current liabilities is mainly made up of 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	15,677	28,587		1,271	3,177	3,054	122	4%	28,587
Service charges	54,524	89,922		5,946	12,689	8,462	4,227	50%	89,922
Other revenue	31,449	18,225		1,587	1,358	1,519	(161)	-11%	18,225
Government - operating	226,163	245,278		21,814	41,767	20,440	21,327	104%	245,278
Government - capital	81,860	63,830		-	27,110	5,319	21,791	410%	63,830
Interest	1,710	4,632		284	3,311	386	2,925	758%	4,632
Dividends		-		-	-		-		-
<b>Payments</b>									
Suppliers and employees	(315,061)	(359,801)		(27,052)	(27,194)	(40,066)	(12,871)	32%	(359,801)
Finance charges	(448)	(2,500)		-	-	(208)	(208)	100%	(2,500)
Transfers and Grants	(6,316)	(4,404)		-	-	(366)	(366)	100%	(4,404)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>89,558</b>	<b>83,769</b>	<b>-</b>	<b>3,852</b>	<b>62,217</b>	<b>(1,460)</b>	<b>(63,677)</b>	<b>4362%</b>	<b>83,769</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
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	-		-	-		-		-
Decrease (increase) in non-current investments		-		-	-		-		-
<b>Payments</b>									
Capital assets	(77,564)	(75,869)		(1,635)	(2,381)	(6,322)	(3,942)	62%	(75,869)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(63,516)</b>	<b>(71,869)</b>	<b>-</b>	<b>(1,635)</b>	<b>(2,381)</b>	<b>(6,322)</b>	<b>(3,942)</b>	<b>62%</b>	<b>(71,869)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans		-			-		-		-
Borrowing long term/refinancing		-			-		-		-
Increase (decrease) in consumer deposits	(137)	171		501	597	14	583	4092%	171
<b>Payments</b>									
Repayment of borrowing	(5,733)	(10,000)		-	-	(833)	(833)	100%	(10,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(5,870)</b>	<b>(9,829)</b>	<b>-</b>	<b>501</b>	<b>597</b>	<b>(819)</b>	<b>(1,417)</b>	<b>173%</b>	<b>(9,829)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>20,172</b>	<b>2,071</b>	<b>-</b>	<b>2,718</b>	<b>60,434</b>	<b>(8,601)</b>			<b>2,071</b>
Cash/cash equivalents at beginning:	20,944	15,968			16,615	15,968			16,615
Cash/cash equivalents at month/year end:	41,116	18,039			77,049	7,366			18,687

Table C7 presents details pertaining to cash flow performance. As at end of August 2018, the net cash inflow from operating activities is R62, 217 million whilst net cash outflow from investing activities is R2, 381 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R 597 million. The cash and cash equivalent held at end of August 2018 amounted to R77, 049 million and the net effect of the above cash flows is cash outflow movement of R60, 434 million. The cash and cash equivalent at end of the reporting period of R16, 615 million is made up of cash amounting to R16, 615 million and the short term investment of R36, 673 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
<b>Revenue By Source</b>			
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 - electricity revenue	16%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Service charges - refuse revenue	-27%	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	-38%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	31%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
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	23%	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)	-61%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
<b>Expenditure By Type</b>			
Remuneration of councillors	-9%	Upper limits have not yet implemented	No remedial action is needed as the discrepancies will be addressed once the municipality implements the upper limits for 2018/19 financial year
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 August	No remedial action is needed
Bulk purchases	-42%	The main Eskom bill was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-72%	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
Contracted services	-15%	The late delivery of leased fleet of vehicles	No remedial action is needed
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

<b>Capital Expenditure</b>			
National Government	-66%	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	-96%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
<b>Cash Flow</b>			
Property rates	4%	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	50%	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	-11%	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	410%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	758%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Suppliers and employees	32%	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	100%	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	4092%	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

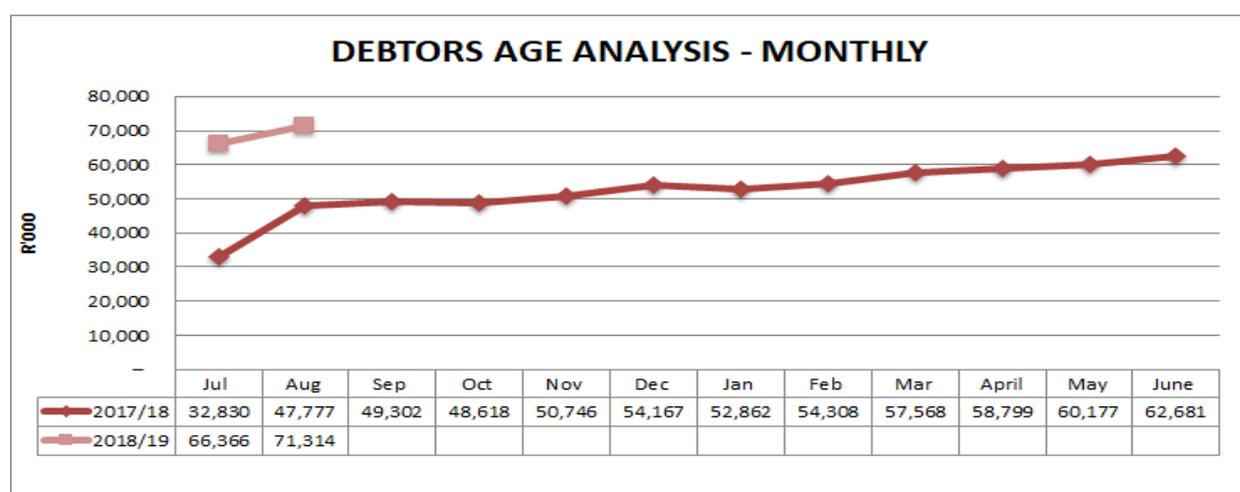
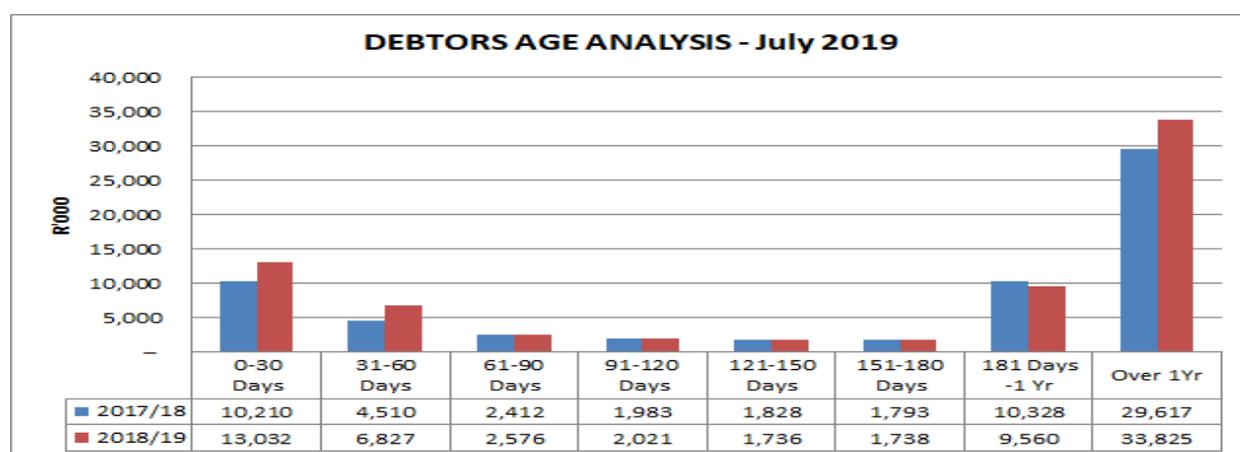
### Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19											
	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	Actual Bad Debts Written Off	Impairment - Bad Debts i.t.o Council Policy
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	7,934	3,647	504	232	124	107	480	3,215	16,243	4,158		
Receivables from Non-exchange Transactions - Property Rates	2,638	1,550	1,048	863	817	786	4,398	17,029	29,130	23,893		
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	665	499	381	351	337	329	1,896	2,905	7,363	5,818		
Receivables from Exchange Transactions - Property Rental Debtors	33	65	7	24	20	2	71	1,006	1,228	1,123		
Interest on Arrear Debtor Accounts	733	673	635	605	580	556	2,917	11,342	18,040	15,999		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	1,029	392	1	(54)	(142)	(42)	(202)	(1,672)	(689)	(2,112)		
<b>Total By Income Source</b>	<b>13,032</b>	<b>6,827</b>	<b>2,576</b>	<b>2,021</b>	<b>1,736</b>	<b>1,738</b>	<b>9,560</b>	<b>33,825</b>	<b>71,314</b>	<b>48,879</b>	-	-
<b>2017/18 - totals only</b>	<b>10,210</b>	<b>4,510</b>	<b>2,412</b>	<b>1,983</b>	<b>1,828</b>	<b>1,793</b>	<b>10,328</b>	<b>29,617</b>	<b>62,681</b>	<b>45,549</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	1,726	944	454	405	307	378	1,829	8,535	14,578	11,454		
Commercial	6,901	3,413	526	353	312	235	1,479	5,006	18,226	7,385		
Households	3,676	1,934	1,192	878	767	755	4,049	11,392	24,643	17,842		
Other	730	536	404	384	349	370	2,203	8,892	13,867	12,198		
<b>Total By Customer Group</b>	<b>13,032</b>	<b>6,827</b>	<b>2,576</b>	<b>2,021</b>	<b>1,736</b>	<b>1,738</b>	<b>9,560</b>	<b>33,825</b>	<b>71,314</b>	<b>48,879</b>	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R71, 314 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 23%
- Rental 2%
- Refuse removal 10%
- Interest on Debtors 25%
- 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 August 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	STATUS	OUTSTANDING TOTAL BALANCE
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	2,575,893
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	1,091,269
214913	MEAT SPOT	ACTIVE	527,000
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	438,671
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	420,934
9900028	ELIAS MOTSOLEDI (OFFICE)	ACTIVE	379,189
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	357,767
2000270	PROVINSIALE HOSPITAAL	ACTIVE	336,974
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	332,082
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	ACTIVE	305,105
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	300,429
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	ACTIVE	216,299
506535	BUMAZI PROPERTIES C/O BFW METERING	ACTIVE	206,574
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	200,940
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	197,285
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	188,205
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	187,886
136	LIZINEX (PTY) LTD	ACTIVE	183,413
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	178,935
1500176	KLIPBANK KOELKAMERS EDMS BPK.	ACTIVE	174,630
<b>TOTAL</b>			<b>8,799,480</b>

## 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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

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 no creditors were outstanding for more than 30 days, hence the age analysis table is blank.

### TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
35403	BONGILEMASHUMI C C	186,105
80257	TAKATSO YA BATHO TRADING	114,152
31335	247 TRAVEL AND TOURISM	95,600
37581	PHELADI NOKO B1 FUNERAL	91,368
41027	KDM TRAVEL EXPRESS	84,138
504	SEKHOBHA PROJECTS	37,800
41095	REKAGONA TRAVEL SERVICES	32,475
80680	TJIPA TRADING AND PROJECTS	28,800
80538	MANCHA SEROLE TRADING	27,690
8681	ELLANCE HOLDINGS (PTY) LTD	23,528
80221	REKAGONA TRAVEL SERVICES AND P	22,975
621	ARCH ACTURIAL CONSULTING	20,700
80681	MOSHOPIADI GENERAL TRADING	18,900
35507	KWAKGA TRADING AND PROJECTS	16,200
80653	BABIRWA TRAVEL	14,812
32904	HAIKHONA CATERING 2 CC	2,639
<b>TOTAL</b>		<b>817,881</b>

The above table presents the top creditors paid during the month of August 2018 and an amount of R817 million was 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 (%)	Change in market value	Change in market value	Market Value - Closing
Nedbank	1 month	Current Investment	17-Sep-18	254	7.47%	40,123	-	40,377
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>254</b>		<b>40,123</b>	<b>-</b>	<b>40,377</b>

Supporting table SC5 presents all investments, and it indicates that municipality had R40, 377 million short term investment at end of August 2018. Municipality had R40, 123 million short term investment at the beginning of the month. Accrued interest for the month amounted to R254 thousand.

## Supporting Table: SC 6 - Transfers and Grant Receipts

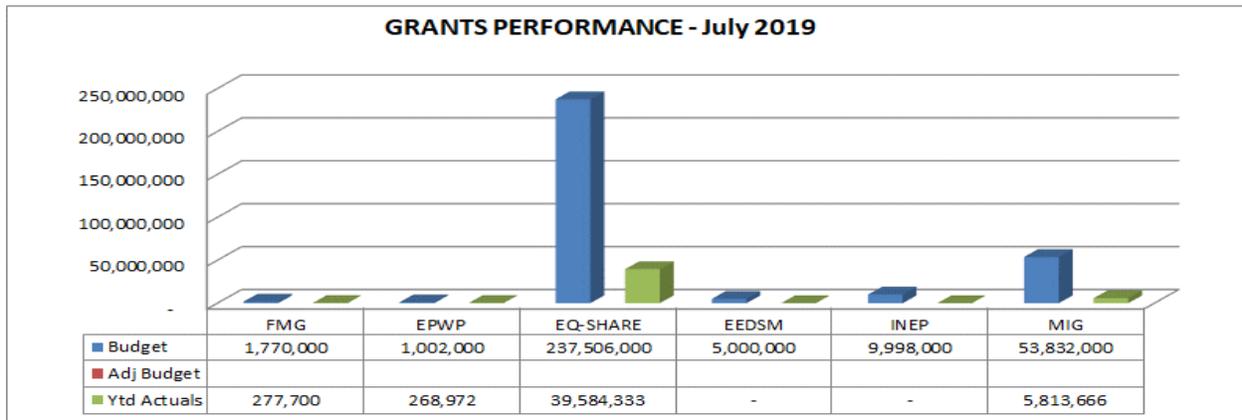
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>226,163</b>	<b>245,278</b>	<b>-</b>	<b>100,983</b>	<b>43,606</b>	<b>42,046</b>	<b>-</b>		<b>245,278</b>
Local Government Equitable Share	223,019	237,506		98,961	39,584	39,584	-		237,506
Finance Management	1,700	1,770		1,770	1,770	295			1,770
EPWP Incentive	1,444	1,002		252	252	167			1,002
Energy Efficiency and Demand Management	-	5,000			2,000	2,000			5,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Other transfers and grants [insert description]							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Operating Transfers and Grants</b>	<b>226,163</b>	<b>245,278</b>	<b>-</b>	<b>100,983</b>	<b>43,606</b>	<b>42,046</b>	<b>-</b>		<b>245,278</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>91,349</b>	<b>63,830</b>	<b>-</b>	<b>-</b>	<b>27,110</b>	<b>27,110</b>	<b>-</b>		<b>63,830</b>
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
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>91,349</b>	<b>63,830</b>	<b>-</b>	<b>-</b>	<b>27,110</b>	<b>27,110</b>	<b>-</b>		<b>63,830</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>317,512</b>	<b>309,108</b>	<b>-</b>	<b>100,983</b>	<b>70,716</b>	<b>69,156</b>	<b>-</b>		<b>309,108</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R100, 983 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
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>226,163</b>	<b>245,278</b>	<b>-</b>	<b>19,951</b>	<b>40,131</b>	<b>40,880</b>	<b>(749)</b>	<b>-2%</b>	<b>245,278</b>
Local Government Equitable Share	223,019	237,506		19,792	39,584	39,584	-		237,506
Finance Management	1,700	1,770		25	278	295	(17)	-6%	1,770
EPWP Incentive	1,444	1,002		133	269	167	102	61%	1,002
Energy Efficiency and Demand Management	-	5,000		-	-	833	(833)	-100%	5,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>226,163</b>	<b>245,278</b>	<b>-</b>	<b>19,951</b>	<b>40,131</b>	<b>40,880</b>	<b>(749)</b>	<b>-2%</b>	<b>245,278</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>91,349</b>	<b>63,830</b>	<b>-</b>	<b>3,433</b>	<b>5,814</b>	<b>10,638</b>	<b>(4,825)</b>	<b>-45%</b>	<b>63,830</b>
Municipal Infrastructure Grant (MIG)	76,160	53,832		3,433	5,814	8,972	(3,158)	-35%	53,832
Intergrated National Electrification Grant	15,189	9,998		-	-	1,666	(1,666)	-100%	9,998
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total capital expenditure of Transfers and Grants</b>	<b>91,349</b>	<b>63,830</b>	<b>-</b>	<b>3,433</b>	<b>5,814</b>	<b>10,638</b>	<b>(4,825)</b>	<b>-45%</b>	<b>63,830</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>317,512</b>	<b>309,108</b>	<b>-</b>	<b>23,383</b>	<b>45,945</b>	<b>51,518</b>	<b>(5,573)</b>	<b>-11%</b>	<b>309,108</b>

An amount of R23, 383 million has been spent on grants during the month of August 2018 and the year to date actuals is R45, 945 million whilst the year to date budget amounts to R 51, 518 million and this results in underspending variance of R5, 573 million that translates to negative 11%. Of the total spending amounting to R 23, 383 million, R19, 953 million is spent on operational grants whilst R3, 433 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 August 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 15.69%
- Expanded Public Work Programme 26.84%
- Equitable Share 16.67%
- Municipal Infrastructure Grant 10.80%
- Integrated National Electrification Grant 0%
- Energy Efficiency and Demand Side Management Grant 0%

## Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

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
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,757	15,073		1,080	2,159	2,483	(324)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		129	258	306	(48)	-16%	1,857
Medical Aid Contributions	285	317		28	56	48	8	18%	317
Motor Vehicle Allowance	4,788	5,324		412	825	881	(56)	-6%	5,324
Cellphone Allowance	1,930	2,489		226	451	415	37	9%	2,489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	2	(2)	-100%	10
<b>Sub Total - Councillors</b>	<b>23,430</b>	<b>25,070</b>	<b>-</b>	<b>1,875</b>	<b>3,749</b>	<b>4,134</b>	<b>(385)</b>	<b>-9%</b>	<b>25,070</b>
<b>% increase</b>		<b>7%</b>							<b>7%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	4,325	4,718		423	847	898	(51)	-6%	4,718
Pension and UIF Contributions	921	1,095		24	48	170	(122)	-72%	1,095
Medical Aid Contributions	198	252		8	16	38	(22)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		70	141	140	1	1%	907
Cellphone Allowance	59	84		7	13	14	(1)	-4%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		205	207	0	207	164547%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>	<b>6,775</b>	<b>7,137</b>	<b>-</b>	<b>738</b>	<b>1,272</b>	<b>1,260</b>	<b>13</b>	<b>1%</b>	<b>7,137</b>
<b>% increase</b>		<b>5%</b>							<b>5%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	74,581	85,022		7,300	13,693	14,045	(352)	-3%	85,022
Pension and UIF Contributions	16,183	16,149		1,415	2,732	2,456	276	11%	16,149
Medical Aid Contributions	5,059	4,826		427	849	723	126	17%	4,826
Overtime	2,784	1,774		168	487	226	261	115%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		863	1,614	1,366	248	18%	8,965
Cellphone Allowance	835	986		69	134	156	(22)	-14%	986
Housing Allowances	214	161		15	29	24	5	20%	161
Other benefits and allowances	8,499	8,057		225	517	885	(368)	-42%	8,057
Payments in lieu of leave	1,067	892		-	-	20	(20)	-100%	892
Long service awards	627	180		147	190	30	160	534%	180
Post-retirement benefit obligations	-	-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>	<b>119,330</b>	<b>127,011</b>	<b>-</b>	<b>10,629</b>	<b>20,246</b>	<b>19,932</b>	<b>314</b>	<b>2%</b>	<b>127,011</b>
<b>% increase</b>		<b>6%</b>							<b>6%</b>
<b>Total Parent Municipality</b>	<b>149,535</b>	<b>159,219</b>	<b>-</b>	<b>13,242</b>	<b>25,268</b>	<b>25,326</b>	<b>(58)</b>	<b>0%</b>	<b>159,219</b>
		<b>6%</b>							<b>6%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>149,535</b>	<b>159,219</b>	<b>-</b>	<b>13,242</b>	<b>25,268</b>	<b>25,326</b>	<b>(58)</b>	<b>0%</b>	<b>159,219</b>
<b>% increase</b>		<b>6%</b>							<b>6%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>126,105</b>	<b>134,149</b>	<b>-</b>	<b>11,367</b>	<b>21,518</b>	<b>21,192</b>	<b>327</b>	<b>2%</b>	<b>134,149</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of August 2018 amounts to R13, 242 million and the year to date budget is R 25, 326 million and the expenditure for remuneration of councilors amounts to R3, 749 million while the year to date budget is R 4, 134 million. The year to date actuals for senior managers is R1, 272 million and the year to date budget thereof is R1, 260 million, and the year to date actuals for other municipal staff is R20, 246 million and the year to date budget is R19, 932 million. The remuneration of councilors and senior managers categories have under spending variance while other municipal staff category 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 Budget		
	July Outcome	August Outcome	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Year 2018/19	Year +1 2019/20	Year +2 2020/21
<b>Cash Receipts By Source</b>															
Property rates	1,905	1,271	2,392	2,392	2,392	1,755	2,392	2,392	2,314	2,392	2,392	4,595	28,587	30,131	31,788
Service charges - electricity revenue	6,380	5,702	6,217	6,217	6,305	6,305	6,393	6,393	6,481	6,943	7,537	9,495	80,368	85,993	92,228
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse	362	245	726	955	667	741	667	741	741	741	741	2,227	9,554	10,070	10,624
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	25	15	51	51	51	51	51	51	51	51	51	112	610	643	678
Interest earned - external investments	123	254	280	400	–	400	178	350	440	244	308	23	3,000	3,162	3,336
Interest earned - outstanding debtors	81	31	151	134	106	132	144	134	146	132	148	294	1,632	1,720	1,815
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1	0	832	884	845	871	78	780	910	910	884	3,251	10,248	10,801	11,395
Licences and permits	445	458	413	413	413	413	413	413	413	413	413	335	4,950	5,217	5,504
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	19,953	21,814	–	–	–	79,168	–	–	64,929	–	–	59,414	245,278	269,940	293,775
Other revenue	764	1,114	205	181	181	226	215	225	235	200	195	(1,319)	2,417	2,548	2,688
<b>Cash Receipts by Source</b>	<b>30,040</b>	<b>30,904</b>	<b>11,266</b>	<b>11,627</b>	<b>10,959</b>	<b>90,061</b>	<b>10,530</b>	<b>11,478</b>	<b>76,659</b>	<b>12,025</b>	<b>12,668</b>	<b>78,427</b>	<b>386,644</b>	<b>420,226</b>	<b>453,831</b>
<b>Other Cash Flows by Source</b>															
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	10	4	2	6	12	6	8	25	40	(539)	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	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Receipts by Source</b>	<b>57,247</b>	<b>31,404</b>	<b>11,426</b>	<b>15,730</b>	<b>39,424</b>	<b>92,367</b>	<b>13,868</b>	<b>11,634</b>	<b>82,743</b>	<b>12,162</b>	<b>12,908</b>	<b>73,730</b>	<b>454,645</b>	<b>490,650</b>	<b>527,492</b>
<b>Cash Payments by Type</b>															
Employee related costs	10,151	11,367	10,386	10,320	10,274	14,713	10,418	10,963	10,426	10,294	13,096	11,742	134,149	142,723	152,000
Remuneration of councillors	2,635	1,875	2,067	2,067	2,067	2,067	2,067	2,067	2,078	2,088	2,212	1,779	25,070	26,675	28,409
Interest paid	–	–	208	208	208	208	208	208	208	208	208	628	2,500	2,300	2,000
Bulk purchases - Electricity	729	7,331	6,613	5,200	5,900	5,513	5,700	6,950	7,247	7,250	7,300	14,268	80,000	84,320	88,958
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	254	778	591	353	2,836	706	1,236	535	2,059	1,252	1,427	5,067	17,093	18,017	19,007
Contracted services	5,676	4,532	4,460	5,646	3,849	5,623	3,730	5,783	3,608	5,207	3,755	8,152	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	–	107	366	366	366	366	366	366	366	366	366	1,000	4,404	4,642	4,897
General expenses	7,749	1,062	3,169	2,367	2,652	3,762	2,319	4,151	3,573	3,135	3,910	5,619	43,468	45,289	47,780
<b>Cash Payments by Type</b>	<b>27,194</b>	<b>27,052</b>	<b>27,860</b>	<b>26,527</b>	<b>28,152</b>	<b>32,959</b>	<b>26,044</b>	<b>31,024</b>	<b>29,565</b>	<b>29,800</b>	<b>32,274</b>	<b>48,254</b>	<b>366,705</b>	<b>386,594</b>	<b>409,124</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2,381	1,635	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	13,401	75,869	85,123	84,647
Repayment of borrowing	–	–	833	833	833	833	833	833	833	833	833	2,500	10,000	14,000	16,677
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>	<b>29,575</b>	<b>28,686</b>	<b>40,330</b>	<b>36,643</b>	<b>37,467</b>	<b>42,490</b>	<b>30,856</b>	<b>38,106</b>	<b>35,534</b>	<b>33,571</b>	<b>35,159</b>	<b>64,155</b>	<b>452,574</b>	<b>485,717</b>	<b>510,448</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>27,671</b>	<b>2,718</b>	<b>(28,904)</b>	<b>(20,913)</b>	<b>1,957</b>	<b>49,877</b>	<b>(16,988)</b>	<b>(26,472)</b>	<b>47,209</b>	<b>(21,409)</b>	<b>(22,251)</b>	<b>9,576</b>	<b>2,071</b>	<b>4,933</b>	<b>17,044</b>
Cash/cash equivalents at the month/year beginning:	6,194	33,865	36,583	7,679	(13,234)	(11,277)	38,600	21,612	(4,859)	42,350	20,941	(1,310)	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	33,865	36,583	7,679	(13,234)	(11,277)	38,600	21,612	(4,859)	42,350	20,941	(1,310)	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 R30, 904 million and the total cash payment for the month were R31, 404 million and this resulted in net decrease in cash held amounting to R27, 052 million and with cash and cash equivalent of R33, 865 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R36, 583 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				27,548	–		
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	–		
<b>Total Capital expenditure</b>	<b>108,060</b>	<b>75,869</b>	<b>–</b>	<b>6,683</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of August amounts to R3, 444 million. The year to date capital budget is R15, 911 million that give rise to under spending variance of R9, 229 million or 58%.

## 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
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	48,394	32,150	-	1,521	1,808	6,233	4,425	71.0%	32,150
<b>Roads Infrastructure</b>	35,070	21,283	-	1,521	1,808	5,413	3,605	66.6%	21,283
Roads	35,070	21,283		1,521	1,808	5,413	3,605	66.6%	21,283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	13,324	10,868	-	-	-	820	820	100.0%	10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13,324	10,868		-	-	820	820	100.0%	10,868
MV Substations							-		
<b>Solid Waste Infrastructure</b>	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
<b>Community Assets</b>	300	-	-	-	-	-	-		-
Community Facilities	300	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Cemeteries/Crematoria	300	-		-	-	-	-		-
Nature Reserves							-		
Public Ablution Facilities							-		
<b>Other assets</b>	-	4,447	-	-	-	100	100	100.0%	4,447
Operational Buildings	-	4,447	-	-	-	100	100	100.0%	4,447
Municipal Offices	-	4,447		-	-	100	100	100.0%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
<b>Computer Equipment</b>	800	500	-	-	-	85	85	100.0%	500
Computer Equipment	800	500		-	-	85	85	100.0%	500
<b>Furniture and Office Equipment</b>	500	400	-	-	-	-	-		400
Furniture and Office Equipment	500	400		-	-	-	-		400
<b>Machinery and Equipment</b>	1,200	1,300	-	114	114	200	86	42.9%	1,300
Machinery and Equipment	1,200	1,300		114	114	200	86	42.9%	1,300
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
<b>Total Capital Expenditure on new assets</b>	51,194	38,798	-	1,635	1,922	6,618	4,696	71.0%	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
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	41,914	33,550	-	-	2,690	8,393	5,704	68.0%	33,550
<b>Roads Infrastructure</b>	41,914	33,550	-	-	2,690	8,393	5,704	68.0%	33,550
Roads	41,414	33,550		-	2,690	8,393	5,704	68.0%	33,550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
<b>MV Substations</b>							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
<b>Waste Processing Facilities</b>							-		
Community Assets	-	522	-	-	-	100	100	100.0%	522
Community Facilities	-	522	-	-	-	100	100	100.0%	522
Halls							-		
Centres							-		
<b>Cemeteries/Crematoria</b>	-	522		-	-	100	100	100.0%	522
Nature Reserves							-		
Public Ablution Facilities							-		
Other assets	500	-	-	-	-	-	-		-
<b>Operational Buildings</b>	500	-	-	-	-	-	-		-
Municipal Offices	500	-		-	-	-	-		-
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>42,414</b>	<b>34,071</b>	<b>-</b>	<b>-</b>	<b>2,690</b>	<b>8,493</b>	<b>5,804</b>	<b>68.3%</b>	<b>34,071</b>

## 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
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	7,850	10,400	-	1	1	2,016	2,015	99.9%	10,400
<b>Roads Infrastructure</b>	2,650	4,000	-	-	-	900	900	100.0%	4,000
Roads	2,650	4,000				900	900	100.0%	4,000
Road Structures							-		
Road Furniture							-		
<b>Electrical Infrastructure</b>	1,900	3,000	-	-	-	550	550	100.0%	3,000
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Networks	1,800	3,000		-	-	550	550	100.0%	3,000
Capital Spares	100	-		-	-	-	-		-
<b>Solid Waste Infrastructure</b>	3,300	3,400	-	1	1	566	565	99.8%	3,400
Landfill Sites	3,150	3,400		1	1	566	565	99.8%	3,400
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Electricity Generation Facilities							-		
Capital Spares	150	-		-	-	-	-		-
<b>Community Assets</b>	-	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
<b>Other assets</b>	1,325	2,000	-	-	-	400	400	100.0%	2,000
Operational Buildings	1,325	2,000	-	-	-	400	400	100.0%	2,000
Municipal Offices	1,325	2,000		-	-	400	400	100.0%	2,000
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Stores							-		
<b>Intangible Assets</b>	100	-	-	-	-	-	-		-
Servitudes							-		
Licences and Rights	100	-	-	-	-	-	-		-
Water Rights							-		
Computer Software and Applications	100	-		-	-	-	-		-
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	2,118	3,550	-	179	274	539	264	49.1%	3,550
Machinery and Equipment	2,118	3,550		179	274	539	264	49.1%	3,550
<b>Transport Assets</b>	1,300	2,000	-	256	330	700	370	52.9%	2,000
Transport Assets	1,300	2,000		256	330	700	370	52.9%	2,000
<b>Total Repairs and Maintenance Expenditure</b>	<b>12,693</b>	<b>17,950</b>	<b>-</b>	<b>436</b>	<b>605</b>	<b>3,655</b>	<b>3,050</b>	<b>83.4%</b>	<b>17,950</b>

## 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
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>45,835</b>	<b>34,653</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,457</b>	<b>5,457</b>	<b>0</b>	<b>34,653</b>
<b>Roads Infrastructure</b>	<b>25,298</b>	<b>25,147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>	<b>0</b>	<b>25,147</b>
Roads	25,298	25,147		-	-	4,000	4,000	0	25,147
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	5,746	3,712	-	-	-	567	567	0	3,712
Storm water Conveyance	5,746	3,712	-	-	-	567	567	0	3,712
<b>Electrical Infrastructure</b>	<b>12,398</b>	<b>5,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>795</b>	<b>795</b>	<b>0</b>	<b>5,166</b>
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,398	5,166				795	795	0	5,166
MV Substations							-		
<b>Solid Waste Infrastructure</b>	<b>2,392</b>	<b>629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>94</b>	<b>0</b>	<b>629</b>
Landfill Sites	2,392	629				94	94	0	629
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Waste Drop-off Points							-		
<b>Community Assets</b>	<b>2,231</b>	<b>2,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>451</b>	<b>451</b>	<b>0</b>	<b>2,918</b>
Community Facilities	2,231	2,918	-	-	-	451	451	0	2,918
Halls							-		
Cemeteries/Crematoria	2,231	2,918				451	451	0	2,918
Police							-		
<b>Other assets</b>	<b>120</b>	<b>2,180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327</b>	<b>327</b>	<b>0</b>	<b>2,180</b>
Operational Buildings	120	2,180	-	-	-	327	327	0	2,180
Municipal Offices	120	2,180				327	327	0	2,180
Pay/Enquiry Points							-		
<b>Intangible Assets</b>	<b>-</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>
Servitudes							-		
Licences and Rights	-	378	-	-	-	-	-	-	378
Solid Waste Licenses							-		
Computer Software and Applications		378					-		378
<b>Computer Equipment</b>	<b>21</b>	<b>1,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284</b>	<b>284</b>	<b>0</b>	<b>1,518</b>
Computer Equipment	21	1,518				284	284	0	1,518
<b>Furniture and Office Equipment</b>	<b>26</b>	<b>3,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>582</b>	<b>582</b>	<b>0</b>	<b>3,817</b>
Furniture and Office Equipment	26	3,817				582	582	0	3,817
<b>Machinery and Equipment</b>	<b>2,080</b>	<b>2,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>326</b>	<b>0</b>	<b>2,175</b>
Machinery and Equipment	2,080	2,175				326	326	0	2,175
<b>Transport Assets</b>	<b>888</b>	<b>3,542</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>531</b>	<b>531</b>	<b>0</b>	<b>3,542</b>
Transport Assets	888	3,542				531	531	0	3,542
<b>Total Depreciation</b>	<b>51,200</b>	<b>51,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,958</b>	<b>7,958</b>	<b>0</b>	<b>51,181</b>

## 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
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	3,000	-	-	-	800	800	100%	3,000
<b>Roads Infrastructure</b>	-	-	-	-	-	-	-	-	-
Roads									
Road Structures									
Road Furniture									
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-	-	-
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
<b>Solid Waste Infrastructure</b>	-	3,000	-	-	-	800	800	100%	3,000
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities		3,000				800	800	100%	3,000
Waste Drop-off Points									
Waste Separation Facilities									
<b>Community Assets</b>	8,079	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Centres									
Crèches									
<b>Sport and Recreation Facilities</b>	8,079	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	8,079								
Capital Spares									
<b>Other assets</b>	1,437	-	-	-	-	-	-	-	-
Operational Buildings	1,437	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops	1,437								
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment									
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets									
<b>Total Capital Expenditure on upgrading of existing assets</b>	9,515	3,000	-	-	-	800	800	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 R1, 635 million and the year to date budget is R6, 618 million that reflects overspending variance of R4, 696 million that translates to 71% variance. The year to date actuals on renewal of existing assets amounts RNil and with the

year to date budget of R8, 493 million and this reflects under spending variance of R 5, 804 million that translates to 68.3% variance.

The year to date actual expenditure on repairs and maintenance is R605 million and the year to date budget is R3, 655 million, reflecting over spending variance of R3, 050 million that translates to 83.4%.

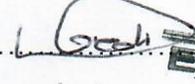
The year to date actual expenditure on upgrading of existing assets is RNil million and the year to date budget is R800 thousand, reflecting spending variance of R800 thousand that translates to 0%.

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 August 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 ..... 21/9/2018

**Elias Motsoaledi Local  
Municipality**  
21 SEP 2018  
**Municipal Manager**