

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

NOVEMBER 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	–	2 698	13 083	15 336	(2 253)	-15%	36 650
Service charges	92 822	101 546	–	5 981	37 066	40 219	(3 152)	-8%	101 546
Investment revenue	2 500	3 000	–	23	818	1 080	(262)	-24%	3 000
Transfers and subsidies	226 163	245 278	–	231	100 351	162 397	(62 047)	-38%	245 278
Other own revenue	88 454	90 309	–	1 220	8 035	38 447	(30 412)	-79%	90 309
Total Revenue (excluding capital transfers)	444 744	476 783	–	10 153	159 353	257 479	(98 126)	-38%	476 783
Employee costs	126 105	134 149	–	10 401	52 889	52 171	718	1%	134 149
Remuneration of Councillors	23 430	25 070	–	1 875	9 374	10 336	(962)	-9%	25 070
Depreciation & asset impairment	51 200	51 181	–	–	–	20 129	(20 129)	-100%	51 181
Finance charges	2 124	2 500	–	260	499	1 040	(541)	-52%	2 500
Materials and bulk purchases	81 986	97 093	–	1 707	20 762	39 113	(18 351)	-47%	97 093
Transfers and subsidies	3 724	4 404	–	–	217	1 832	(1 615)	-88%	4 404
Other expenditure	142 563	156 909	–	9 445	47 051	44 764	2 287	5%	156 909
Total Expenditure	431 132	471 306	–	23 687	130 791	169 384	(38 593)	-23%	471 306
Surplus/(Deficit)	13 612	5 477	–	(13 535)	28 562	88 095	(59 533)	-68%	5 477
Transfers and subsidies - capital (monetary allocations)	91 349	63 830	–	7 386	30 732	27 830	2 902	10%	63 830
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers	104 961	69 307	–	(6 149)	59 294	115 925	(56 631)	-49%	69 307
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	104 961	69 307	–	(6 149)	59 294	115 925	(56 631)	-49%	69 307
Capital expenditure & funds sources									
Capital expenditure	103 123	75 869	–	6 413	28 665	45 313	(16 648)	-37%	75 869
Capital transfers recognised	80 131	55 504	–	5 014	26 387	35 243	(8 856)	-25%	55 504
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	22 992	20 365	–	1 399	2 277	10 069	(7 792)	-77%	20 365
Total sources of capital funds	103 123	75 869	–	6 413	28 665	45 313	(16 648)	-37%	75 869
Financial position									
Total current assets	144 278	120 845	–	–	127 572	–	–	–	120 845
Total non current assets	1 084 126	1 083 492	–	–	1 043 002	–	–	–	1 083 492
Total current liabilities	111 156	73 138	–	–	147 652	–	–	–	73 138
Total non current liabilities	86 141	116 629	–	–	97 096	–	–	–	116 629
Community wealth/Equity	1 031 107	1 014 570	–	–	925 826	–	–	–	1 014 570
Cash flows									
Net cash from (used) operating	89 558	83 769	–	(10 804)	11 610	34 904	23 293	67%	83 769
Net cash from (used) investing	(63 516)	(71 869)	–	(6 413)	(28 080)	(31 379)	(3 299)	11%	(71 869)
Net cash from (used) financing	(5 870)	(9 829)	–	(519)	(3 180)	(4 095)	(915)	22%	(9 829)
Cash/cash equivalents at the month/year end	41 116	18 039	–	–	1 294	15 397	14 103	92%	23 015
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	11 165	3 642	2 328	2 181	2 047	1 784	9 911	37 640	70 698
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 November is R159, 353 million and the year to date budget of R257, 479 million and this reflects a negative variance of R98, 126 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: 24% unfavorable variance,
- Property Rates: 15% unfavorable variance
- Rental on Facilities and Equipment: 55% unfavorable variance,
- Transfer and Subsidies: 38% unfavorable variance
- Services Charges – refuse revenue: 33% unfavorable variance
- Fines: 94% unfavorable variance
- Other revenue: 57% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of November amounts to R130, 791 million and the year to date budget is R169, 384 million. This reflects unfavorable variance of R 38, 593 million that translates to 23% underspending variance. The variance is attributed to non-incorporation of depreciation. 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: 52% under performance variance
- Other Material: 57% under performance variance
- Other Expenditure: 88% under performance variance
- Bulk Purchases: 45% under performance variance
- 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 November amounts to R28, 665 million and the year to date budget amounts to R45, 313 million and this gives rise to R16, 648 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of November is R59, 294 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 November amounts to R70, 698 million and this shows an increase of R8, 017 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 R50, 929 million and other debtors amounting to R19, 768 Million.

Creditors

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

Table C2 – Financial Performance (Standard Classification)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183 920	203 714	–	3 468	76 492	119 632	(43 139)	-36%	203 714
Executive and council	35 581	42 873	–	–	18 486	26 686	(8 200)	-31%	42 873
Finance and administration	141 936	152 939	–	3 468	54 680	88 145	(33 464)	-38%	152 939
Internal audit	6 402	7 902	–	–	3 326	4 802	(1 475)	-31%	7 902
Community and public safety	18 446	18 637	–	5	9 949	9 619	330	3%	18 637
Community and social services	11 977	7 973	–	5	6 576	4 767	1 808	38%	7 973
Sport and recreation	6 469	10 664	–	–	3 373	4 851	(1 478)	-30%	10 664
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	200 822	185 532	–	5 671	48 797	89 180	(40 383)	-45%	185 532
Planning and development	19 012	17 319	–	176	3 555	9 206	(5 651)	-61%	17 319
Road transport	180 968	167 196	–	5 494	44 805	79 343	(34 538)	-44%	167 196
Environmental protection	842	1 018	–	–	438	632	(194)	-31%	1 018
Trading services	132 905	132 730	–	8 395	54 846	66 878	(12 032)	-18%	132 730
Energy sources	107 173	109 537	–	7 730	44 377	51 345	(6 968)	-14%	109 537
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	25 732	23 193	–	665	10 469	15 533	(5 064)	-33%	23 193
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	536 093	540 613	–	17 538	190 085	285 309	(95 224)	-33%	540 613
Expenditure - Functional									
Governance and administration	181 424	176 004	–	14 930	74 405	71 784	2 620	4%	176 004
Executive and council	42 315	42 558	–	3 108	15 982	16 662	(680)	-4%	42 558
Finance and administration	131 658	125 652	–	10 703	54 768	51 790	2 979	6%	125 652
Internal audit	7 450	7 795	–	1 118	3 655	3 333	321	10%	7 795
Community and public safety	14 759	18 191	–	754	4 425	6 794	(2 369)	-35%	18 191
Community and social services	5 737	7 709	–	353	1 828	2 811	(983)	-35%	7 709
Sport and recreation	9 021	10 481	–	402	2 597	3 983	(1 386)	-35%	10 481
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	120 307	149 194	–	5 376	23 840	42 957	(19 116)	-45%	149 194
Planning and development	17 708	23 848	–	1 043	5 653	9 640	(3 987)	-41%	23 848
Road transport	101 719	124 365	–	4 287	17 899	32 967	(15 068)	-46%	124 365
Environmental protection	880	981	–	45	289	350	(61)	-17%	981
Trading services	114 643	127 918	–	2 628	28 120	47 849	(19 729)	-41%	127 918
Energy sources	87 570	105 653	–	1 439	19 771	39 415	(19 644)	-50%	105 653
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	27 073	22 265	–	1 188	8 349	8 434	(85)	-1%	22 265
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	431 132	471 306	–	23 687	130 791	169 384	(38 593)	-23%	471 306
Surplus/ (Deficit) for the year	104 961	69 307	–	(6 149)	59 294	115 925	(56 631)	-49%	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	23 655	(7 268)	-31%	38 168
Vote 2 - Municipal Manager	23 080	31 469	-	-	8 211	11 853	(3 642)	-31%	31 469
Vote 3 - Budget & Treasury	71 894	64 695	-	3 456	24 632	44 850	(20 218)	-45%	64 695
Vote 4 - Corporate Services	33 842	39 939	-	12	17 612	25 342	(7 730)	-31%	39 939
Vote 5 - Community Services	122 251	127 644	-	1 157	28 102	64 035	(35 933)	-56%	127 644
Vote 6 - Technical Services	220 489	211 110	-	12 737	87 608	100 625	(13 017)	-13%	211 110
Vote 7 - Developmental Planning	13 935	11 493	-	176	918	5 398	(4 481)	-83%	11 493
Vote 8 - Executive Support	12 731	16 094	-	-	6 615	9 549	(2 934)	-31%	16 094
Total Revenue by Vote	536 093	540 613	-	17 538	190 085	285 309	(95 224)	-33%	540 613
Expenditure by Vote									
Vote 1 - Executive & Council	38 271	37 886	-	2 833	14 551	14 972	(420)	-3%	37 886
Vote 2 - Municipal Manager	23 102	31 112	-	4 327	16 360	12 719	3 642	29%	31 112
Vote 3 - Budget & Treasury	59 430	47 233	-	4 134	25 467	20 928	4 539	22%	47 233
Vote 4 - Corporate Services	38 652	37 865	-	1 379	8 293	13 878	(5 584)	-40%	37 865
Vote 5 - Community Services	79 148	105 457	-	3 657	21 369	23 856	(2 487)	-10%	105 457
Vote 6 - Technical Services	165 729	185 027	-	5 529	34 598	71 926	(37 327)	-52%	185 027
Vote 7 - Developmental Planning	10 737	11 188	-	560	3 129	4 789	(1 660)	-35%	11 188
Vote 8 - Executive Support	16 063	15 539	-	1 266	7 022	6 317	705	11%	15 539
Total Expenditure by Vote	431 132	471 306	-	23 687	130 791	169 384	(38 593)	-23%	471 306
Surplus/ (Deficit) for the year	104 961	69 307	-	(6 149)	59 294	115 925	(56 631)	-49%	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		2 698	13 083	15 336	(2 253)	-15%	36 650
Service charges - electricity revenue	81 206	89 297		5 316	33 738	35 223	(1 485)	-4%	89 297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11 616	12 249		665	3 328	4 996	(1 667)	-33%	12 249
Service charges - other	-						-		
Rental of facilities and equipment	1 000	1 220		34	228	508	(280)	-55%	1 220
Interest earned - external investments	2 500	3 000		23	818	1 080	(262)	-24%	3 000
Interest earned - outstanding debtors	14 260	8 161		683	3 385	3 374	11	0%	8 161
Dividends received	-						-		
Fines, penalties and forfeits	55 016	73 218		27	1 741	31 507	(29 766)	-94%	73 218
Licences and permits	4 500	4 950		460	2 257	2 063	195	9%	4 950
Agency services	-	-					-		
Transfers and subsidies	226 163	245 278		231	100 351	162 397	(62 047)	-38%	245 278
Other revenue	13 678	2 761		16	424	995	(571)	-57%	2 761
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers)	444 744	476 783	-	10 153	159 353	257 479	(98 126)	-38%	476 783
Expenditure By Type									
Employee related costs	126 105	134 149		10 401	52 889	52 171	718	1%	134 149
Remuneration of councillors	23 430	25 070		1 875	9 374	10 336	(962)	-9%	25 070
Debt impairment	26 372	53 421		-	-	-	-		53 421
Depreciation & asset impairment	51 200	51 181		-	-	20 129	(20 129)	-100%	51 181
Finance charges	2 124	2 500		260	499	1 040	(541)	-52%	2 500
Bulk purchases	70 165	80 000		1 069	17 517	31 640	(14 123)	-45%	80 000
Other materials	11 821	17 093		637	3 244	7 472	(4 228)	-57%	17 093
Contracted services	65 237	60 020		6 157	27 959	26 398	1 560	6%	60 020
Transfers and subsidies	3 724	4 404		-	217	1 832	(1 615)	-88%	4 404
Other expenditure	50 954	43 468		3 288	19 092	18 365	727	4%	43 468
Loss on disposal of PPE				-	-	-	-		
Total Expenditure	431 132	471 306	-	23 687	130 791	169 384	(38 593)	-23%	471 306
Surplus/(Deficit)	13 612	5 477	-	(13 535)	28 562	88 095	(59 533)	-68%	5 477
Transfers and subsidies - capital (monetary allocations)	91 349	63 830		7 386	30 732	27 830	2 902	10%	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	-	(6 149)	59 294	115 925			69 307
Taxation							-		
Surplus/(Deficit) after taxation	104 961	69 307	-	(6 149)	59 294	115 925			69 307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104 961	69 307	-	(6 149)	59 294	115 925			69 307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104 961	69 307	-	(6 149)	59 294	115 925			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.

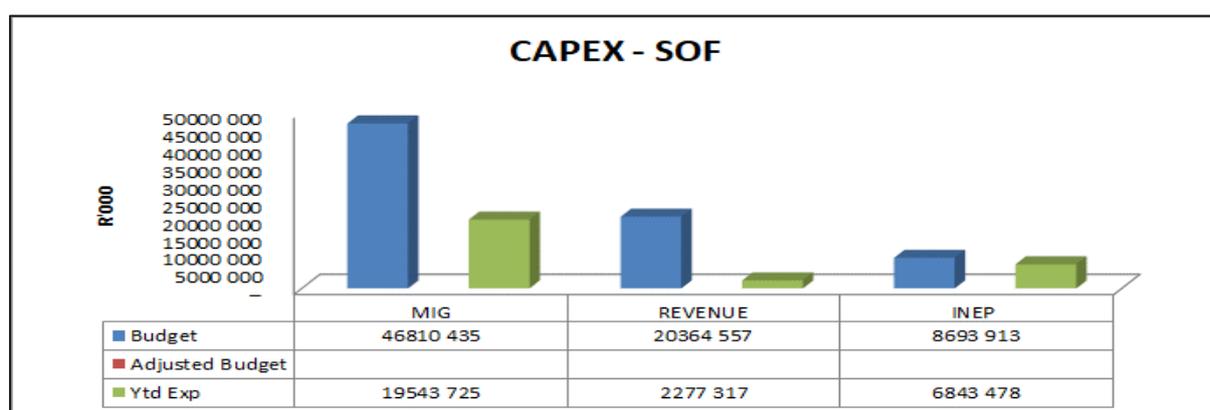
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	-	66	945	685	260	38%	1 700
Executive and council							-		
Finance and administration	1 300	1 700		66	945	685	260	38%	1 700
Internal audit							-		
Community and public safety	8 479	522	-	-	-	350	(350)	-100%	522
Community and social services		522		-	-	350	(350)	-100%	522
Sport and recreation	8 479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80 021	59 779	-	4 251	20 876	39 508	(18 631)	-47%	59 779
Planning and development		-					-		-
Road transport	80 021	59 779		4 251	20 876	39 508	(18 631)	-47%	59 779
Environmental protection		-					-		-
Trading services	13 324	13 868	-	2 095	6 843	4 770	2 073	43%	13 868
Energy sources	13 324	10 868		2 095	6 843	3 670	3 173	86%	10 868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3 000		-	-	1 100	(1 100)	-100%	3 000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103 123	75 869	-	6 413	28 665	45 313	(16 648)	-37%	75 869
Funded by:									
National Government	80 131	55 504		5 014	26 387	35 243	(8 856)	-25%	55 504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80 131	55 504	-	5 014	26 387	35 243	(8 856)	-25%	55 504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22 992	20 365		1 399	2 277	10 069	(7 792)	-77%	20 365
Total Capital Funding	103 123	75 869	-	6 413	28 665	45 313	(16 648)	(0)	75 869

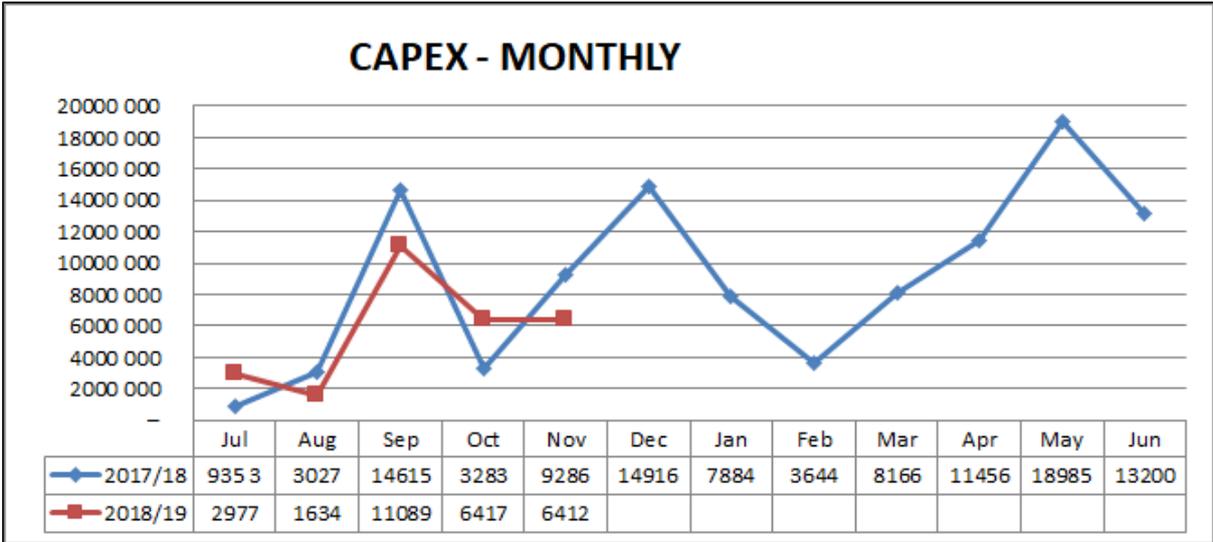
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 300	1 400	-	-	410	535	(125)	-23%	1 400
Vote 5 - Community Services	500	3 000	-	-	-	1 100	(1 100)	-100%	3 000
Vote 6 - Technical Services	75 747	27 513	-	866	7 900	11 910	(4 009)	-34%	27 513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77 547	31 913	-	866	8 310	13 545	(5 235)	-39%	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	-	66	535	150	385	257%	300
Vote 5 - Community Services	400	522	-	-	-	350	(350)	-100%	522
Vote 6 - Technical Services	25 176	42 634	-	5 480	19 819	30 768	(10 949)	-36%	42 634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25 576	43 956	-	5 547	20 354	31 768	(11 413)	-36%	43 956
Total Capital Expenditure	103 123	75 869	-	6 413	28 665	45 313	(16 648)	-37%	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 November 2018, R6, 413 million spending was incurred and that increased the year to date expenditure to R26, 665 million whilst the year to date budget is R45, 313 million and this gave rise to under spending variance of R 16, 648 million that translates to 37%.



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		1 294	2 457
Call investment deposits	30 277	15 582		–	15 582
Consumer debtors	48 056	40 483		30 124	40 483
Other debtors	51 359	58 923		92 684	58 923
Current portion of long-term receivables	–			–	
Inventory	3 747	3 400		3 470	3 400
Total current assets	144 278	120 845	–	127 572	120 845
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	56 136	53 728		54 553	53 728
Investments in Associate		–		–	–
Property, plant and equipment	1 015 767	1 016 632		975 194	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	–	1 043 002	1 083 492
TOTAL ASSETS	1 228 404	1 204 337	–	1 170 574	1 204 337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	5 839	10 000		549	10 000
Consumer deposits	5 770	5 260		5 288	5 260
Trade and other payables	90 057	52 466		136 951	52 466
Provisions	9 489	5 412		4 864	5 412
Total current liabilities	111 156	73 138	–	147 652	73 138
Non current liabilities					
Borrowing	–	30 677		38 560	30 677
Provisions	86 141	85 952		58 536	85 952
Total non current liabilities	86 141	116 629	–	97 096	116 629
TOTAL LIABILITIES	197 297	189 767	–	244 748	189 767
NET ASSETS	1 031 107	1 014 570	–	925 826	1 014 570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 031 107	1 014 570		925 826	1 014 570
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 031 107	1 014 570	–	925 826	1 014 570

The above table shows that community wealth amounts to R925, 826 billion, total liabilities R244, 748 million and the total assets R1, 170 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		2 068	8 990	11 911	(2 921)	-25%	28 587
Service charges	54 524	89 922		8 737	35 767	37 467	(1 700)	-5%	89 922
Other revenue	31 449	18 225		1 702	8 891	7 594	1 297	17%	18 225
Government - operating	226 163	245 278		450	44 217	102 199	(57 982)	-57%	245 278
Government - capital	81 860	63 830		-	31 110	26 596	4 514	17%	63 830
Interest	1 710	4 632		186	1 075	1 930	(855)	-44%	4 632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315 061)	(359 801)		(23 687)	(117 963)	(149 917)	(31 954)	21%	(359 801)
Finance charges	(448)	(2 500)		(260)	(260)	(1 042)	(782)	75%	(2 500)
Transfers and Grants	(6 316)	(4 404)		-	(217)	(1 835)	(1 618)	88%	(4 404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89 558	83 769	-	(10 804)	11 610	34 904	23 293	67%	83 769
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2 000		-	-		-		2 000
Decrease (Increase) in non-current debtors		2 000		-	-		-		2 000
Decrease (increase) other non-current receivables	14 048	-		-	150	233	(83)	-36%	-
Decrease (increase) in non-current investments		-		-	-		-		-
Payments									
Capital assets	(77 564)	(75 869)		(6 413)	(28 230)	(31 612)	(3 382)	11%	(75 869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63 516)	(71 869)	-	(6 413)	(28 080)	(31 379)	(3 299)	11%	(71 869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-		-	-		-		-
Borrowing long term/refinancing		-		-	-		-		-
Increase (decrease) in consumer deposits	(137)	171		29	78	71	7	10%	171
Payments									
Repayment of borrowing	(5 733)	(10 000)		(549)	(3 259)	(4 167)	(908)	22%	(10 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5 870)	(9 829)	-	(519)	(3 180)	(4 095)	(915)	22%	(9 829)
NET INCREASE/ (DECREASE) IN CASH HELD	20 172	2 071	-	(17 736)	(19 650)	(571)			2 071
Cash/cash equivalents at beginning:	20 944	15 968			20 944	15 968			20 944
Cash/cash equivalents at month/year end:	41 116	18 039			1 294	15 397			23 015

Table C7 presents details pertaining to cash flow performance. As at end of November 2018, the net cash inflow from operating activities is R11, 610 million whilst net cash outflow from investing activities is R28, 080 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R3 180 million. The cash and cash equivalent held at end of November 2018 amounted to R1, 294 million and the net effect of the above cash flows is cash outflow movement of R19, 650 million. The cash and cash equivalent at end of the reporting period of R1, 294 million is made up of cash amounting to R1, 294 million for the month under review.

PART 2: SUPPORTING TABLES

Supporting Table: SC 3 Material Variance Explanation

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-15%	The projected monthly revenue appear to be too high in light of the actual revenue performance	There might be downwards revenue adjustment should the account continue to underperform
Service charges - refuse revenue	-33%	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	-55%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Fines, penalties and forfeits	-94%	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	-38%	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	-57%	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	10%	There is overspending on both MIG and INEP relative to the projected spending	The Infrastructure department will have to accelerate the spending pattern on grants funded projects
Expenditure By Type			
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	-52%	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	-45%	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	-57%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Transfers and subsidies	-88%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Capital Expenditure			
National Government	-25%	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	-77%	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	-25%	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	-5%	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	17%	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	17%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	-44%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Suppliers and employees	21%	2017/18 accrued creditors were only paid in July	No remedial action is needed
Finance charges	75%	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	88%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Increase (decrease) in consumer deposits	10%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	22%	The late delivery of leased fleet of vehicles	No remedial action is needed

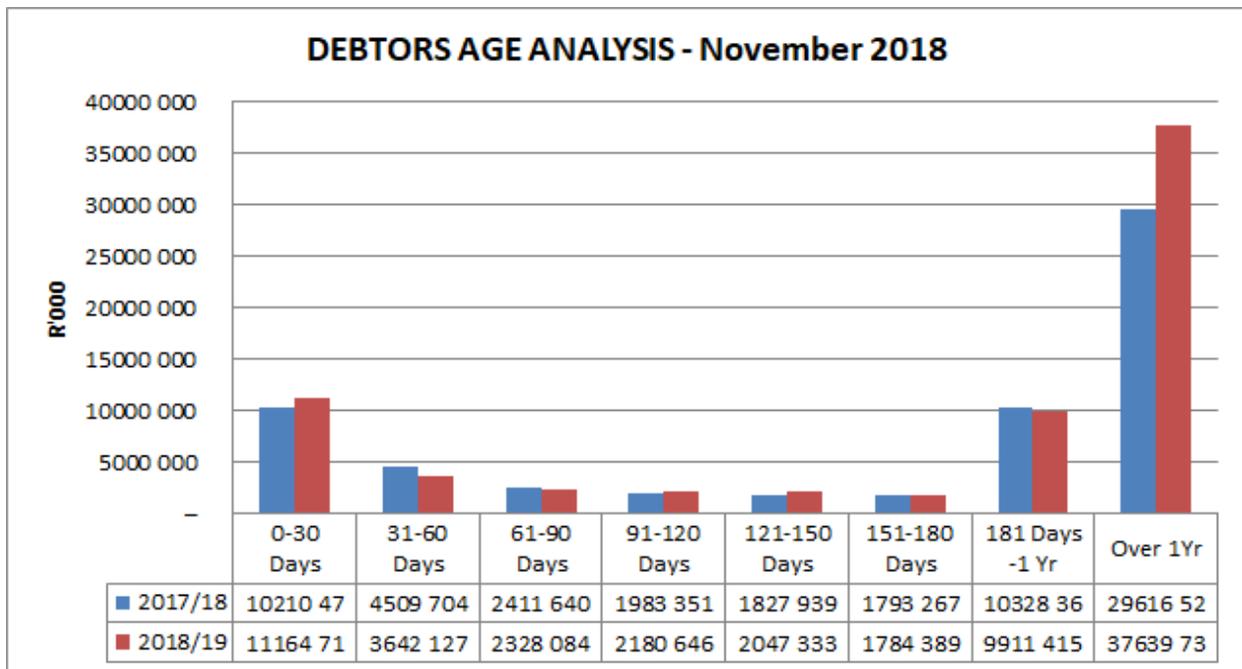
Supporting Table: SC 3 - Debtors Age Analysis

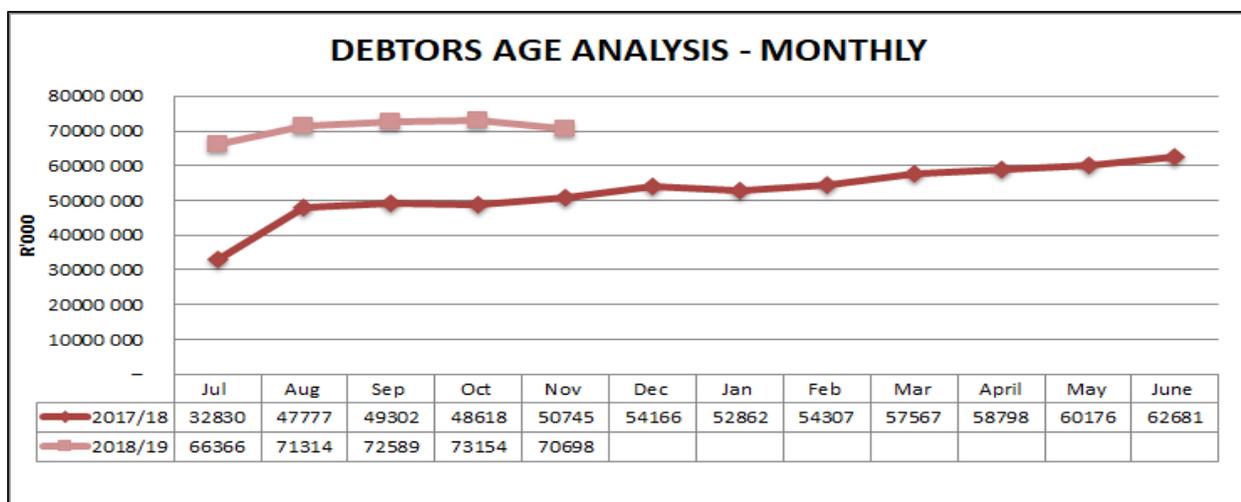
Description	Budget Year 2018/19										Actual Bad Debts Written Off	Impairme nt - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6 522	1 202	245	127	100	63	446	3 339	12 044	4 075		
Receivables from Non-exchange Transactions - Property Rates	2 529	1 268	1 063	1 009	916	822	4 399	18 627	30 633	25 772		
Receivables from Exchange Transactions - Waste Water Management									-	-		
Receivables from Exchange Transactions - Waste Management	647	458	380	365	359	330	1 926	3 789	8 253	6 769		
Receivables from Exchange Transactions - Property Rental Debtors	32	21	11	2	60	2	102	887	1 117	1 053		
Interest on Arrear Debtor Accounts	752	744	690	657	629	607	3 201	12 506	19 786	17 601		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-		
Other	683	(51)	(60)	20	(17)	(39)	(162)	(1 508)	(1 135)	(1 707)		
Total By Income Source	11 165	3 642	2 328	2 181	2 047	1 784	9 911	37 640	70 698	53 564	-	-
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	1 304	640	591	533	466	373	1 934	9 490	15 330	12 796		
Commercial	5 812	896	360	333	262	241	1 572	5 554	15 029	7 961		
Households	3 350	1 648	974	927	868	808	4 263	13 073	25 911	19 938		
Other	698	458	403	388	452	363	2 143	9 523	14 428	12 869		
Total By Customer Group	11 165	3 642	2 328	2 181	2 047	1 784	9 911	37 640	70 698 445	53 564	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of November amount to R70, 698 million. The debtors' book is made up as follows:

- Rates 43%
- Electricity 17%
- Rental 2%
- Refuse removal 12%
- Interest on Debtors 28%
- Other -2%

The debtors' age analysis is graphically presented below.





The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of November 2018) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

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

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	TYPE	OUTSTANDING TOTAL BALANCE	HAND OVER
9012345	BREED J & OOST	ACTIVE	OCCUPIER	965 751	N
214913	MEAT SPOT	ACTIVE	OCCUPIER	545 019	N
1501364	JAN JOUBERT	ACTIVE	OWNER	510 181	N
9000000	REPUBLIEK VAN	ACTIVE	OWNER	440 990	Y
9900028	ELIAS MOTSOALI	ACTIVE	OCCUPIER	379 189	Y
9001077	ROYAL SQUARE	ACTIVE	OWNER	371 352	Y
9000804	NATIONAL GOV	ACTIVE	OWNER	316 691	Y
9053280	LIMPOPO GOVE	ACTIVE	OWNER	266 166	N
5001708	UNITRADE 518 (ACTIVE	OWNER	211 710	Y
9002958	PROVINCIAL GC	ACTIVE	OWNER	207 961	N
9002065	GOVERNMENT	ACTIVE	OWNER	204 009	N
9900067	WATER PURIFIC	ACTIVE	OCCUPIER	195 001	Y
9002067	NATIONAL GOV	ACTIVE	OWNER	192 344	N
9000276	DEPARTMENT C	ACTIVE	OWNER	186 609	Y
9000802		ACTIVE	OWNER	175 834	Y
2200702	NAMIB FAMILY	ACTIVE	OWNER	174 887	Y
5002109	VAN AARD FJ(M	ACTIVE	OCCUPIER	163 510	Y
9001763	TSHEHLA TRUST	ACTIVE	OWNER	163 032	N
9002387	NATIONAL GOV	ACTIVE	OWNER	152 720	N
9000400	UITZOECHT LAN	ACTIVE	OWNER	150 273	Y
TOTAL				5 973 228	

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2017/18									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80568	KGAKILWE TRADING AND PROJECTS	272 000
80654	MPOFU ELECTRICAL SERVICES	138 477
41017	RONELI DEVELOPERS PTY LTD	131 000
80873	MATLAKWENA CONSTRUCTION	114 300
41095	REAKGONA TRAVEL SERVICES	103 062
80262	THEDIMOGANE HOLDINGS (PTY) LTD	81 798
80563	KF PHETLA PROJECTS	80 500
80877	KM JUNIOR INVESTMENTS	28 720
37537	FITO & SONS CONSTRUCTION	28 000
80628	MAKANAMA CONSTRUCTION TRADING	27 500
80285	HLOGI TRADING ENTERPRISE	26 698
1256	MANY LE MANG CONSTRUCTION	22 000
37514	LEJAKATHATA PROJECT	19 000
35549	MATUBULA (PTY) LTD	18 000
80876	SSS SIBANYONI	17 550
80864	DEER HOLDING	13 890
80866	COREX CONSTRUCTION PROJECT	12 440
35580	KGETHANG BOTSE TRADING & PROJE	10 500
80874	LETHABO LA TLAKA INVESTMENT	10 000
80878	KKK 333 TRADING	5 000
TOTAL		1 160 436

The above table presents the top creditors paid during the month of November 2018 and an amount of R1, 160 million will be paid to these creditors during the reporting period.

Supporting Table: SC 6 - Transfers and Grant Receipts

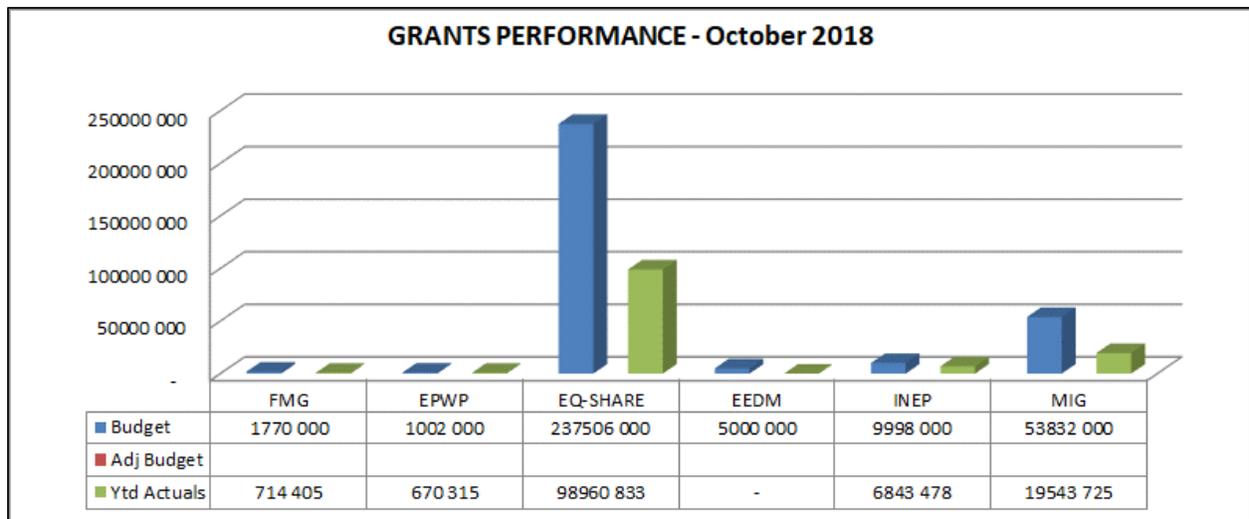
Description	2017/18	Budget Year 2018/19							
	Audited	Original	Adjusted	Monthly	YearTD	YearTD	YTD	YTD	Full Year
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226 163	245 278	-	450	105 433	105 433	-		245 278
Local Government Equitable Share	223 019	237 506		-	98 961	98 961	-		237 506
Finance Management	1 700	1 770		-	1 770	1 770			1 770
EPWP Incentive	1 444	1 002		450	702	702			1 002
Energy Efficiency and Demand Management	-	5 000		-	4 000	4 000			5 000
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	226 163	245 278	-	450	105 433	105 433	-		245 278
Capital Transfers and Grants									
National Government:	91 349	63 830	-	-	31 110	31 110	-		63 830
Municipal Infrastructure Grant (MIG)	76 160	53 832		-	23 110	23 110	-		53 832
Intergrated National Electrification Grant	15 189	9 998		-	8 000	8 000	-		9 998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	91 349	63 830	-	-	31 110	31 110	-		63 830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317 512	309 108	-	450	136 543	136 543	-		309 108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R136, 543 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	-	20 023	100 346	101 366	(1 020)	-1%	245 278
Local Government Equitable Share	223 019	237 506		19 792	98 961	98 961	-		237 506
Finance Management	1 700	1 770		91	714	624	91	15%	1 770
EPWP Incentive	1 444	1 002		140	670	531	139	26%	1 002
Energy Efficiency and Demand Management	-	5 000		-	-	1 250	(1 250)	-100%	5 000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A							-		
District Municipality:	-	-	-	-	-	-	-	-	-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A							-		
Total operating expenditure of Transfers and Grants:	226 163	245 278	-	20 023	100 346	101 366	(1 020)	-1%	245 278
Capital expenditure of Transfers and Grants									
National Government:	91 349	63 830	-	7 363	28 295	35 243	(6 948)	-20%	63 830
Municipal Infrastructure Grant (MIG)	76 160	53 832		4 949	24 623	32 223	(7 601)	-24%	53 832
Intergrated National Electrification Grant	15 189	9 998		2 414	3 672	3 020	652	22%	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	-	7 363	28 295	35 243	(6 948)	-20%	63 830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317 512	309 108	-	27 386	128 641	136 609	(7 969)	-6%	309 108

An amount of R27, 386 million has been spent on grants during the month of November 2018 and the year to date actuals is 128, 641 million whilst the year to date budget amounts to R 136, 609 million and this results in underspending variance of R7 969 million that translates to negative 6%. Of the total spending amounting to R 27, 386 million, R20, 023 million is spent on operational grants whilst R7, 363 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 November 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 40.36%
- Expanded Public Work Programme 66.90%
- Equitable Share 41.67%
- Municipal Infrastructure Grant 36.31%
- Integrated National Electrification Grant 68.45%
- Energy Efficiency and Demand Side Management Grant 0%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14 757	15 073		1 080	5 399	6 208	(810)	-13%	15 073
Pension and UIF Contributions	1 670	1 857		129	645	766	(121)	-16%	1 857
Medical Aid Contributions	285	317		28	140	119	21	18%	317
Motor Vehicle Allowance	4 788	5 324		412	2 061	2 202	(140)	-6%	5 324
Cellphone Allowance	1 930	2 489		226	1 129	1 037	92	9%	2 489
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	(0)	10		-	-	4	(4)	-100%	10
Sub Total - Councillors	23 430	25 070	-	1 875	9 374	10 336	(962)	-9%	25 070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4 325	4 718		395	1 926	1 869	57	3%	4 718
Pension and UIF Contributions	921	1 095		18	103	425	(323)	-76%	1 095
Medical Aid Contributions	198	252		8	39	95	(56)	-59%	252
Overtime	-	-		-	-	-	-	-	-
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	815	907		70	332	350	(18)	-5%	907
Cellphone Allowance	59	84		16	58	35	23	65%	84
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	292	81		3	215	0	215	68192%	81
Payments in lieu of leave	165	-		-	-	-	-	-	-
Long service awards	-	-		-	-	-	-	-	-
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 775	7 137	-	511	2 673	2 775	(102)	-4%	7 137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74 581	85 022		6 829	34 181	35 112	(932)	-3%	85 022
Pension and UIF Contributions	16 183	16 149		1 409	6 963	6 139	824	13%	16 149
Medical Aid Contributions	5 059	4 826		424	2 135	1 808	326	18%	4 826
Overtime	2 784	1 774		33	846	621	225	36%	1 774
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	9 481	8 965		900	4 252	3 415	837	25%	8 965
Cellphone Allowance	835	986		136	541	391	150	38%	986
Housing Allowances	214	161		14	72	60	12	20%	161
Other benefits and allowances	8 499	8 057		63	447	1 499	(1 052)	-70%	8 057
Payments in lieu of leave	1 067	892		8	408	266	142	53%	892
Long service awards	627	180		75	370	84	286	340%	180
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Other Municipal Staff	119 330	127 011	-	9 891	50 216	49 396	820	2%	127 011
% increase		6%							6%
Total Parent Municipality	149 535	159 219	-	12 276	62 262	62 507	(245)	0%	159 219
% increase		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149 535	159 219	-	12 276	62 262	62 507	(245)	0%	159 219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126 105	134 149	-	10 401	52 889	52 171	718	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 November 2018 amounts to R52, 889 million and the year to date budget is R 52, 171 million and the expenditure for remuneration of councilors amounts to R9, 374 million while the year to date budget is R 10, 366 million. The year to date actuals for senior managers is R2, 673 million and the year to date budget thereof is R2, 775 million, and the year to date actuals for other municipal staff is R50, 216 million and the year to date budget is R49, 396 million. The remuneration of councilors category has under spending variance and senior managers while other municipal staff categories has over spending variance.

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

Description	Budget Year 2018/19												2018/19 Medium Term Revenue		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	1 905	1 271	1 939	1 806	2 068	1 755	2 392	2 392	2 314	2 392	2 392	5 959	28 587	30 131	31 788
Service charges - electricity revenue	6 380	5 702	6 815	6 695	8 360	6 305	6 393	6 393	6 481	6 943	7 537	6 365	80 368	85 993	92 228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	245	496	335	378	741	667	741	741	741	741	3 366	9 554	10 070	10 624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	15	27	161	16	51	51	51	51	51	51	61	610	643	678
Interest earned - external investments	123	254	204	68	23	400	178	350	440	244	308	409	3 000	3 162	3 336
Interest earned - outstanding debtors	81	31	55	74	683	132	144	134	146	132	148	(127)	1 632	1 720	1 815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	0	548	0	28	871	78	780	910	910	884	5 235	10 248	10 801	11 395
Licences and permits	445	458	398	497	460	413	413	413	413	413	413	218	4 950	5 217	5 504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	19 953	21 814	2 000	-	450	79 168	-	-	64 929	-	-	56 964	245 278	269 940	293 775
Other revenue	764	1 114	1 124	1 611	13 040	226	215	225	235	200	195	(16 529)	2 417	2 548	2 688
Cash Receipts by Source	30 040	30 904	13 605	11 248	25 504	90 061	10 530	11 478	76 659	12 025	12 668	61 921	386 644	420 226	453 831
Other Cash Flows by Source															
Transfer receipts - capital	27 110	-	-	4 000	-	-	3 076	-	5 976	-	-	23 668	63 830	67 721	70 734
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	2 000	-	-	-	-	-	-	2 000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	97	501	(548)	29	-	6	12	6	8	25	40	(4)	171	203	227
Receipt of non-current debtors	-	-	150	-	-	300	250	150	100	112	200	738	2 000	2 500	2 700
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	57 247	31 404	13 207	15 277	25 504	92 367	13 868	11 634	82 743	12 162	12 908	86 322	454 645	490 650	527 492
Cash Payments by Type															
Employee related costs	10 151	11 367	10 048	10 552	10 401	14 713	10 418	10 963	10 426	10 294	13 096	11 720	134 149	142 723	152 000
Remuneration of councillors	2 635	1 875	1 875	1 875	1 875	2 067	2 067	2 067	2 078	2 088	2 212	2 357	25 070	26 675	28 409
Interest paid	-	-	-	239	260	208	208	208	208	208	208	753	2 500	2 300	2 000
Bulk purchases - Electricity	729	7 331	7 286	103	1 069	5 513	5 700	6 950	7 247	7 250	7 300	23 523	80 000	84 320	88 958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	778	940	635	637	706	1 236	535	2 059	1 252	1 427	6 634	17 093	18 017	19 007
Contracted services	5 676	4 532	3 492	4 767	6 157	5 623	3 730	5 783	3 608	5 207	3 755	7 691	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	1 989	4 404	4 642	4 897
General expenses	849	1 062	469	2 628	3 288	3 762	2 319	4 151	3 573	3 135	3 910	14 322	43 468	45 289	47 780
Cash Payments by Type	20 294	27 052	24 218	20 799	23 687	32 959	26 044	31 024	29 565	29 800	32 274	68 989	366 705	386 594	409 124
Other Cash Flows/Payments by Type															
Capital assets	2 381	1 635	9 235	8 567	6 413	8 697	3 979	6 249	5 136	2 938	2 052	18 587	75 869	85 123	84 647
Repayment of borrowing	-	-	-	2 710	549	833	833	833	833	833	833	1 741	10 000	14 000	16 677
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	22 675	28 686	33 453	32 076	30 649	42 490	30 856	38 106	35 534	33 571	35 159	89 318	452 574	485 717	510 448
NET INCREASE/(DECREASE) IN CASH HELD	34 571	2 718	(20 246)	(16 799)	(5 145)	49 877	(16 988)	(26 472)	47 209	(21 409)	(22 251)	(2 995)	2 071	4 933	17 044
Cash/cash equivalents at the month/year beginning:	6 194	40 765	43 483	23 238	6 438	1 294	51 171	34 183	7 711	54 921	33 512	11 261	6 194	8 265	13 198
Cash/cash equivalents at the month/year end:	40 765	43 483	23 238	6 438	1 294	51 171	34 183	7 711	54 921	33 512	11 261	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 R25, 504 million and the total cash payment for the month were R23, 687 million and this resulted in net decrease in cash held amounting to R5, 145 million. In addition, with cash and cash equivalent of R6, 438 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R1, 294 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	935	6 722		2 977	2 977	6 722	3 745	56%	4%
August	3 028	9 189		1 635	4 612	15 911	11 300	71%	6%
September	13 273	11 637		11 090	15 702	27 548	11 847	43%	21%
October	3 283	9 283		6 418	22 119	36 831	14 712	40%	29%
November	9 287	8 482		6 413	28 532	45 313	16 780	37%	38%
December	14 916	8 697				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	–	28 532					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of November amounts to R6, 413 million. The year to date capital budget is R45, 313 million that give rise to under spending variance of R16, 780 million or 37%.

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	-	4 617	14 837	18 123	3 285	18.1%	32 150
Roads Infrastructure	35 070	21 283	-	2 522	7 994	14 453	6 459	44.7%	21 283
Roads	35 070	21 283		2 522	7 994	14 453	6 459	44.7%	21 283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13 324	10 868	-	2 095	6 843	3 670	(3 173)	-86.5%	10 868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13 324	10 868		2 095	6 843	3 670	(3 173)	-86.5%	10 868
MV Substations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	300	-	-	-	-	-	-		-
Community Facilities	300	-	-	-	-	-	-		-
Halls							-		
Cemeteries/Crematoria	300	-		-	-	-	-		-
Police							-		
Purls							-		
Public Open Space							-		
Other assets	-	4 447	-	1 332	1 332	2 482	1 149	46.3%	4 447
Operational Buildings	-	4 447	-	1 332	1 332	2 482	1 149	46.3%	4 447
Municipal Offices	-	4 447		1 332	1 332	2 482	1 149	46.3%	4 447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	-	410	135	(275)	-203.5%	500
Computer Equipment	800	500		-	410	135	(275)	-203.5%	500
Furniture and Office Equipment	500	400	-	-	-	100	100	100.0%	400
Furniture and Office Equipment	500	400		-	-	100	100	100.0%	400
Machinery and Equipment	1 200	1 300	-	66	535	950	415	43.7%	1 300
Machinery and Equipment	1 200	1 300		66	535	950	415	43.7%	1 300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
Total Capital Expenditure on new assets	51 194	38 798	-	6 016	17 115	21 790	4 675	21.5%	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	-	397	11 550	22 073	10 523	47.7%	33 550
Roads Infrastructure	41 914	33 550	-	397	11 550	22 073	10 523	47.7%	33 550
Roads	41 414	33 550		397	11 550	22 073	10 523	47.7%	33 550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
MV Substations							-		
MV Switching Stations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	522	-	-	-	350	350	100.0%	522
Community Facilities	-	522	-	-	-	350	350	100.0%	522
Halls							-		
Libraries							-		
Cemeteries/Crematoria	-	522		-	-	350	350	100.0%	522
Police							-		
Purls							-		
Other assets	500	-	-	-	-	-	-		-
Operational Buildings	500	-	-	-	-	-	-		-
Municipal Offices	500	-		-	-	-	-		-
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	42 414	34 071	-	397	11 550	22 423	10 873	48.5%	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	-	457	1 678	4 875	3 197	65.6%	10 400
Roads Infrastructure	2 650	4 000	-	261	953	2 290	1 337	58.4%	4 000
Roads	2 650	4 000		261	953	2 290	1 337	58.4%	4 000
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	1 900	3 000	-	91	309	1 170	861	73.6%	3 000
HV Substations							-		
MV Substations							-		
MV Switching Stations							-		
MV Networks	1 800	3 000		91	309	1 170	861	73.6%	3 000
LV Networks							-		
Capital Spares	100	-		-	-	-	-		-
Solid Waste Infrastructure	3 300	3 400	-	105	415	1 415	1 000	70.7%	3 400
Landfill Sites	3 150	3 400		105	415	1 415	1 000	70.7%	3 400
Waste Transfer Stations							-		
Waste Drop-off Points							-		
Electricity Generation Facilities							-		
Capital Spares	150	-		-	-	-	-		-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-		-	-	-	-		-
Halls							-		
Centres							-		
Crèches							-		
Other assets	1 325	2 000	-	-	28	590	562	95.3%	2 000
Operational Buildings	1 325	2 000		-	28	590	562	95.3%	2 000
Municipal Offices	1 325	2 000		-	28	590	562	95.3%	2 000
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Stores							-		
Intangible Assets	100	-	-	-	-	-	-	-	-
Servitudes							-		
Licences and Rights	100	-		-	-	-	-		-
Water Rights							-		
Effluent Licenses							-		
Computer Software and Applications	100	-	-	-	-	-	-	-	-
Computer Equipment	-	-		-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-		-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	2 118	3 550		118	416	1 121	705	62.9%	3 550
Machinery and Equipment	2 118	3 550	-	118	416	1 121	705	62.9%	3 550
Transport Assets	1 300	2 000		37	478	1 150	672	58.4%	2 000
Transport Assets	1 300	2 000	-	37	478	1 150	672	58.4%	2 000
Total Repairs and Maintenance Expenditure	12 693	17 950	-	613	2 599	7 736	5 137	66.4%	17 950

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

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	45 835	34 653	-	-	-	14 439	14 439	0	34 653
Roads Infrastructure	25 298	25 147	-	-	-	10 478	10 478	0	25 147
Roads	25 298	25 147				10 478	10 478	0	25 147
Road Structures						-	-		
Road Furniture									
Storm water Infrastructure	5 746	3 712	-	-	-	1 546	1 546	0	3 712
Storm water Conveyance	5 746	3 712				1 546	1 546	0	3 712
Attenuation									
Electrical Infrastructure	12 398	5 166	-	-	-	2 152	2 152	0	5 166
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	12 398	5 166				2 152	2 152	0	5 166
MV Substations									
Solid Waste Infrastructure	2 392	629	-	-	-	262	262	0	629
Landfill Sites	2 392	629				262	262	0	629
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Community Assets	2 231	2 918	-	-	-	1 216	1 216	0	2 918
Community Facilities	2 231	2 918	-	-	-	1 216	1 216	0	2 918
Halls									
Centres									
Cemeteries/Crematoria	2 231	2 918				1 216	1 216	0	2 918
Other assets	120	2 180	-	-	-	908	908	0	2 180
Operational Buildings	120	2 180	-	-	-	908	908	0	2 180
Municipal Offices	120	2 180				908	908	0	2 180
Pay/Enquiry Points									
Intangible Assets	-	378	-	-	-	157	157	0	378
Servitudes									
Licences and Rights	-	378	-	-	-	157	157	0	378
Water Rights									
Computer Software and Applications		378				157	157	0	378
Computer Equipment	21	1 518	-	-	-	632	632	0	1 518
Computer Equipment	21	1 518				632	632	0	1 518
Furniture and Office Equipment	26	3 817	-	-	-	1 590	1 590	0	3 817
Furniture and Office Equipment	26	3 817				1 590	1 590	0	3 817
Machinery and Equipment	2 080	2 175	-	-	-	906	906	0	2 175
Machinery and Equipment	2 080	2 175				906	906	0	2 175
Transport Assets	888	3 542	-	-	-	1 476	1 476	0	3 542
Transport Assets	888	3 542				1 476	1 476	0	3 542
Total Depreciation	51 200	51 181	-	-	-	21 325	21 325	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
Electricity Generation Facilities							-		
Capital Spares							-		
Community Assets	8 079	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls							-		
Centres							-		
Crèches							-		
Sport and Recreation Facilities	8 079	-	-	-	-	-	-	-	-
Indoor Facilities							-		
Outdoor Facilities	8 079						-		
Capital Spares							-		
Other assets	1 437	-	-	-	-	-	-	-	-
Operational Buildings	1 437	-	-	-	-	-	-	-	-
Municipal Offices							-		
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops	1 437						-		
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	9 515	3 000	-	-	-	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 R17, 115 million and the year to date budget is R21, 790 million that reflects under spending variance of R4, 675 million that translates to 21.5% variance. The year to date actuals on renewal of existing assets amounts R11, 550 million and with the year to date budget of R22, 423 million and this reflects under spending variance of R 10, 873 million that translates to 48.5% variance.

The year to date actual expenditure on repairs and maintenance is R2, 559 million and the year to date budget is R7, 736 million, reflecting under spending variance of R5, 137 million that translates to 66.4%.

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

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

Quality certificate

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

Acting Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature

Date