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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL ON BUDGET STATEMENT FOR THE 1ST QUARTER ENDING 30 SEPTEMBER 2018 –MFMA s52 (d)

1. **EXECUTIVE SUMMARY**

   The purpose of this report is to provide a budget statement of the Municipality from for the **1st quarter ending 30 September 2018.**

2. **BUSINESS PLAN**

   IDP and Budget Process Plan

3. **STRATEGIC OBJECTIVE**

   To ensure compliance to budgetary processes.

4. **DELEGATED AUTHORITY**

   Delegated powers vest with the Council.

5. **ANNEXURES**

   1ST QUARTER REPORT (JULY - SEPTEMBER) 2018
   - **A.** MFMA Section 52(d) report
   - **B.** Schedule C report

6. **POLICY**

   Budget policy

7. **LEGAL REQUIREMENTS**

   MFMA No. 56 of 2003

8. **BACKGROUND AND DISCUSSION**

In terms of **section 52 of MFMA Act No 56 of 2003** which reads as follows:

The mayor of a municipality -

- **d)** must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

9. FINANCIAL OVERVIEW

ORIGINAL BUDGET OVERVIEW

- The total projected annual operating revenue amounted to **R1.3 billion** and the operating expenditure amounted to **R1.8 billion,** which indicates a deficit of **R533 million** for the Parent Municipality. The total capital budget amounted **R230.3 million.**
- The total projected revenue and expenditure for the Entity was **R225 million.**
- The consolidated total projected annual operating revenue is **R1.5 billion** and the operating expenditure amounts to **R2.1 billion.**

- **Due to the mSCOA budget alignment the overall totals were changed from the original budget. The following major changes must be noted:**
    - The departmental levies amounting to **R8 million** are considered as secondary and therefore excluded from the primary income and expenditure.
    - The budget for the Project Management Unit amounting to **R7 million** funded from MIG is aligned as an operating budget instead of the capital expenditure.

FINANCIAL PERFORMANCE OVERVIEW FOR THE QUARTER ENDING 30 SEPTEMBER 2018

- The total consolidated year to date operating revenue by the end of the 1st quarter amounted to **R382.6 million** and the expenditure was **R385.8 million** as indicated on page 9.
- The total year to date capital grants received amounted to **R81.8 million** and the expenditure amounted to **R33.8 million** (vat exclusive) as indicated on page 11.

10. IMPLICATIONS

FINANCIAL IMPLICATIONS

The unspent balance on the capital income is ring-fenced and will be spent as per invoices received.
The increase in total outstanding creditors will negatively affect the financial position of the municipality as the municipality is still not in a position to comply with Section 65 of the MFMA No.56 of 2003. The non-payment of current creditors will also result in an increase in fruitless and wasteful expenditures due to interests and penalties charged on late payments.
The increase in the debt book indicates low payments in municipal accounts from consumers though statements are being issued monthly.

STAFF IMPLICATIONS

The total number of employees including councillors were **1 419** by the **1st quarter ending 30 September 2018.**

11. COMMENTS FROM OTHER DIRECTORS

None

12. RECOMMENDATIONS

It is recommended that Council takes note of the following reports for the **1st quarter ending 30 September 2018:**

- MFMA Section 52(d) report **Annexure A** and;
- Schedule C report; as on **Annexure B.**

SUBMITTED BY:

....	....
CLLR. M. MOSIA LAKAJE	**DATE**
EXECUTIVE MAYOR	

ANNEXURE "A"

SECTION 52(d) REPORT 1ST QUARTER ENDING 30 SEPTEMBER 2018

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PART 1- IN-YEAR BUDGET STATEMENT MAIN TABLES

1.1. OPERATING FINANCIAL PERFORMANCE BY REVENUE SOURCE AND TYPE OF EXPENDITURE (PARENT MUNICIPALITY)

Description	Original Budget 2018/19	mSCOA Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	YTD Target	YTD Variances	% YTD variances	% YTD vs Budget
Revenue By Source											
Rates & taxes	207 596 000	207 596 000	28 363 891	11 616 341	12 801 158	**52 781 390**	52 781 390	51 899 000	882 390	**2%**	**25%**
Electricity	376 252 629	373 223 850	23 521 194	20 849 951	20 913 477	**65 284 622**	65 284 622	93 305 963	-28 021 340	**-30%**	**17%**
Water revenue	83 013 816	82 546 851	6 748 528	6 633 603	7 525 229	**20 907 360**	20 907 360	20 636 713	270 648	**1%**	**25%**
Sewerage revenue	44 072 086	43 871 670	3 506 583	2 917 445	3 208 191	**9 632 218**	9 632 218	10 967 918	-1 335 699	**-12%**	**22%**
Refuse revenue	36 921 496	36 809 136	3 221 415	1 520 804	2 660 916	**7 403 135**	7 403 135	9 202 284	-1 799 149	**-20%**	**20%**
Rental of facilities and equipment	1 345 743	489 295	54 985	60 229	64 917	**180 132**	180 132	122 324	57 808	**47%**	**37%**
Interest on investments & call accounts	2 900 000	2 900 000	169 549	295 963	160 686	**626 198**	626 198	725 000	-98 802	**-14%**	**22%**
Interest on outstanding debtors and rental on townland	33 708 000	33 973 000	-	(35 189)	2 820	**(32 370)**	-32 370	8 493 250	-8 525 620	**-100%**	**0%**
Fines and penalties	14 852 720	15 216 678	191 980	309 199	325 215	**826 393**	826 393	3 804 170	-2 977 777	**-78%**	**5%**
Transfers recognised operational grants	547 804 000	547 804 000	224 466 000	-	-	**224 466 000**	224 466 000	224 466 000	-	**0%**	**41%**
Other revenue	15 205 756	10 999 530	93 433	275 255	240 381	**609 069**	609 069	2 749 883	-2 140 813	**-78%**	**6%**
Total Revenue	**1 363 672 246**	**1 355 430 010**	**290 337 557**	**44 443 601**	**47 902 990**	**382 684 148**	**382 684 148**	**426 372 503**	**-43 688 355**	-10%	28%
Expenditure By Type											
Employee related costs	365 660 479	354 496 148	29 954 590	29 751 336	34 236 208	**93 942 134**	93 942 134	88 624 037	5 318 097	**6%**	**27%**
Remuneration of councillors	24 758 401	24 758 399	1 936 384	2 220 045	2 224 988	**6 381 417**	6 381 417	6 189 600	191 817	**3%**	**26%**
Debt impairment	250 000 000	240 000 000	-			**-**	-	60 000 000	-60 000 000	**-100%**	**0%**
Depreciation & asset impairment	270 000 000	270 000 000	-	-	-	**-**	-	67 500 000	-67 500 000	**-100%**	**0%**
Interests on loans and overdue accounts	5 000 000	7 000 000	66 365	66 165	64 031	**196 560**	196 560	1 750 000	-1 553 440	**-89%**	**3%**
Bulk purchases	600 000 000	605 700 000	77 731 135	92 703 286	72 859 097	**243 293 518**	243 293 518	151 425 000	91 868 518	**61%**	**40%**
Repairs & maintenance and Contracted services	142 450 000	126 608 550	881 745	1 525 073	5 421 137	**7 827 955**	7 827 955	31 652 138	-23 824 183	**-75%**	**6%**
Transfers & subsidies paid (Entity, EPWP, Bursaries)	127 094 000	136 714 000	32 390	-	-	**32 390**	32 390	34 178 500	-34 146 110	**-100%**	**0%**
Operational costs, inventory and operating leases	111 709 367	129 950 794	1 145 620	4 096 607	5 133 604	**10 375 831**	10 375 831	32 487 699	-22 111 867	**-68%**	**8%**
Total Expenditure	**1 896 672 246**	**1 895 227 891**	**111 748 229**	**130 362 511**	**119 939 065**	**362 049 805**	**362 049 805**	**473 806 973**	**-111 757 167**	-24%	19%
Surplus/-deficit	**(533 000 000)**	**(539 797 881)**	**178 589 328**	**(85 918 910)**	**(72 036 075)**	**20 634 342**	**20 634 342**	**(47 434 470)**	**68 068 812**		

Revenue by source material variances - Page 6 of the report

The total operating revenue by the end of the **1st quarter** was at **R382.6 million** which was **R43.6 million** less than the anticipated **R426.3 million** due to the following:

- **Net rates & taxes** – the rates and taxes bill is high due to the annual charge on all National Public Works properties which are charged once in July**.**
- **Electricity** –the outcomes by the end of the **1st quarter** were **R28.7** below the target due to high tampering of meters, illegal connections, and faulty meters and meters that need to be installed and or replaced.
- **Water revenue** - not material
- **Sewerage and Refuse revenue** – these services were **12%** and **20%** less than the target. The service delivery of refuse service needs to be improved in order to enhance revenue. This is currently a challenge to the municipality due to fleet shortage
- **Rental of facilities** – the collection from this income depends on the need by the community.
- **Interests on investments and call account** – the outcomes are mostly influenced by the cash flow of the municipality. The unspent grants are now ring-fenced so interest is earned monthly.
- **Interest on outstanding debtors** – consumers were not charged the interests because the billing was done late due to the mSCOA implementation processes.
- **Fines and penalties** – the recorded transactions are the actual fines collected. The value of the issued traffic fines will be recorded by the end of the financial year.
- **Transfers recognised operational grants** – **R224.4 million** equitable share was received as allocated on the Treasury schedule of transfers.
- **Other revenue** – the collection from this category of income depends on the need by the community.

Expenditure by type material variances – Page 6 of the report.

The total operating expenditure by the end of the **1st quarter** amounted to **R362 million** which was **R111.7 million** less than the anticipated **R473.8 million** due to the following:

- **Employee related costs and remuneration of councillors** – are more than the target due to overtimes.
- **Debt impairment and assets depreciation** – the outcomes for these items were at **0%** of the budget because they are calculated and recorded during the preparation of the financial statements.
- **Interest on loan** – only the interest provision was recorded on the general ledger.
- **Bulk purchases** – high electricity consumption resulting from illegal connections and new developments lead to the high Eskom bill.
- **Repairs, Maintenance and Contracted services** – this expenditure is influenced by the cash flow and the fact that some invoices were not captured. This results from late submission of invoices.
- **Transfers and subsidies paid** – transactions will be recorded after the invoices are received from the Entity.

1.2. OPERATING FINANCIAL PERFORMANCE BY REVENUE SOURCE AND TYPE OF EXPENDITURE FOR THE ENTITY (MALUTI-WATER)

Description	Original Budget 2018/19	mSCOA Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	YTD Target	YTD Variances	% YTD variances	% YTD vs Budget
Revenue By Source											
Transfers & subsidies received											
Equitable share	127 094 000	132 360 204	-	-	-	-	-	31 773 500	-31 773 500	**-100%**	**0%**
Sewerage revenue	31 087 496	32 519 553	-	-	-	-	-	7 771 874	-7 771 874	**-100%**	**0%**
Water revenue	66 897 012	73 304 751	-	-	-	-	-	16 724 253	-16 724 253	**-100%**	**0%**
Other income	200 000	-	-	-	-	-	-	50 000	-50 000	**-100%**	**0%**
Total Revenue	**225 278 508**	**238 184 508**	**-**	**-**	**-**	**-**	**-**	**56 269 627**	**-56 269 627**	**-100%**	**0%**
Expenditure By Type											
Employee related costs	133 421 412	132 157 194	8 874 336	340 520	12 435 294	**21 650 150**	21 650 150	33 355 353	-11 705 203	**-35%**	**16%**
Bulk purchases	31 596 347	3 353 712	-	-	-	-	-	7 899 087	-7 899 087	**-100%**	**0%**
Depreciation & asset impairment	940 000	4 900 000	-	-	-	-	-	235 000	-235 000	**-100%**	**0%**
Interest on loans and overdue accounts	3 959 596	630 555	-	-	-	-	-	989 899	-989 899	**-100%**	**0%**
Contracted services	8 841 839	29 498 483	15 610	164 221	211 519	**391 350**	391 350	2 210 460	-1 819 110	**-82%**	**4%**
Operational costs, inventory and operating leases	46 519 315	53 979 164	137 595	434 307	523 458	**1 095 359**	1 095 359	11 629 829	-10 534 470	**-91%**	**2%**
Total Expenditure	**225 278 508**	**224 519 108**	**9 027 540**	**939 047**	**13 170 271**	**23 136 859**	**23 136 859**	**56 319 627**	**-33 182 768**	**-59%**	**10%**

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1.3. CONDOLIDATED OPERATING FINANCIAL PERFORMANCE BY REVENUE SOURCE AND TYPE OF EXPENDITURE

Description	Original Budget 2018/19	mSCOA Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	% YTD vs Budget
Revenue By Source								
Rates & taxes	207 596 000	207 596 000	28 363 891	11 616 341	12 801 158	**52 781 390**	52 781 390	**25%**
Electricity	376 252 629	373 223 850	23 521 194	20 849 951	20 913 477	**65 284 622**	65 284 622	**17%**
Water revenue	83 013 816	82 546 851	6 748 528	6 633 603	7 525 229	**20 907 360**	20 907 360	**25%**
Sewerage revenue	44 072 086	43 871 670	3 506 583	2 917 445	3 208 191	**9 632 218**	9 632 218	**22%**
Refuse revenue	36 921 496	36 809 136	3 221 415	1 520 804	2 660 916	**7 403 135**	7 403 135	**20%**
Rental of facilities and equipment	1 345 743	489 295	54 985	60 229	64 917	**180 132**	180 132	**37%**
Interest on investments & call accounts	2 900 000	2 900 000	169 549	295 963	160 686	**626 198**	626 198	**22%**
Interest on outstanding debtors and rental on townland	33 708 000	33 973 000	-	(35 189)	2 820	**-32 370**	-32 370	**0%**
Fines and penalties	14 852 720	15 216 678	191 980	309 199	325 215	**826 393**	826 393	**5%**
Transfers recognised operational grants	547 804 000	785 988 508	224 466 000	-	-	**224 466 000**	224 466 000	**29%**
Other revenue	240 484 264	10 999 530	93 433	275 255	240 381	**609 069**	609 069	**6%**
Total Revenue	**1 588 950 754**	**1 593 614 518**	**290 337 557**	**44 443 601**	**47 902 990**	**382 684 148**	**382 684 148**	**24%**
Expenditure By Type								
Employee related costs	499 081 891	486 653 342	38 828 926	30 091 855	46 671 503	**115 592 284**	115 592 284	**24%**
Remuneration of councillors	24 758 401	24 758 399	1 936 384	2 220 045	2 224 988	**6 381 417**	6 381 417	**26%**
Debt impairment	250 000 000	240 000 000	-	-	-	**-**	-	**0%**
Depreciation & asset impairment	270 000 000	274 900 000	-	-	-	**-**	-	**0%**
Interests on loans and overdue accounts	8 959 596	7 630 555	66 365	66 165	64 031	**196 560**	196 560	**3%**
Bulk purchases	631 596 347	609 053 712	77 731 135	92 703 286	72 859 097	**243 293 518**	243 293 518	**40%**
Repairs & maintenance and Contracted services	151 291 839	156 107 033	897 355	1 689 294	5 632 656	**8 219 305**	8 219 305	**5%**
Transfers & subsidies paid (Entity, EPWP, Bursaries)	127 094 000	136 714 000	32 390	-	-	**32 390**	32 390	**0%**
Operational costs, inventory and operating leases	159 168 681	183 929 958	1 283 215	5 160 914	5 657 061	**12 101 190**	12 101 190	**7%**
Total Expenditure	**2 121 950 755**	**2 119 746 999**	**120 775 770**	**131 931 558**	**133 109 336**	**385 816 664**	**385 816 664**	18%
Surplus/-deficit	**(533 000 000)**	**(526 132 481)**	**169 561 788**	**(87 487 958)**	**(85 206 347)**	**(3 132 517)**	**(3 132 517)**	

The income received by the Entity is aligned to transfers and subsidies which must balance with the published DoRA. This causes an imbalance and must be corrected in the adjustment budget.

1.4. OPERATING FINANCIAL PERFORMANCE BY MUNICIPAL VOTE (PARENT MUNICIPALITY)

Vote Description	Approved Budget 2018/19	mSCOA Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	% YTD vs Budget
Revenue by Vote								
Vote 1 - Legislative Authority	-	-	-	-	-	**-**	-	**0%**
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	**-**	-	**0%**
Vote 3 - Corporate Services	500 000	500 000	-	-	-	**-**	-	**0%**
Vote 4 - Financial Services	786 589 000	786 589 000	253 023 778	12 076 177	13 087 984	**278 187 939**	278 187 939	**35%**
Vote 5 - Municipal Infrastructure	127 085 902	126 418 521	10 255 111	9 551 048	10 733 420	**30 539 579**	30 539 579	**24%**
Vote 6 - Community Services	40 206 505	42 844 145	3 257 069	1 555 077	2 729 954	**7 542 100**	7 542 100	**18%**
Vote 7 - Public Safety & Transport	15 865 970	15 865 970	203 567	325 497	332 219	**861 283**	861 283	**5%**
Vote 8 - Sports, Parks, Arts & Culture	3 212 923	462 923	23 644	29 870	30 272	**83 786**	83 786	**18%**
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development	4 120 000	4 120 000	-	-	-	**-**	-	**0%**
Vote 10 - Human Settlements	1 999 000	1 999 000	31 524	34 953	37 424	**103 901**	103 901	**5%**
Vote 11 - IDP- PMS Department	-	-	-	-	-	**-**	-	**0%**
Vote 12 - Spatial Development, Planning & Traditional Affairs	3 388 820	3 388 820	18 999	20 376	36 120	**75 495**	75 495	**2%**
Vote 13 - Electricity Department	380 704 126	373 241 631	23 523 866	20 850 603	20 915 597	**65 290 066**	65 290 066	**17%**
Total Revenue by Vote	**1 363 672 246**	**1 355 430 010**	**290 337 557**	**44 443 601**	**47 902 990**	**382 684 148**	**382 684 148**	**28%**
Expenditure by Vote								
Vote 1 - Legislative Authority	49 358 547	319 358 544	2 350 343	4 312 050	3 117 475	**9 779 868**	9 779 868	**3%**
Vote 2 - Office of the Municipal Manager	28 139 341	28 139 344	1 956 358	1 468 692	1 512 731	**4 937 780**	4 937 780	**18%**
Vote 3 - Corporate Services	48 322 039	48 322 039	3 683 122	4 051 095	4 163 532	**11 897 749**	11 897 749	**25%**
Vote 4 - Financial Services	766 907 427	496 907 428	4 305 376	4 433 519	8 390 282	**17 129 177**	17 129 177	**3%**
Vote 5 - Municipal Infrastructure	67 401 554	75 367 604	1 816 872	2 019 730	5 229 189	**9 065 792**	9 065 792	**12%**
Vote 6 - Community Services	65 172 767	65 172 762	5 455 884	5 302 635	6 420 238	**17 178 757**	17 178 757	**26%**
Vote 7 - Public Safety & Transport	82 003 244	82 003 243	6 023 663	5 799 124	6 802 279	**18 625 066**	18 625 066	**23%**
Vote 8 - Sports, Parks, Arts & Culture	42 286 401	42 286 400	3 233 779	2 917 189	3 558 403	**9 709 371**	9 709 371	**23%**
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development	20 659 565	20 659 568	528 628	541 639	573 895	**1 644 162**	1 644 162	**8%**
Vote 10 - Human Settlements	9 581 418	9 581 420	523 115	525 747	563 844	**1 612 706**	1 612 706	**17%**
Vote 11 - IDP- PMS Department	5 240 894	5 240 894	93 335	96 865	110 975	**301 174**	301 174	**6%**
Vote 12 - Spatial Development, Planning & Traditional Affairs	13 591 277	13 591 276	675 682	687 503	767 974	**2 131 159**	2 131 159	**16%**
Vote 13 - Electricity Department	698 007 774	688 597 369	81 102 072	98 836 724	78 728 249	**258 667 044**	258 667 044	**38%**
Total Expenditure by Vote	**1 896 672 246**	**1 895 227 891**	**111 748 229**	**130 992 511**	**119 939 065**	**362 679 805**	**362 679 805**	**19%**
Surplus/-Deficit	**(533 000 000)**	**(539 797 881)**	**178 589 328**	**(86 548 910)**	**(72 036 075)**	**20 004 342**	**20 004 342**	

1.5. NATIONAL TRANSFERS – OPERATING AND CAPITAL

The total operating grants received by the end of September amounted to **R226.6 million** and the capital grants amounted to **R81.8 million.** The MIG and EPWP allocation as per the National Treasury' schedule due to low spending.

Description	Budget 2018/19	Jul-18	Aug-18	Sep-18	1st quarter Actuals	YTD Actuals	YearTD Target	YTD Variances
OPERATING TRANSFERS AND GRANTS								
National Government:								
Local Government Equitable Share	538 719 000	224 466 000	-	-	**224 466 000**	224 466 000	224 466 000	-
Finance Management Grant **(FMG)**	2 215 000	-	2 215 000	-	**2 215 000**	2 215 000	2 215 000	-
EPWP Incentive	4 120 000	-	-	-	**-**	-	1 030 000	-1 030 000
Provincial Government								
Sport and Recreation	2 750 000	-	-	-	**-**	-	2 750 000	-2 750 000
TOTAL	**547 804 000**	**224 466 000**	**2 215 000**	**-**	**226 681 000**	**226 681 000**	**230 461 000**	**(3 780 000)**
CAPITAL TRANSFERS AND GRANTS								
Municipal Infrastructure Grant **(MIG)**	159 321 000	-	37 579 000	29 360 000	**66 939 000**	66 939 000	79 366 000	-12 427 000
Intergrated National Electrification Programme **(INEP)**	29 000 000	-	-	-	**-**	-	-	-
Water services Infrastructure grant **(WSIG Schedule 5B)**	35 000 000	14 919 000	-	-	**14 919 000**	14 919 000	14 919 000	-
TOTAL	**223 321 000**	**14 919 000**	**37 579 000**	**29 360 000**	**81 858 000**	**81 858 000**	**94 285 000**	**-12 427 000**

1.6. CAPITAL EXPENDITURE

CAPITAL EXPENDITURE BY SOURCE OF FUNDING										
Description	**Budget 2018/19**	**Jul-18**	**Aug-18**	**Sep-18**	**1st Quarter Actuals**	**YTD Actuals**	**YTD Target**	**YTD Variances**	**% YTD Target vs Budget**	**% YTD vs Budget**
Municipal Infrastructure Grant **(MIG)**	159 321 000	-	14 616 022	13 505 732	**28 121 754**	28 121 754	39 830 250	-11 708 496	**-29%**	**18%**
Intergrated National Electrification Programme **(INEP)**	29 000 000	-	1 227 026	2 206 254	**3 433 280**	3 433 280	7 250 000	-3 816 720	**-53%**	**12%**
Water services Infrastructure grant **(WSIG Schedule 5B)**	35 000 000	-	2 303 004	-	**2 303 004**	2 303 004	8 750 000	-6 446 996	**-74%**	**7%**
Assets from own funds	7 000 000	-	-	-	**-**	-	1 750 000	-1 750 000	**0%**	**0%**
Total capital expenditure (VAT excl.)	**230 321 000**	**-**	**18 146 052**	**15 711 986**	**33 858 038**	**33 858 038**	**57 580 250**	**(23 722 212)**	**-41%**	**15%**

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CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION

Description	Source of funding	Approved Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	Balances
OPERATIONAL								
Project Management Unit	MIG	7 966 050	-	-	2 309 000	**2 309 000**	2 309 000	5 657 050
COMMUNITY FACILITY PROJECTS								
Harrismith/Tshiame B: Construction of a new taxi facility (MIS:255146)	MIG	12 909 581	-	430 000	1 342 514	**1 772 514**	1 772 514	11 137 067
Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:264316)	MIG	3 101 164	-	899 437	455 309	**1 354 746**	1 354 746	1 746 419
Kestell/Tholong: Construction of a new taxi facility (MIS:255150)	MIG	15 949 916	-	-	926 456	**926 456**	926 456	15 023 460
Phuthaditjhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	MIG	13 571 108	-	1 543 704	610 000	**2 153 704**	2 153 704	11 417 404
TOTAL		**45 531 770**	**-**	**2 873 141**	**3 334 279**	**6 207 420**	**6 207 420**	**39 324 350**
SPORTS AND RECREATIONAL FACILITIES								
Bluegumbosch: New indoor Sport and Recreational Facility (MIS:245891)	MIG	4 224 394	-	1 338 137	435 000	**1 773 137**	1 773 137	2 451 256
Intabazwe: Upgrading of recreational and sports facilities at Intabazwe Stadium (MIS:264315)	MIG	11 763 990	-	-	1 276 932	**1 276 932**	1 276 932	10 487 058
TOTAL		**15 988 384**	**-**	**1 338 137**	**1 711 932**	**3 050 069**	**3 050 069**	**12 938 315**
ELECTRICITY PROJECTS								
Upgrading of E-Ross Substation- Phase 1	DOE	15 000 000	-	-	-	**-**	-	15 000 000
Tshiame D - electrification	DOE	14 000 000	-	1 227 026	2 206 254	**3 433 280**	3 433 280	10 566 720
Kgabisi electrification - Phase 2	DOE	-	-	-	-	**-**	-	-
Maluti-a-Phofung: High mast lights in 4 towns (Phase 2)	MIG	798 089		-	-	**-**	-	798 089
TOTAL		**29 798 089**	**-**	**1 227 026**	**2 206 254**	**3 433 280**	**3 433 280**	**26 364 809**
WATER PROJECTS								
Intabazwe/Harrismith: Rectification of water supply pipeline (MIS:278789)	MIG	3 391 686	-	-	-	**-**	-	3 391 686
Fika Patso Purification project	WSIG	-	-	-	-	**-**	-	-
Kestel Bulk line	WSIG	35 000 000	-	2 303 004	-	**2 303 004**	2 303 004	32 696 996
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	MIG	1 950 782	-	-	-	**-**	-	1 950 782
Monontsha: Water Network 500 stands and supply line Phase 1	MIG	1 166 842	-	-	-	**-**	-	1 166 842
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections (Qwaqwa Rural) Phase 3B	MIG	731 901	-	-	-	**-**	-	731 901
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections (Qwaqwa Rural) Phase 3C	MIG	5 361 000	-	-	189 711	**189 711**	189 711	5 171 289
Wilge: Construction of a 4 ML Reservoir	MIG	5 317 198	-	-	-	**-**	-	5 317 198
TOTAL		**52 919 409**	**-**	**2 303 004**	**189 711**	**2 492 715**	**2 492 715**	**50 426 694**

CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION								
Description	**Source of funding**	**Approved Budget 2018/19**	**Jul-18**	**Aug-18**	**Sep-18**	**1st Quarter Actuals**	**YTD Actuals**	**Balances**
WASTE WATER MANAGEMENT/ SEWERAGE PROJECTS								
Bluegumbosch: Construction of sewer reticulation network to 2367 stands - phase 1 (MIS:264308)	MIG	12 440 179	-	1 521 750	2 232 438	**3 754 188**	3 754 188	8 685 991
Harrismith/Intabazwe-Ext3: Construction of sewer outfall line and rising main (MIS:236415)	MIG	5 313 046	-	31 760	-	**31 760**	31 760	5 281 286
Intabazwe Ext. 3: Construction of Waterborne Sewer Network	MIG	1 507 493	-	-	-	-	-	1 507 493
Khotsong: Construction of sewer reticulation network to 510 stands (MIS:264119)	MIG	2 006 032	-	1 508 453	72 954	**1 581 407**	1 581 407	424 626
Namahadi: Construction of Sewer Network (Harankopane)	MIG	3 855 909	-	-	-	-	-	3 855 909
Thabong: Construction of sewer reticulation network to 1209 stands (MIS:264287)	MIG	12 562 889	-	3 516 847	636 440	**4 153 287**	4 153 287	8 409 602
Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1 (MIS:268482)	MIG	1 836 597	-	-	-	-	-	1 836 597
TOTAL		**39 522 144**	**-**	**6 578 810**	**2 941 832**	**9 520 642**	**9 520 642**	**30 001 503**
ROADS PROJECTS								
Intabazwe: Paving of 6km roads - Phase 2	MIG	3 419 584	-	69 046	840 917	**909 964**	909 964	2 509 620
Namahadi: Construction of 5km paved roads and storm water phase 2 (MIS:240386)	MIG	13 613 773	-	1 542 175	1 140 861	**2 683 036**	2 683 036	10 930 736
Tshiame B: Paving of 6km roads - Phase 2B	MIG	558 066	-	-	-	-	-	558 066
Tshiame: Construction of 4.5km paved roads and storm water drainage phase 3 (MIS:240998)	MIG	14 003 731	-	2 214 712	1 037 200	**3 251 912**	3 251 912	10 751 820
TOTAL		**31 595 154**	**-**	**3 825 933**	**3 018 978**	**6 844 912**	**6 844 912**	**24 750 242**
FIXED ASSETS								
Yellow fleet (Plant & Machinery)	OWN SOURCE	7 000 000		-		-	-	7 000 000
TOTAL		**7 000 000**	**-**	**-**	**-**	**-**	**-**	**7 000 000**

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PART 2- SUPPORTING DOCUMENTATION

2.1. COMPARISON BETWEEN BILLING AND COLLECTION FOR SERVICES RENDERED

BILLING						
Description	**Budget 2018/19**	**Jul-18**	**Aug-18**	**Sep-18**	**1st quarter billing**	**% YTD billing vs budget**
Rates and taxes	207 596 000	12 670 053	28 363 891	12 801 158	**53 835 102**	**26%**
Conventional electricity	218 790 134	26 089 731	20 354 036	19 207 738	**65 651 505**	**30%**
Prepaid electricity	157 462 495	10 425 804	10 236 011	9 066 355	**29 728 170**	**19%**
Water	83 013 816	11 148 604	7 806 378	7 779 286	**26 734 269**	**32%**
Sewerage	44 072 086	3 805 199	4 044 076	4 036 827	**11 886 102**	**27%**
Refuse	36 921 496	3 435 944	3 642 681	3 640 489	**10 719 114**	**29%**
Total	**747 856 027**	**67 575 336**	**74 447 072**	**56 531 854**	**198 554 262**	**27%**
COLLECTION						
Description	**Budget 2018/19**	**Jul-18**	**Aug-18**	**Sep-18**	**1st quarter collection**	**% YTD collection vs budget**
Rates and taxes	207 596 000	1 811 526	263 084	-	**2 074 610**	**1%**
Conventional electricity	218 790 134	3 439 237	276 569	-	**3 715 806**	**2%**
Prepaid electricity	157 462 495	9 597 531	9 243 237	8 346 955	**27 187 723**	**17%**
Water	83 013 816	1 047 396	198 303	-	**1 245 698**	**2%**
Sewerage	44 072 086	698 116	97 660	-	**795 776**	**2%**
Refuse	36 921 496	542 230	94 587	-	**636 817**	**2%**
Total	**747 856 027**	**17 136 035**	**10 173 440**	**8 346 955**	**35 656 430**	**5%**

BILLING VS COLLECTION						
Description	**1st Quarter Billing**	**1st Quarter Collection**	**%**	**Year to date billing**	**Year to date collection**	**% YTD collection vs billing**
Rates and taxes	53 835 102	2 074 610	**4%**	53 835 102	2 074 610	**4%**
Conventional electricity	65 651 505	3 715 806	**6%**	65 651 505	3 715 806	**6%**
Prepaid electricity	29 728 170	27 187 723	**91%**	29 728 170	27 187 723	**91%**
Water	26 734 269	1 245 698	**5%**	26 734 269	1 245 698	**5%**
Sewerage	11 886 102	795 776	**7%**	11 886 102	795 776	**7%**
Refuse	10 719 114	636 817	**6%**	10 719 114	636 817	**6%**
Total	**198 554 262**	**35 656 430**	**18%**	**198 554 262**	**35 656 430**	**18%**

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ESKOM BILL VS MAP										
2018/19 Financial Year	Conventional Electricity			Prepaid Electricity			Conventional + Prepaid			ESKOM
	Billing	Collection	%	Sales (including FBE)	Collection	%	Billing	Collection	%	Billing
Jul-18	26 089 731	3 439 237	**13%**	10 425 804	9 597 531	**92%**	36 515 535	13 036 768	**36%**	76 962 700
Aug-18	20 354 036	276 569	**1%**	10 236 011	9 243 237	**90%**	30 590 047	9 519 806	**31%**	92 815 444
Sep-18	19 207 738	-	**0%**	9 066 355	8 346 955	**92%**	28 274 093	8 346 955	**30%**	72 340 882
TOTAL	**65 651 505**	**3 715 806**	**15%**	**29 728 170**	**27 187 723**	**91%**	**95 379 675**	**30 903 529**	**32%**	**242 119 026**

PRE-PAID SALES ELECTRICITY RECONCILIATION				
MONTH	**SALES**	**BANKING**	**SURPLUS/ '-SHORTAGE**	**FREE BASIC**
Jul-18	9 674 754,00	9 597 531,00	-77 223,00	751 050,00
Aug-18	9 495 061,01	9 243 237,00	-251 824,01	740 950,00
Sep-18	8 346 955,10	8 346 955,10	-	719 400,00
TOTAL	**27 516 770,11**	**27 187 723,10**	**- 329 047,01**	**2 211 400,00**

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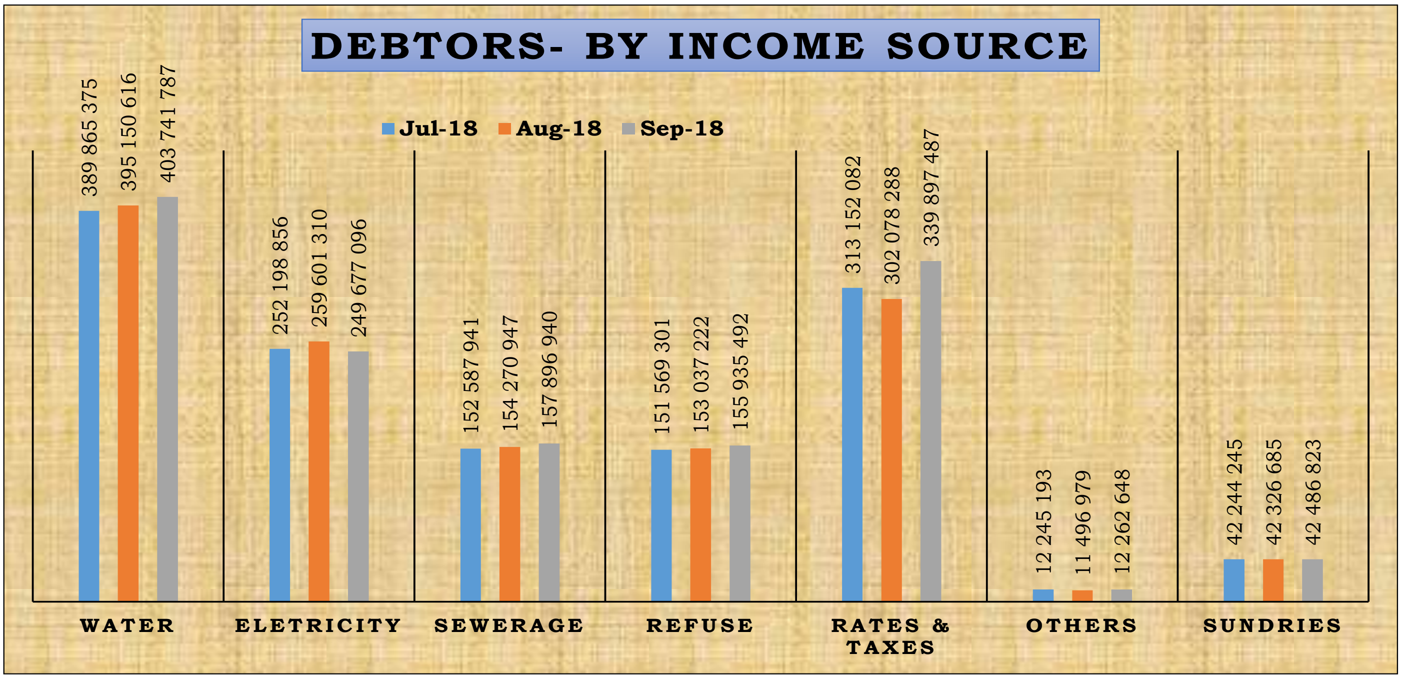
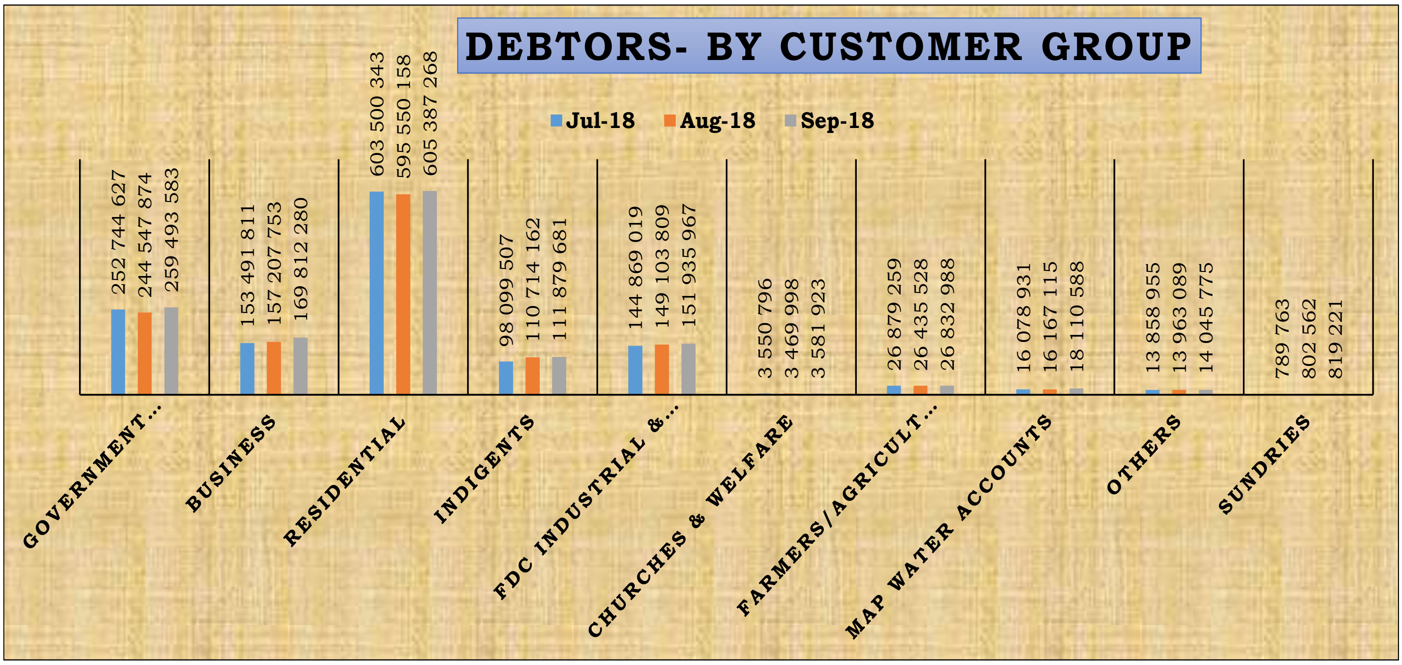
2.2. AGE ANALYSIS OF DEBTORS

The total debt book amounted to **R1.3 billion** by the end of **September 2018.**

DESCRIPTION	0- 30 DAYS	31-60 DAYS	61-90 DAYS	91 DAYS +	TOTAL	CREDITED AMOUNT	TOTAL DEBT	PREVIOUS MONTH TOTAL DEBT
AGE ANALYSIS OF DEBTORS - BY INCOME SOURCE								
Water	8 547 133	7 517 288	7 271 810	380 405 557	403 741 787	-	403 741 787	395 150 616
Eletricity	16 758 611	20 357 074	16 650 441	195 910 969	249 677 096	-	249 677 096	259 601 310
Sewerage	3 550 949	3 173 576	3 085 858	148 086 557	157 896 940	-	157 896 940	154 270 947
Refuse	2 841 383	2 801 487	2 744 563	147 548 059	155 935 492	-	155 935 492	153 037 222
Rates & Taxes	11 105 385	9 838 564	20 830 669	360 597 676	402 372 293	-62 474 806	339 897 487	302 078 288
Total	**42 803 461**	**43 687 988**	**50 583 342**	**1 232 548 818**	**1 369 623 609**	**-62 474 806**	**1 307 148 803**	**1 264 138 384**
Others	-	42 814	1 064	12 218 770	12 262 648	-	12 262 648	11 496 979
Sundries	163 893	160 325	137 271	42 025 335	42 486 823	-	42 486 823	42 326 685
Total other	**163 893**	**203 139**	**138 335**	**54 244 105**	**54 749 471**	**-**	**54 749 471**	**53 823 664**
Total Debt	**42 967 354**	**43 891 128**	**50 721 677**	**1 286 792 922**	**1 424 373 080**	**-62 474 806**	**1 361 898 274**	**1 317 962 048**
AGE ANALYSIS OF DEBTORS - BY CUSTOMER GROUP								
Government departments	14 331 601	13 639 105	22 534 950	230 330 093	280 835 749	-21 342 166	259 493 583	244 547 874
Business	11 580 219	13 662 285	12 453 495	163 579 860	201 275 859	-31 463 578	169 812 280	157 207 753
Residential	10 448 294	10 328 904	9 894 264	580 893 977	611 565 439	-6 178 171	605 387 268	595 550 158
Indigents	1 161 693	1 161 005	1 226 077	108 980 873	112 529 648	-649 967	111 879 681	110 714 162
Fdc industrial & Tenants	2 832 124	4 352 652	3 115 900	141 691 519	151 992 195	-56 228	151 935 967	149 103 809
Churches & welfare	109 799	88 890	89 180	3 357 364	3 645 233	-63 310	3 581 923	3 469 998
Farmers/Agriculture	408 613	418 377	1 228 113	25 619 498	27 674 601	-841 613	26 832 988	26 435 528
Map Water Accounts	1 943 906	88 183	70 183	16 008 316	18 110 588	-	18 110 588	16 167 115
Total	**42 816 248**	**43 739 401**	**50 612 163**	**1 270 461 500**	**1 407 629 311**	**-60 595 033**	**1 347 034 278**	**1 303 196 397**
Others	134 448	125 009	92 855	14 896 673	15 248 985	-1 203 211	14 045 775	13 963 089
Sundries	16 659	26 717	16 659	1 435 749	1 495 784	-676 563	819 221	802 562
Total	**151 106**	**151 726**	**109 514**	**16 332 423**	**16 744 769**	**-1 879 773**	**14 864 996**	**14 765 651**
Total Debt	**42 967 354**	**43 891 128**	**50 721 677**	**1 286 793 922**	**1 424 374 080**	**-62 474 806**	**1 361 899 274**	**1 317 962 048**
							Increase/ - decrease in the total debt	**43 937 226**

JULY- SEPTEMBER BALANCES			
Description	**Jul-18**	**Aug-18**	**Sep-18**
DEBTORS - BY INCOME SOURCE			
Water	389 865 375	395 150 616	403 741 787
Eletricity	252 198 856	259 601 310	249 677 096
Sewerage	152 587 941	154 270 947	157 896 940
Refuse	151 569 301	153 037 222	155 935 492
Rates & Taxes	313 152 082	302 078 288	339 897 487
Others	12 245 193	11 496 979	12 262 648
Sundries	42 244 245	42 326 685	42 486 823
TOTAL	**1 313 862 993**	**1 317 962 048**	**1 361 898 274**
DEBTORS - BY CUSTOMER GROUP			
Government departments	252 744 627	244 547 874	259 493 583
Business	153 491 811	157 207 753	169 812 280
Residential	603 500 343	595 550 158	605 387 268
Indigents	98 099 507	110 714 162	111 879 681
Fdc industrial & Tenants	144 869 019	149 103 809	151 935 967
Churches & welfare	3 550 796	3 469 998	3 581 923
Farmers/Agriculture	26 879 259	26 435 528	26 832 988
Map Water Accounts	16 078 931	16 167 115	18 110 588
Others	13 858 955	13 963 089	14 045 775
Sundries	789 763	802 562	819 221
TOTAL	**1 313 863 011**	**1 317 962 048**	**1 361 899 274**





2.3. AGE ANALYSIS OF CREDITORS

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)
		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	0100	72 341	92 815	76 963	63 861	45 096	42 008	695 305	2 294 984	**3 383 373**	2 350 031
Bulk Water	0200	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	0300	5 753	4 785	4 507	5 076	4 741	–	–	–	**24 862**	30 964
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	**–**	12 781
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	–	–	–	–	–	–	–	–	**–**	–
Auditor General	0800	483	35	33	204	3 806	–	–	–	**4 561**	–
Other	0900	4 750	10 571	9 601	16 519	126 290	–	–	–	**167 731**	53 635
Total By Customer Type	**1000**	**83 327**	**108 207**	**91 104**	**85 660**	**179 933**	**42 008**	**695 305**	**2 294 984**	**3 580 528**	2 447 411

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2.4. INVESTMENTS PORTFOLIO

This information is also reflected in a prescribed Schedule C format in **Annexure B - Table SC5**

The below table indicate investments both long term and short term by the end of the **1st quarter**. Long term investments are comprised of insurance policies.

Description	Amount	%
Call Accounts	377 481	**12%**
Long term investments	2 789 793	**88%**
Total	**3 167 274**	**100%**

1ST QUARTER 2018 MOVEMENTS						
Account Number	**Name of the Institution**	**Opening Balance**	**Withdrawals**	**Re - Investments**	**Interest Earned**	**Closing Balance**
5926	Sanlam	393 131	0	0	0	393 131
50189057	Sanlam - Money Market	1 967 821	0	0	35 331	2 003 152
11690236x2	Sanlam	393 511	0	0	0	393 511
62027358292	FNB Call Account	32 643	-267 178 176	266 898 392	357 564	110 423
62387689824	FNB JAZZ Fund	38 217	-14 000 000	13 919 000	106 784	64 001
62199534580	FNB Call Account - MIG Funds	1 026	0	0	16	1 043
62212896346	FNB Call Account - Intabazwe corridor	57 278	-708 215	766 254	2 274	117 590
348526407	Standard BANK	83 760	0	0	663	84 424
TOTAL		**2 967 387**	**-281 886 392**	**281 583 646**	**502 633**	**3 167 274**

2.5. EXTERNAL LOANS

1ST QUARTER 2018 MOVEMENTS							
Loan Number	**Financial Institution**	**Department**	**Balance as at 30 June 2018**	**Provision for interest**	**Re-payment made**	**Interest payment made**	**Balance as at 30 September 2018**
11076/103	DBSA	Water	404 382,12	10 644,58	-	-	415 027
11076/202	DBSA	Rates & General	416 417,74	16 832,70	-	-	433 250
13768/102	DBSA	Water	777 021,36	17 604,82	-	-	794 626
13768/202	DBSA	Water	678 929,24	15 383,83	-	-	694 313
13768/302	DBSA	Sewerage	1 026 775,33	25 825,40	-	-	1 052 601
61006823	DBSA	Water Meters	2 569 507,90	44 072,60	-	-	2 613 581
61006824	DBSA	MAP Building	2 767 796,37	66 196,36	-	-	2 833 993
TOTAL			**8 640 830**	**196 560**	**-**	**-**	**8 837 390**

2.6. SUMMARY OF THE STAFF BENEFITS (PARENT MUNICIPALITY)

Note: Based on the table below, the total budget has changed from the approved budget due to the alignment of items as per mSCOA requirements.

The following changes must be noted:

- The skills development levy amounting to **R3million** is now allocated as an operational cost and the post-retirement benefit amounting to **R1.4 million** is now included on the employee costs. The **R14 million** budget for provident fund is added to pension fund.

The actual movements by the end of the **1st quarter** were targeted to be at **25%** of the budget. If the percentage is more than **25%** of the budget, it indicates that there is a possibility of overspending of the budget on that line item by the end of the year. The overall total staff benefits were at **26%** of the budget by the end of **September 2018**.

- The movements on the telephone allowances relate to salaries and will be re-allocated to the relevant line item with a journal.

Description	Budget 2018/19	mSCOA Budget 2018/19	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	YearTD Target	% YTD target vs Budget	% YTD actuals vs budget
Senior Managers Salaries & Benefits	-	12 179 259	803 599	553 501	370 648	**1 727 748**	1 727 748	3 044 815	**25%**	**14%**
Municipal Staff										
Salaries & Wages	249 007 713	239 535 563	19 438 369	17 573 582	20 954 546	**57 966 496**	57 966 496	59 883 891	**25%**	**24%**
Telephone Allowance	1 023 057	844 975	52 900	451 965	534 959	**1 039 824**	1 039 824	211 244	**25%**	**123%**
Housing Subsidy	1 469 075	1 469 078	112 716	117 817	198 661	**429 194**	429 194	367 270	**25%**	**29%**
Leave Pay	3 010 776	3 010 776	176 985	479 492	96 050	**752 527**	752 527	752 694	**25%**	**25%**
Travel Or Vehicle Allowance	8 473 459	7 050 672	610 781	567 570	605 962	**1 784 312**	1 784 312	1 762 668	**25%**	**25%**
Overtime	14 308 940	14 308 939	1 634 907	3 301 000	4 380 765	**9 316 672**	9 316 672	3 577 235	**25%**	**65%**
Acting Allowance	106 399	439 200	87 917	18 293	5 626	**111 836**	111 836	109 800	**25%**	**25%**
Annual Bonus	19 605 990	18 844 378	2 306 619	1 829 362	1 687 327	**5 823 308**	5 823 308	4 711 094	**25%**	**31%**
Long Service Award	4 450 064	4 450 064	201 851	338 220	340 695	**880 766**	880 766	1 112 516	**25%**	**20%**
Standy Allowance	2 088 033	2 088 033	132 163	98 546	139 079	**369 787**	369 787	522 008	**25%**	**18%**
Stat Contr.:Bargaining Council	137 258	137 263	9 896	15 407	15 884	**41 186**	41 186	34 316	**25%**	**30%**
Insurance : Group Life	1 247 897	1 245 874	119 222	116 354	126 281	**361 858**	361 858	311 469	**25%**	**29%**
Medical Aid	12 645 199	12 469 303	1 180 809	1 230 160	1 263 892	**3 674 861**	3 674 861	3 117 326	**25%**	**29%**
Pension Fund	19 348 904	32 882 751	2 913 686	2 840 223	3 050 585	**8 804 495**	8 804 495	8 220 688	**25%**	**27%**
Provident Fund	14 017 165	-	-	-	-	**-**	-	-	**0%**	**0%**
Insurance : Uif	2 156 215	2 140 022	172 169	219 845	234 696	**626 710**	626 710	535 005	**25%**	**29%**
Skills Development Levy	3 153 932	-	-	-	-	**-**	-	-	**0%**	**0%**
Post Retirement Benefit-Medical Aid	-	1 400 000	-	-	230 552	**230 552**	230 552	350 000	**25%**	**16%**
Total Costs - Municipal Staff	**356 250 076**	**342 316 892**	**29 150 991**	**29 197 835**	**33 865 560**	**92 214 386**	**92 214 386**	**85 579 223**	**25%**	**27%**
Remuneration Of Councillors	24 758 399	24 758 399	1 936 384	2 220 045	2 224 988	**6 381 417**	6 381 417	6 189 600	**25%**	**26%**
Total Employees Related Costs	**381 008 475**	**379 254 550**	**31 890 974**	**31 971 380**	**36 461 196**	**100 323 551**	**100 323 551**	**94 813 637**	**25%**	**26%**

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2.7. CONTRACTED SERVICES

The below table shows the new alignment of contracted services, repairs & maintenance and other line items which were previously budgeted as other general expenditure.
The repairs and maintenance budget is shared between contracted services and inventory *(as indicated on table 2.8).*

Description	mSCOA Budget	Jul-18	Aug-18	Sep-18	1st Quarter Actuals	YTD Actuals	Balances
Outsourced Services							
OS: Burial Services	200 000	-	-	29 500	**29 500**	29 500	170 500
OS: B&A Occupational Health & Safety	500 000	-	-	-	**-**	-	500 000
OS: B&A Project Management (Landfill site)	4 000 000	-	-	-	**-**	-	4 000 000
OS: B&A Research & Advisory (Revenue enhancement)	5 610 000	-	-	-	**-**	-	5 610 000
OS: Strategic Waste Management Plan	350 000	-	-	-	**-**	-	350 000
OS: R & M - Grounds & Open Spaces	400 000	-	-	-	**-**	-	400 000
OS: Security Services	7 000 000	-	-	-	**-**	-	7 000 000
OS: Traffic Fines Management	1 500 000	-	-	-	**-**	-	1 500 000
Sub Total : Outsource Services	**19 560 000**	**-**	**-**	**29 500**	**29 500**	**29 500**	**19 530 500**
Consultants And Professional Services							
C&PS: B&A Air Pollution	350 000	-	-	-	**-**	-	350 000
C&Ps: B&A Audit Committee	100 000	-	-	-	**-**	-	100 000
C&Ps: B&A Business & Fin Management	5 500 000	-	-	-	**-**	-	5 500 000
C&PS: Debt Collectors	1 500 000	-	-	-	**-**	-	1 500 000
C&PS: Indigent Register	3 000 000	-	-	-	**-**	-	3 000 000
C&PS: Vat Review	3 000 000	-	-	-	**-**	-	3 000 000
C&Ps: B&A Project Management (PMU)	7 966 050	-	-	2 309 000	**2 309 000**	2 309 000	5 657 050
C&Ps: B&A Valuer & Assessors	1 500 000	-	-	-	**-**	-	1 500 000
C&Ps: I&P Geodetic Control & Surveys (Valuation roll)	1 500 000	-	-	-	**-**	-	1 500 000
C&Ps: Rural Formalisation	1 000 000	-	-	-	**-**	-	1 000 000
C&Ps: Urban Renewal	2 000 000	-	-	-	**-**	-	2 000 000
C&Ps: Legal Cost Advice & Litigation	6 000 000	869 565	1 145 514	973 341	**2 988 420**	2 988 420	3 011 580
Sub Total : Consultant And Prof Services	**33 416 050**	**869 565**	**1 145 514**	**3 282 341**	**5 297 420**	**5 297 420**	**28 118 630**
Contractors							
Contr: Audio-Visual Services (Arts & Culture)	37 500	-	-	-	**-**	-	37 500
Contr: Catering Services (Arts & Culture)	37 500	-	-	-	**-**	-	37 500
Contr: Electrical Street Lights	3 000 000	-	-	237 728	**237 728**	237 728	2 762 272
R & M - Network Reticulation	8 000 000	-	-	-	**-**	-	8 000 000
R & M - Substations	11 200 000	-	-	-	**-**	-	11 200 000
R & M - Tranformers	9 600 000	-	-	-	**-**	-	9 600 000
Contr: Event Promoters (Arts & Culture)	37 500	-	-	-	**-**	-	37 500
R & M - Buildings	1 200 000	12 180	-	-	**12 180**	12 180	1 187 820
R & M - Computer Equipment	70 000	-	-	-	**-**	-	70 000
R & M - Motors & Pumps	300 000	-	-	-	**-**	-	300 000
Contr: Maintenance Of Unspecified Assets	1 000 000	-	-	-	**-**	-	1 000 000
R & M - Maintanance Of Vip Toilets	3 000 000	-	-	-	**-**	-	3 000 000
R & M - Resurfacing Of Roads	26 400 000	-	-	-	**-**	-	26 400 000
R & M - Streets & Stormwater	3 000 000	-	379 559	767 400	**1 146 959**	1 146 959	1 853 041
R & M - Vehicles	1 600 000	-	-	-	**-**	-	1 600 000
Contr: Medical Services (Medical examination)	150 000	-	-	-	**-**	-	150 000
Contr: Prepaid Electricity Vendors	5 000 000	-	-	1 104 169	**1 104 169**	1 104 169	3 895 831
Sub Total : Contractors	**73 632 500**	**12 180**	**379 559**	**2 109 296**	**2 501 035**	**2 501 035**	**71 131 465**
Total : Contracted Services	**126 608 550**	**881 745**	**1 525 073**	**5 421 137**	**7 827 955**	**7 827 955**	**118 780 595**

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2.8. INVENTORY

This category includes other materials and consumables which the municipality procures to either repair or run operations. Most of the items were previously budgeted as repairs and maintenance and others as general expenditure.

The skills development program item indicates an overspending of **R71 thousand** which includes items relating to stipends. This will be corrected with a journal.

Description	mSCOA Budget	Jul-18	Aug-18	Sep-18	1st quarter Actuals	YTD Actuals	Balances
Inventory - R & M - Network Reticulation	2 000 000	-	-	-	**-**	-	2 000 000
Inventory - R & M - Resurfacing Of Roads	6 600 000	-	-	-	**-**	-	6 600 000
Inventory - R & M - Substations	2 800 000	28 500	1 882 348	-	**1 910 848**	1 910 848	889 152
Inventory - R & M - Transformers	2 400 000	-	-	-	**-**	-	2 400 000
Inventory - R & M - Vehicles	400 000	14 189	98 854	78 708	**191 751**	191 751	208 249
Inventory - Attire/Trophies/Musical Instruments (Arts & Culture projects)	150 000	-	-	-	**-**	-	150 000
Inventory - Affected Victims (for Disaster management projects)	300 000	-	-	-	**-**	-	300 000
Inventory - AIDS/HIV Project	50 000	-	-	-	**-**	-	50 000
Inventory - Assessment (for Disaster management projects)	500 000	63 000	57 375	200 000	**320 375**	320 375	179 625
Inventory - Equipment (for Disaster management projects)	500 000	-	-	-	**-**	-	500 000
Inventory - Fencing (for Agriculture projects)	300 000	-	-	-	**-**	-	300 000
Inventory - Immediate Relief Items (for Disaster management projects)	400 000	-	-	-	**-**	-	400 000
Inventory - Library Programmes	40 000	-	-	-	**-**	-	40 000
Inventory - Materials & Consumables	1 000 000	16 000	16 201	28 891	**61 092**	61 092	938 909
Inventory - Pound Animal Food	200 000	-	30 000	-	**30 000**	30 000	170 000
Inventory - Pound Animal Medication	200 000	-	-	-	**-**	-	200 000
Inventory - PPA System (for public participation)	100 000	-	-	-	**-**	-	100 000
Inventory - PPM Megaphones (for public participation)	50 000	-	-	-	**-**	-	50 000
Inventory - Printing & Stationery	1 500 000	4 960	126 493	59 451	**190 904**	190 904	1 309 096
Inventory - Reduction (for Disaster management projects)	300 000	-	-	-	**-**	-	300 000
Inventory - Seedlings/Equip/Compose (for Agriculture projects)	200 000	-	-	-	**-**	-	200 000
Inventory - Skills Development Program	500 000	177 600	348 161	45 380	**571 141**	571 141	(71 141)
Inventory - Study Materials (for training of Councillors)	250 000	-	-	-	**-**	-	250 000
Inventory - R & M - Buildings	300 000	-	-	5 854	**5 854**	5 854	294 146
Inventory - R & M - Computer Equipment	30 000	-	-	-	**-**	-	30 000
Inventory - R & M - Equipment & Tools	50 000	-	-	-	**-**	-	50 000
Inventory - R & M - Grounds & Open Spaces	100 000	-	-	-	**-**	-	100 000
Fleet - Fuel & Oil	4 000 000	-	-	-	**-**	-	4 000 000
Sub Total - Inventory	**25 220 000**	**304 249**	**2 559 432**	**418 284**	**3 281 965**	**3 281 965**	**21 938 035**

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2.9. BANK TRANSACTIONS SUMMARY REPORT

Description	Jul-18	Aug-18	Sep-18
Opening balances as per bank statement (surplus/- deficit)	**3 755 892,42**	**1 415 031,03**	**4 093 040,49**
INCOME			
Interest on credit balance	25 063,73	29 948,57	26 394,48
Equitable Share	224 466 000,00	-	-
Other Grants received	15 995 683,36	39 794 000,00	29 360 000,00
Direct deposits	9 784 312,62	15 946 843,36	15 351 229,33
Cashier deposits	1 899 928,43	2 542 750,78	2 367 000,91
Transf from Pre-paid acc	10 800 000,00	4 886 097,74	7 404 715,39
Transf from Corridor acc	-	307 422,24	380 000,00
Trans from call accounts dda	-	14 000 000,00	1 000 000,00
Trans from call accounts call	206 402 385,77	36 000 000,00	43 975 790,42
Trans from MIG accounts	-	-	-
Sundry credit on bank statement	62 145,68	33 423,00	6 471,20
Total income for the period	**469 435 519,59**	**113 540 485,69**	**99 871 601,73**
EXPENDITURE			
Ele payments- Creditors	-52 069 893,30	-76 037 192,12	-45 526 916,81
Cheques Creditors	-2 599,90	-4 400,00	-217 921,90
Ele -Netto Salaries	-20 710 630,59	-18 830 514,95	-22 605 628,63
Ele - salary 3rd parties	-45 745 697,19	-9 216 227,45	-2 450 557,91
Ele- Project salaries	-774 809,60	-1 095 511,02	-956 253,37
Bank charges	-59 737,16	-88 107,61	-80 162,33
Interest paid on debit balance	0,00	0,00	0,00
Debit order	-1 913 013,24	-990 523,08	-131 695,52
Debit transfer to investment	-350 500 000,00	-4 600 000,00	-30 000 000,00
Rd cheques	0,00	0,00	-110 084,49
Sundry Debits on bank statement	0,00	0,00	-850,00
Total expenditure for the period	**-471 776 380,98**	**-110 862 476,23**	**-102 080 070,96**
Closing balance as per bank statement (surplus/- deficit)	**1 415 031,03**	**4 093 040,49**	**1 884 571,26**

2.10. BANK BALANCES

Description	Jul-18	Aug-18	Sep-18
Main Accounts			
FNB - Maluti Main Acc	1 415 031,03	4 093 040,49	1 884 571,26
FNB - Pre-paid Acc	850 210,61	1 892 583,20	1 971 299,20
Total	**2 265 241,64**	**5 985 623,69**	**3 855 870,46**
Call deposits			
FNB Call Acc	9 281 315,91	20 776 790,42	46 910 422,76
DDA	14 957 216,61	1 005 957,32	61 640,33
Standard Bank	83 980,89	84 202,00	84 423,69
Project account			
FNB CALL Acc - MIG funds	1 026,26	1 031,71	1 037,19
FNB CALL Acc - INT/Harr Corridor	207 367,28	196 354,61	88 104,32
Total - Call Accounts	**24 530 906,95**	**22 064 336,06**	**47 145 628,29**
Total - Bank Balances	**26 796 148,59**	**28 049 959,75**	**51 001 498,75**