



Local Municipality • Mmasepala wa seLehale • Plaaslike Munisipaliteit

REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL ON BUDGET STATEMENT REPORT FOR THE 2ND QUARTER ENDING 31 DECEMBER 2018 – MFMA s52 (d)

1. EXECUTIVE SUMMARY

The purpose of this report is to provide a budget statement of the Municipality for the **2nd quarter ending 31 December 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

2ND QUARTER REPORT (OCTOBER - DECEMBER) 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 31 DECEMBER 2018

- The total consolidated year to date operating revenue by the end of the 2nd quarter amounted to **R697 million** and the expenditure was **R684.6 million** as indicated on **page 9**.
- The total year to date capital grants received amounted to **R130.3 million** and the expenditure amounted to **R75.4 million** (vat exclusive) as indicated on **page 11**.



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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 **1 402** by the **2nd quarter ending 31 December 2018**.

11. COMMENTS FROM OTHER DIRECTORS

None

12. RECOMMENDATIONS

It is recommended that Council takes note of the following reports for the **2nd quarter ending 31 December 2018**:

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

SUBMITTED BY:

.....
CLLR. M. MOSIA LAKAJE
EXECUTIVE MAYOR

.....
DATE

ANNEXURE “A”



SECTION 52(d) REPORT 2ND QUARTER ENDING 31 DECEMBER 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	1st Quarter Actuals	2nd Quarter Actuals	Variances (2nd vs 1st quarter)	YTD Actuals	YTD Target	YTD Variances	% YTD variances	% YTD vs Budget
Revenue By Source										
Rates & taxes	207 596 000	207 596 000	52 781 390	37 642 215	-15 139 175	90 423 605	103 798 000	-13 374 395	-13%	44%
Electricity	376 252 629	373 223 850	65 284 622	51 566 371	-13 718 251	116 850 993	186 611 925	-69 760 932	-37%	31%
Water revenue	83 013 816	82 546 851	20 907 360	21 244 546	337 186	42 151 907	41 273 426	878 481	2%	51%
Sewerage revenue	44 072 086	43 871 670	9 632 218	8 562 878	-1 069 340	18 195 096	21 935 835	-3 740 739	-17%	41%
Refuse revenue	36 921 496	36 809 136	7 403 135	8 032 394	629 259	15 435 529	18 404 568	-2 969 039	-16%	42%
Rental of facilities and equipment	1 345 743	489 295	180 132	455 587	275 455	635 718	244 648	391 071	160%	130%
Interest on investments & call accounts	2 900 000	2 900 000	626 198	854 949	228 751	1 481 147	1 450 000	31 147	2%	51%
Interest on outstanding debtors and rental on townland	33 708 000	33 973 000	-32 370	-	32 370	-32 370	16 986 500	-17 018 870	-100%	0%
Fines and penalties	14 852 720	15 216 678	826 393	762 863	-63 530	1 589 255	7 608 339	-6 019 084	-79%	10%
Transfers recognised operational grants	547 804 000	547 804 000	224 466 000	155 973 000	-68 493 000	380 439 000	404 019 000	-23 580 000	-6%	69%
Other revenue	15 205 756	10 999 530	609 069	495 742	-113 328	1 104 811	5 499 765	-4 394 954	-80%	10%
Total Revenue	1 363 672 246	1 355 430 010	382 684 148	285 590 544	(97 093 604)	668 274 691	807 832 005	(139 557 314)	-17%	28%
Expenditure By Type										
Employee related costs	365 660 479	354 496 148	93 942 134	97 824 329	3 882 195	191 766 463	177 248 074	14 518 389	8%	54%
Remuneration of councillors	24 758 401	24 758 399	6 381 417	6 484 637	103 220	12 866 053	12 379 200	486 854	4%	52%
Debt impairment	250 000 000	240 000 000	-	-	-	-	120 000 000	-120 000 000	-100%	0%
Depreciation & asset impairment	270 000 000	270 000 000	-	-	-	-	135 000 000	-135 000 000	-100%	0%
Interests on loans and overdue accounts	5 000 000	7 000 000	196 560	188 565	-7 995	385 125	3 500 000	-3 114 875	-89%	6%
Bulk purchases	600 000 000	605 700 000	243 293 518	129 271 524	-114 021 994	372 565 043	302 850 000	69 715 043	23%	62%
Repairs & maintenance and Contracted services	142 450 000	126 608 550	7 827 955	21 038 297	13 210 342	28 866 252	63 304 275	-34 438 023	-54%	23%
Transfers & subsidies paid (Entity, EPWP, Bursaries)	127 094 000	136 714 000	32 390	1 955 015	1 922 625	1 987 405	68 357 000	-66 369 595	-97%	1%
Operational costs, inventory and operating leases	111 709 367	129 950 794	11 005 831	11 137 432	131 600	22 143 263	64 975 397	-42 832 134	-66%	17%
Total Expenditure	1 896 672 246	1 895 227 891	362 679 805	267 899 799	(94 780 007)	630 579 604	947 613 946	(317 034 341)	-33%	19%
Surplus/-deficit	(533 000 000)	(539 797 881)	20 004 342	17 690 745	(2 313 597)	37 695 087	(139 781 941)	177 477 028		



Revenue by source material variances - Page 6 of the report

The total operating revenue by the end of the **2nd quarter** was at **R668.2 million** which was **R139 million** less than the anticipated **R807.8 million** due to the following:

- **Rates & taxes** – The outcomes for the 2nd quarter were **R15 million** less compared to the 1st quarter. This is due to the annual charge on all National Public Works properties which are charged once in July. The year to date outcomes by the end of the 2nd quarter were at **44%** of the budget. The Municipality still needs to invest in more building inspectors so that they regularly monitor the original zoning of properties to enable the correct rates charges as the community sometimes do not involve the municipality when they change their properties zoning.
- **Electricity** – the billing for the 2nd quarter was **R13.7 million** less compared to the 1st quarter. **31%** of the budget was billed by the end of the 2nd quarter. The low outcomes are due to high tampering of meters, illegal connections, faulty meters and meters that needs to be installed and or replaced. This contributes largely to distribution losses as what Eskom bills the Municipality cannot all be charged to municipal consumers. Our ageing infrastructure also lead to distribution losses.
- **Water revenue** – the outcomes for the 2nd quarter were **R337 thousands** more compared to the 1st quarter. The year to date outcomes were at **51%** of the budget, which is within the target although the Municipality still has a great challenge in water distribution as dams are running low and tankers cannot be currently paid as they should due to cash flow.
- **Sewerage and Refuse revenue** – the year to date outcomes were at **41%** and **42%** of the budget respectively by the end of the 2nd quarter which is below target of **50%**. The sewerage revenue was **R1 million** less compared to the 1st quarter and the refuse revenue was **R629 thousands** more compared to the 1st quarter. 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 actuals fines collected. The value of the issued traffic fines will be recorded by the end of the financial year.
- **Transfers recognised operational grants** – the unspent conditional grants for the 2017/18 financial year were deducted from the second tranche of the equitable share, otherwise all the grants have been received as per the National Treasury payment schedule
- **Other revenue** – the collection from this category of income depends on the need by the community.



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

The total operating expenditure by the end of the **2nd quarter** amounted to **R630.5 million** which was **R317 million** less than the anticipated **R947.6 million** due to the following:

- **Employee related costs and remuneration of councillors** – The outcomes for the 2nd quarter were **R3 million** more compared to the 1st quarter. The year to date outcomes were 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	1st Quarter Actuals	2nd Quarter Actuals	2nd vs 1st quarter variances	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	-	23 856 000	23 856 000	23 856 000	63 547 000	-39 691 000	-62%	19%
Sewerage revenue	31 087 496	32 519 553	-	1 684 633	1 684 633	1 684 633	15 543 748	-13 859 115	-89%	5%
Water revenue	66 897 012	73 304 751	-	3 188 568	3 188 568	3 188 568	33 448 506	-30 259 938	-90%	5%
Other income	200 000	-	-	-	-	-	100 000	-100 000	-100%	0%
Total Revenue	225 278 508	238 184 508	-	28 729 201	28 729 201	28 729 201	112 539 254	-112 539 254	-100%	13%
Expenditure By Type										
Employee related costs	133 421 412	132 157 194	21 650 150	28 557 533	6 907 383	50 207 682	66 710 706	-16 503 024	-25%	38%
Bulk purchases	31 596 347	3 353 712	-	-	-	-	15 798 174	-15 798 174	-100%	0%
Depreciation & asset impairment	940 000	4 900 000	-	-	-	-	470 000	-470 000	-100%	0%
Interest on loans and overdue accounts	3 959 596	630 555	-	-	-	-	1 979 798	-1 979 798	-100%	0%
Contracted services	8 841 839	29 498 483	391 350	409 229	17 879	800 579	4 420 919	-3 620 341	-82%	9%
Operational costs, inventory and operating leases	46 519 315	53 979 164	1 095 359	1 928 363	833 004	3 023 722	23 259 657	-20 235 935	-87%	6%
Total Expenditure	225 278 508	224 519 108	23 136 859	30 895 124	7 758 266	54 031 983	112 639 254	-89 502 396	-79%	24%



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

Description	Original Budget 2018/19	mSCOA Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	Variances (2nd vs 1st quarter)	YTD Actuals	% YTD vs Budget
Revenue By Source							
Rates & taxes	207 596 000	207 596 000	52 781 390	37 642 215	(15 139 175)	90 423 605	44%
Electricity	376 252 629	373 223 850	65 284 622	51 566 371	(13 718 251)	116 850 993	31%
Water revenue	83 013 816	82 546 851	20 907 360	21 244 546	337 186	42 151 907	51%
Sewerage revenue	44 072 086	43 871 670	9 632 218	8 562 878	(1 069 340)	18 195 096	41%
Refuse revenue	36 921 496	36 809 136	7 403 135	8 032 394	629 259	15 435 529	42%
Rental of facilities and equipment	1 345 743	489 295	180 132	455 587	275 455	635 718	130%
Interest on investments & call accounts	2 900 000	2 900 000	626 198	854 949	228 751	1 481 147	51%
Interest on outstanding debtors and rental on townland	33 708 000	33 973 000	-32 370	-	32 370	-32 370	0%
Fines and penalties	14 852 720	15 216 678	826 393	762 863	(63 530)	1 589 255	10%
Transfers recognised operational grants	547 804 000	785 988 508	224 466 000	184 702 201	(39 763 799)	409 168 201	52%
Other revenue	240 484 264	10 999 530	609 069	495 742	(113 328)	1 104 811	10%
Total Revenue	1 588 950 754	1 593 614 518	382 684 148	314 319 745	(68 364 403)	697 003 892	44%
Expenditure By Type							
Employee related costs	499 081 891	486 653 342	115 592 284	126 381 862	10 789 578	241 974 146	50%
Remuneration of councillors	24 758 401	24 758 399	6 381 417	6 484 637	103 220	12 866 053	52%
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	196 560	188 565	(7 995)	385 125	5%
Bulk purchases	631 596 347	609 053 712	243 293 518	129 271 524	(114 021 994)	372 565 043	61%
Repairs & maintenance and Contracted services	151 291 839	156 107 033	8 219 305	21 447 526	13 228 221	29 666 831	19%
Transfers & subsidies paid (Entity, EPWP, Bursaries)	127 094 000	136 714 000	32 390	1 955 015	1 922 625	1 987 405	1%
Operational costs, inventory and operating leases	159 168 681	183 929 958	12 101 190	13 065 794	964 604	25 166 985	14%
Total Expenditure	2 121 950 755	2 119 746 999	385 816 664	298 794 923	(87 021 741)	684 611 587	32%
Surplus/-deficit	(533 000 000)	(526 132 481)	(3 132 517)	15 524 821	18 657 338	12 392 305	

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.



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

Vote Description	Approved Budget 2018/19	mSCOA Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	Variances (2nd vs 1st quarter)	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	278 187 939	194 665 082	(83 522 857)	472 853 021	60%
Vote 5 - Municipal Infrastructure	127 085 902	126 418 521	30 539 579	29 807 424	(732 155)	60 347 003	48%
Vote 6 - Community Services	40 206 505	42 844 145	7 542 100	8 125 103	583 003	15 667 202	37%
Vote 7 - Public Safety & Transport	15 865 970	15 865 970	861 283	822 020	(39 263)	1 683 303	11%
Vote 8 - Sports, Parks, Arts & Culture	3 212 923	462 923	83 786	357 381	273 594	441 167	95%
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	103 901	139 397	35 496	243 298	12%
Vote 11 - IDP- PMS Department	-	-	-	-	-	-	0%
Vote 12 - Spatial Development, Planning & Traditional Affairs	3 388 820	3 388 820	75 495	104 760	29 265	180 254	5%
Vote 13 - Electricity Department	380 704 126	373 241 631	65 290 066	51 569 378	(13 720 688)	116 859 444	31%
Total Revenue by Vote	1 363 672 246	1 355 430 010	382 684 148	285 590 544	(97 093 604)	668 274 691	49%
Expenditure by Vote							
Vote 1 - Legislative Authority	49 358 547	319 358 544	9 779 868	11 374 882	1 595 014	21 154 750	7%
Vote 2 - Office of the Municipal Manager	28 139 341	28 139 344	4 937 780	4 737 298	(200 482)	9 675 078	34%
Vote 3 - Corporate Services	48 322 039	48 322 039	11 897 749	13 262 073	1 364 324	25 159 821	52%
Vote 4 - Financial Services	766 907 427	496 907 428	17 129 177	17 953 339	824 162	35 082 516	7%
Vote 5 - Municipal Infrastructure	67 401 554	75 367 604	9 065 792	11 417 215	2 351 424	20 483 007	27%
Vote 6 - Community Services	65 172 767	65 172 762	17 178 757	17 590 436	411 679	34 769 192	53%
Vote 7 - Public Safety & Transport	82 003 244	82 003 243	18 625 066	25 235 289	6 610 224	43 860 355	53%
Vote 8 - Sports, Parks, Arts & Culture	42 286 401	42 286 400	9 709 371	9 926 719	217 348	19 636 091	46%
Vote 9 - LED, Tourism, SMME's, Rural & agricultural development	20 659 565	20 659 568	1 644 162	2 692 874	1 048 712	4 337 036	21%
Vote 10 - Human Settlements	9 581 418	9 581 420	1 612 706	1 774 011	161 304	3 386 717	35%
Vote 11 - IDP- PMS Department	5 240 894	5 240 894	301 174	336 902	35 727	638 076	12%
Vote 12 - Spatial Development, Planning & Traditional Affairs	13 591 277	13 591 276	2 131 159	2 137 209	6 049	4 268 368	31%
Vote 13 - Electricity Department	698 007 774	688 597 369	258 667 044	149 461 552	(109 205 492)	408 128 596	59%
Total Expenditure by Vote	1 896 672 246	1 895 227 891	362 679 805	267 899 799	(94 780 007)	630 579 604	33%
Surplus/- Deficit	(533 000 000)	(539 797 881)	20 004 342	17 690 745	(2 313 597)	37 695 087	



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1.5. NATIONAL TRANSFERS – OPERATING AND CAPITAL

The municipality received **R157 million** of operational grants and **R48.4 million** of capital grants during the **2nd quarter**.

Description	Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	YearTD Actuals	YearTD Target	YTD Variances
OPERATING TRANSFERS AND GRANTS						
<u>National Government:</u>						
Local Government Equitable Share	538 719 000	224 466 000	155 973 000	380 439 000	404 039 000	-23 600 000
Finance Management Grant (FMG)	2 215 000	2 215 000	-	2 215 000	2 215 000	-
EPWP Incentive	4 120 000	-	1 030 000	1 030 000	2 884 000	-1 854 000
<u>Provincial Government</u>						
Sport and Recreation	2 750 000	-	-	-	2 750 000	-2 750 000
TOTAL	547 804 000	226 681 000	157 003 000	383 684 000	411 888 000	(28 204 000)
CAPITAL TRANSFERS AND GRANTS						
Municipal Infrastructure Grant (MIG)	159 321 000	66 939 000	41 461 000	108 400 000	108 400 000	-
Integrated National Electrification Programme (INEP)	29 000 000	-	7 000 000	7 000 000	7 000 000	-
Water services Infrastructure grant (WSIG Schedule 5B)	35 000 000	14 919 000	-	14 919 000	25 020 000	-10 101 000
TOTAL	223 321 000	81 858 000	48 461 000	130 319 000	140 420 000	-10 101 000

1.6. CAPITAL EXPENDITURE

CAPITAL EXPENDITURE BY SOURCE OF FUNDING								
Description	Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	YearTD Actuals	YTD Target	YTD Variances	% YTD Target vs Budget	% YTD vs Budget
Municipal Infrastructure Grant (MIG)	159 321 000	28 121 754	36 897 267	65 019 021	79 660 500	-14 641 479	-18%	41%
Integrated National Electrification Programme (INEP)	29 000 000	3 433 280	3 245 858	6 679 138	14 500 000	-7 820 862	-54%	23%
Water services Infrastructure grant (WSIG Schedule 5B)	35 000 000	2 303 004	1 399 392	3 702 396	17 500 000	-13 797 604	-79%	11%
Assets from own funds	7 000 000	-	-	-	3 500 000	-3 500 000	0%	0%
Total capital expenditure (VAT excl.)	230 321 000	33 858 038	41 542 517	75 400 555	115 160 500	(39 759 945)	-35%	33%



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CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION

Description	Source of funding	Approved Budget 2018/19	1st quarter	2nd quarter	YTD Outcomes	Balances
OPERATIONAL						
Project Management Unit	MIG	7 966 050	2 309 000	1 731 750	6 349 750	1 616 300
COMMUNITY FACILITY PROJECTS						
Harrismith/Tshiame B: Construction of a new taxi facility (MIS:255146)	MIG	12 909 581	1 772 514	1 870 669	5 415 698	7 493 883
Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:264316)	MIG	3 101 164	1 354 746	1 853 183	4 562 674	-1 461 510
Kestell/Tholong: Construction of a new taxi facility (MIS:255150)	MIG	15 949 916	926 456	4 389 882	6 242 794	9 707 123
Phuthaditjhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	MIG	13 571 108	2 153 704	4 131 761	8 439 169	5 131 939
TOTAL		45 531 770	6 207 420	12 245 495	24 660 335	20 871 435
SPORTS AND RECREATIONAL FACILITIES						
Bluegumbosch: New indoor Sport and Recreational Facility (MIS:245891)	MIG	4 224 394	1 773 137	1 408 431	4 954 706	-730 312
Intabazwe: Upgrading of recreational and sports facilities at Intabazwe Stadium (MIS:264315)	MIG	11 763 990	1 276 932	4 112 858	6 666 722	5 097 268
TOTAL		15 988 384	3 050 069	5 521 289	11 621 428	4 366 956
ELECTRICITY PROJECTS						
Upgrading of E-Ross Substation- Phase 1	DOE	15 000 000	-	1 619 000	1 619 000	13 381 000
Tshiame D - electrification	DOE	14 000 000	3 433 280	1 626 858	8 493 417	5 506 583
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	3 433 280	3 245 858	10 112 417	19 685 672
WATER PROJECTS						
Intabazwe/Harrismith: Rectification of water supply pipeline (MIS:278789)	MIG	3 391 686	-	277 772	277 772	3 113 914
Fika Patso Purification project	WSIG	-	-	-	-	-
Kestel Bulk line	WSIG	35 000 000	2 303 004	1 399 392	6 005 400	28 994 600
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	-	586 790	586 790	145 110
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections (Qwaqwa Rural) Phase 3C	MIG	5 361 000	189 711	1 720 008	2 099 430	3 261 570
Wilge: Construction of a 4 ML Reservoir	MIG	5 317 198	-	-	-	5 317 198
TOTAL		52 919 409	2 492 715	3 983 963	8 969 393	43 950 016



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CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION

Description	Source of funding	Approved Budget 2018/19	1st Quarter	2nd Quarter	YTD outcomes	Balances
WASTE WATER MANAGEMENT/ SEWERAGE PROJECTS						
Bluegumbosch: Construction of sewer reticulation network to 2367 stands - phase 1 (MIS:264308)	MIG	12 440 179	3 754 188	1 754 955	9 263 332	3 176 847
Harrismith/Intabazwe-Ext3: Construction of sewer outfall line and rising main (MIS:236415)	MIG	5 313 046	31 760	2 847 850	2 911 369	2 401 677
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	1 581 407	780 816	3 943 630	-1 937 597
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	4 153 287	3 090 576	11 397 150	1 165 739
Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1 (MIS:268482)	MIG	1 836 597	-	-	-	1 836 597
TOTAL		39 522 144	9 520 642	8 474 197	27 515 481	12 006 664
ROADS PROJECTS						
Intabazwe: Paving of 6km roads - Phase 2	MIG	3 419 584	909 964	30 863	1 850 791	1 568 793
Namahadi: Construction of 5km paved roads and storm water phase 2 (MIS:240386)	MIG	13 613 773	2 683 036	2 508 016	7 874 089	5 739 684
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	3 251 912	3 801 086	10 304 909	3 698 822
TOTAL		31 595 154	6 844 912	6 339 965	20 029 789	11 565 365
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	1st Quarter billing	Oct-18	Nov-18	Dec-18	2nd Quarter billing	Year to date billing	% YTD billing vs budget
Rates and taxes	207 596 000	53 835 102	12 801 158	25 602 316	12 800 583	51 204 058	105 039 160	51%
Conventional electricity	218 790 134	65 651 505	16 899 632	36 107 370	15 117 583	68 124 584	133 776 089	61%
Prepaid electricity	157 462 495	29 728 170	8 989 556	8 639 663	9 077 038	26 706 257	56 434 427	36%
Water	83 013 816	26 734 269	8 695 305	16 474 591	7 066 404	32 236 300	58 970 569	71%
Sewerage	44 072 086	11 886 102	4 038 978	8 075 806	4 012 347	16 127 130	28 013 233	64%
Refuse	36 921 496	10 719 114	3 643 140	7 283 629	3 642 419	14 569 187	25 288 301	68%
Total	747 856 027	198 554 262	55 067 769	102 183 374	51 716 374	208 967 517	407 521 779	54%
COLLECTION								
Description	Budget 2018/19	1st Quarter collection	Oct-18	Nov-18	Dec-18	2nd Quarter Collection	Year to date collection	% YTD collection vs budget
Rates and taxes	207 596 000	2 074 610	2 352 295	57 356	1 580 022	3 989 673	6 064 282	3%
Conventional electricity	218 790 134	3 715 806	3 176 175	495 615	2 609 145	6 280 935	9 996 741	5%
Prepaid electricity	157 462 495	27 187 723	7 969 097	7 576 177	8 017 736	23 563 009	50 750 732	32%
Water	83 013 816	1 245 698	1 597 046	116 573	695 725	2 409 345	3 655 043	4%
Sewerage	44 072 086	795 776	678 157	17 791	437 171	1 133 120	1 928 896	4%
Refuse	36 921 496	636 817	488 454	12 546	370 212	871 212	1 508 029	4%
Total	747 856 027	35 656 430	16 261 223	8 276 058	13 710 012	38 247 293	73 903 723	10%

BILLING VS COLLECTION						
Description	2nd Quarter billing	2nd Quarter collection	%	Year to date billing	Year to date collection	% YTD collection vs billing
Rates and taxes	51 204 058	3 989 673	8%	105 039 160	6 064 282	6%
Conventional electricity	68 124 584	6 280 935	9%	133 776 089	9 996 741	7%
Prepaid electricity	26 706 257	23 563 009	88%	56 434 427	50 750 732	90%
Water	32 236 300	2 409 345	7%	58 970 569	3 655 043	6%
Sewerage	16 127 130	1 133 120	7%	28 013 233	1 928 896	7%
Refuse	14 569 187	871 212	6%	25 288 301	1 508 029	6%
Total	208 967 517	38 247 293	18%	407 521 779	73 903 723	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
Oct-18	16 899 632	3 176 175	19%	8 989 556	7 969 097	89%	25 889 188	11 145 271	43%	46 193 151
Nov-18	36 107 370	495 615	1%	8 639 663	7 576 177	88%	44 747 033	8 071 792	18%	46 525 594
Dec-18	15 117 583	2 609 145	17%	9 077 038	8 017 736	88%	24 194 621	10 626 881	44%	35 443 339
TOTAL	133 776 089	9 996 741	52%	56 434 427	50 750 732	90%	190 210 516	60 747 473	32%	370 281 111

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
Oct-18	8 010 256,36	7 969 456,36	-40 800,00	979 300,00
Nov-18	7 688 362,83	7 576 176,51	-112 186,32	951 300,00
Dec-18	8 159 988,01	8 017 736,00	-142 252,01	917 050,00
TOTAL	51 375 377,31	50 751 091,97	- 624 285,34	5 059 050,00



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2.2. AGE ANALYSIS OF DEBTORS

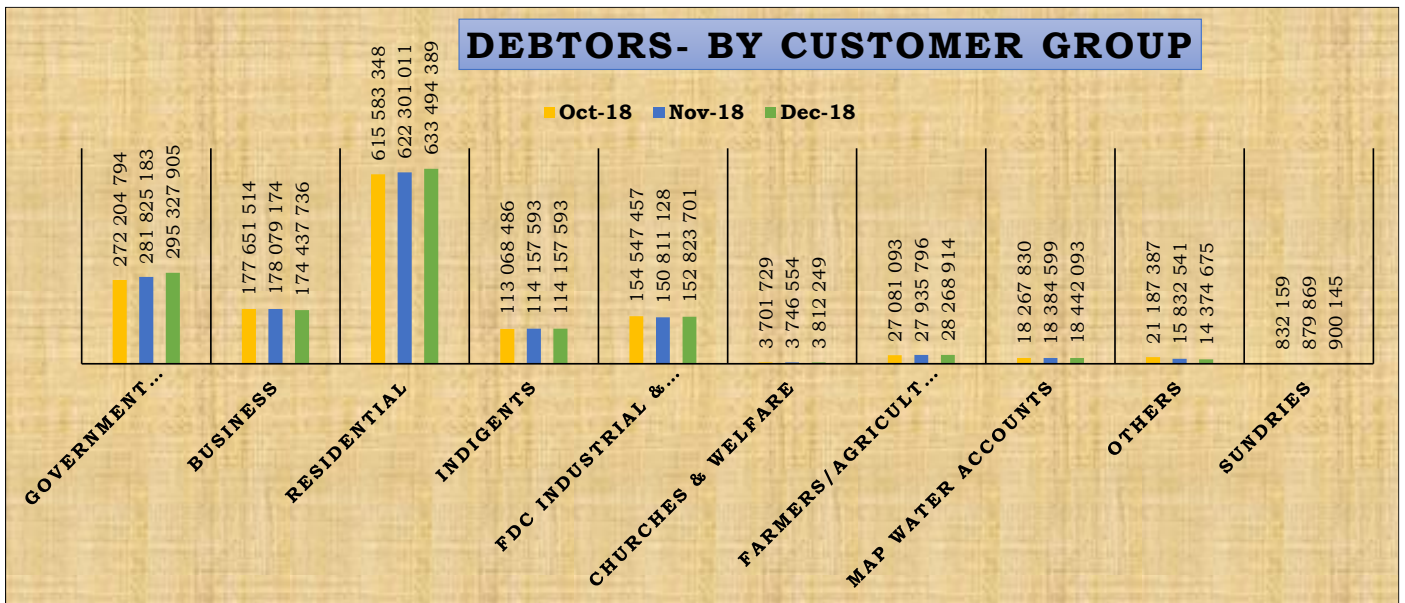
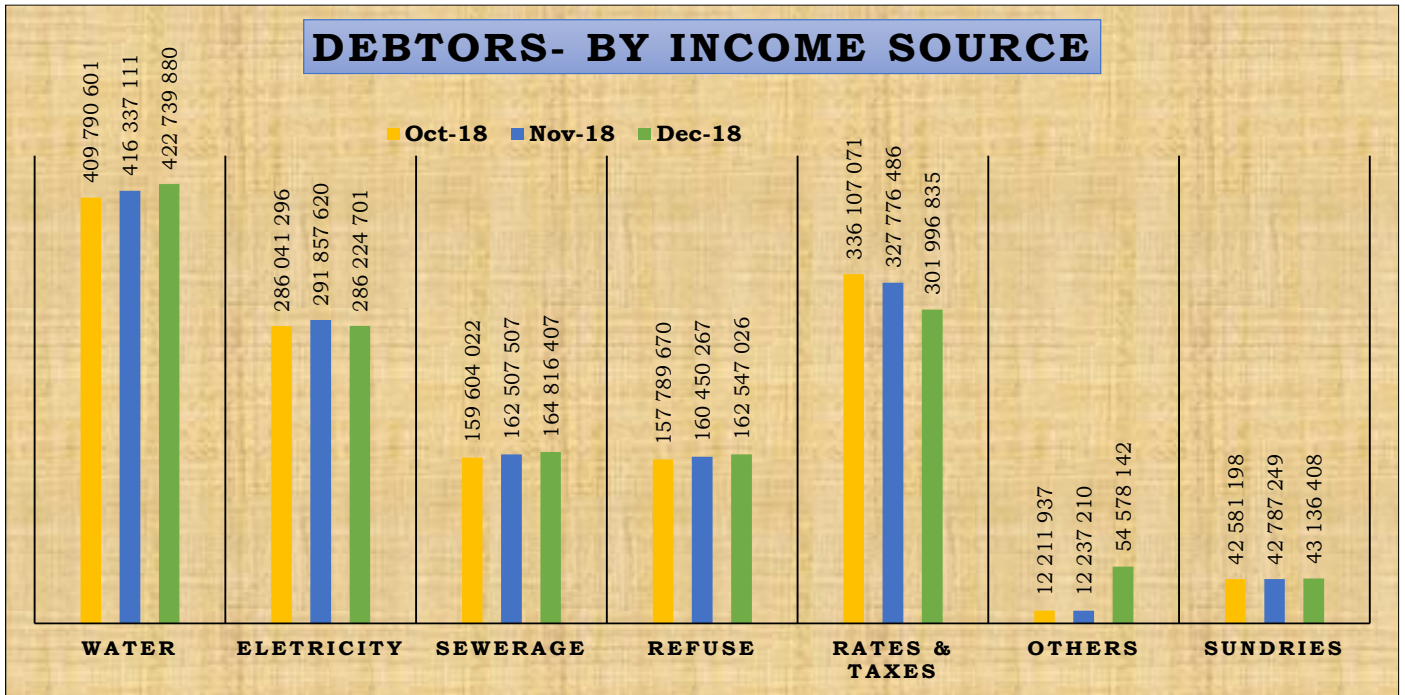
The total debt book amounted to **R1.3 billion** by the end of **December 2018**.

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	9 182 687	10 040 033	25 542 565	378 670 320	423 435 605	-695 725	422 739 880	416 337 111
Electricity	13 288 174	12 357 962	16 125 347	247 062 362	288 833 846	-2 609 145	286 224 701	291 857 620
Sewerage	3 212 389	3 161 781	3 360 112	155 519 296	165 253 578	-437 171	164 816 407	162 507 507
Refuse	2 836 711	2 801 013	2 752 723	154 526 792	162 917 238	-370 212	162 547 026	160 450 267
Rates & Taxes	11 784 028	12 290 120	10 936 667	319 529 830	354 540 646	-52 543 810	301 996 835	327 776 486
Total	40 303 990	40 650 910	58 717 413	1 255 308 601	1 394 980 913	-56 656 064	1 338 324 849	1 358 928 991
Others	4 071	5 909	-	56 692 866	56 702 846	-2 124 705	54 578 142	12 237 210
Sundries	432 353	225 425	142 224	42 374 692	43 174 694	-38 286	43 136 408	42 787 249
Total other	436 424	231 333	142 224	99 067 559	99 877 540	-2 162 990	97 714 550	55 024 459
Total Debt	40 740 414	40 882 243	58 859 637	1 354 376 160	1 494 858 453	-58 819 054	1 436 039 399	1 413 953 449
AGE ANALYSIS OF DEBTORS - BY CUSTOMER GROUP								
Government departments	13 548 871	14 960 270	16 237 871	266 614 230	311 361 241	-16 033 336	295 327 905	281 825 183
Business	11 514 486	9 997 402	12 205 739	174 624 919	208 342 545	-33 904 809	174 437 736	178 079 174
Residential	11 523 911	8 828 277	25 900 112	593 009 459	639 261 759	-5 767 370	633 494 389	622 301 011
Indigents	1 301 579	4 024 174	206 650	109 411 072	114 943 475	-785 882	114 157 593	114 157 593
Fdc industrial & Tenants	2 156 274	2 255 455	3 367 153	145 097 520	152 876 402	-52 702	152 823 701	150 811 128
Churches & welfare	109 129	97 065	227 198	3 449 565	3 882 957	-70 708	3 812 249	3 746 554
Farmers/Agriculture	378 599	426 997	375 696	27 370 980	28 552 271	-283 358	28 268 914	27 935 796
Map Water Accounts	57 494	116 849	157 242	18 110 508	18 442 093	-	18 442 093	18 384 599
Total	40 590 342	40 706 488	58 677 660	1 337 688 254	1 477 662 743	-56 898 165	1 420 764 579	1 397 241 040
Others	127 693	127 595	164 875	15 197 490	15 617 654	-1 242 978	14 374 675	15 832 541
Sundries	22 379	48 160	17 102	1 490 415	1 578 056	-677 911	900 145	879 869
Total	150 072	175 755	181 977	16 687 906	17 195 710	-1 920 889	15 274 820	16 712 409
Total Debt	40 740 414	40 882 243	58 859 637	1 354 376 160	1 494 858 453	-58 819 054	1 436 039 399	1 413 953 449
Increase/ - decrease in the total debt								22 085 950

OCTOBER - DECEMBER 2018 BALANCES			
Description	Oct-18	Nov-18	Dec-18
DEBTORS - BY INCOME SOURCE			
Water	409 790 601	416 337 111	422 739 880
Electricity	286 041 296	291 857 620	286 224 701
Sewerage	159 604 022	162 507 507	164 816 407
Refuse	157 789 670	160 450 267	162 547 026
Rates & Taxes	336 107 071	327 776 486	301 996 835
Others	12 211 937	12 237 210	54 578 142
Sundries	42 581 198	42 787 249	43 136 408
TOTAL	1 404 125 795	1 413 953 449	1 436 039 399
DEBTORS - BY CUSTOMER GROUP			
Government departments	272 204 794	281 825 183	295 327 905
Business	177 651 514	178 079 174	174 437 736
Residential	615 583 348	622 301 011	633 494 389
Indigents	113 068 486	114 157 593	114 157 593
Fdc industrial & Tenants	154 547 457	150 811 128	152 823 701
Churches & welfare	3 701 729	3 746 554	3 812 249
Farmers/Agriculture	27 081 093	27 935 796	28 268 914
Map Water Accounts	18 267 830	18 384 599	18 442 093
Others	21 187 387	15 832 541	14 374 675
Sundries	832 159	879 869	900 145
TOTAL	1 404 125 795	1 413 953 449	1 436 039 399



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2.3. AGE ANALYSIS OF CREDITORS

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2018/19									Prior year
		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	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	35 443	46 526	46 193	72 341	92 815	76 963	846 270	2 417 731	3 634 282	2 487 265
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	4 914	4 958	4 914	-	-	-	-	-	14 786	40 202
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	21 339
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	546	503	285	96	3 316	-	-	-	4 746	1 935
Other	0900	1 735	8 833	5 120	9 150	92 715	-	-	-	117 553	80 718
Total By Customer Type	1000	42 639	60 819	56 513	81 587	188 847	76 963	846 270	2 417 731	3 771 368	2 631 460



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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 **2nd quarter**. Long term investments are comprised of insurance policies.

Description	Amount	%
Call Accounts	34 425 033	92%
Long term investments	2 825 915	8%
Total	37 250 948	100%

OCTOBER - DECEMBER 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	2 003 152	0	0	36 122	2 039 274
11690236x2	Sanlam	393 511	0	0	0	393 511
62027358292	FNB Call Account	110 423	-266 578 277	298 873 000	645 248	33 050 394
62387689824	FNB JAZZ Fund	64 001	0	0	1 045	65 046
62199534580	FNB Call Account - MIG Funds	1 043	-27 000 000	28 000 000	44 893	1 045 936
62212896346	FNB Call Account - Intabazwe corridor	117 590	-474 857	532 406	3 419	178 558
348526407	Standard BANK	84 424	0	0	676	85 100
TOTAL		3 167 274	-294 053 134	327 405 406	731 403	37 250 948

2.5. EXTERNAL LOANS

OCTOBER - DECEMBER 2018 MOVEMENTS							
Loan Number	Financial Institution	Department	Opening Balances	Provision for interest	Re-payment made	Interest payment made	Balance as at 31 December 2018
11076/103	DBSA	Water	415 026,70	10 808,73	-	-	425 835
11076/202	DBSA	Rates & General	433 250,44	16 946,79	-	-	450 197
13768/102	DBSA	Water	794 626,18	17 509,86	-	-	812 136
13768/202	DBSA	Water	694 313,07	12 740,53	-	-	707 054
13768/302	DBSA	Sewerage	1 052 600,73	20 393,20	-	-	1 072 994
61006823	DBSA	Water Meters	2 613 580,50	44 072,60	-	-	2 657 653
61006824	DBSA	MAP Building	2 833 992,73	66 093,33	-	-	2 900 086
TOTAL			8 837 390	188 565	-	-	9 025 955



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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 **R3 million** 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 **2nd quarter** were targeted to be at **50%** of the budget. If the percentage is more than **50%** 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 **54%** of the budget by the end of **December 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	1st Quarter Actuals	2nd Quarter Actuals	YearTD Actuals	YearTD Target	% YTD target vs Budget	% YTD actuals vs budget
Senior Managers Salaries & Benefits	-	12 179 259	1 727 748	1 186 101	2 913 849	863 874	50%	24%
Municipal Staff								
Salaries & Wages	249 007 713	239 535 563	57 966 496	57 773 489	115 739 986	28 983 248	50%	48%
Telephone Allowance	1 023 057	844 975	1 039 824	1 019 609	2 059 433	519 912	50%	244%
Housing Subsidy	1 469 075	1 469 078	429 194	650 037	1 079 231	214 597	50%	73%
Leave Pay	3 010 776	3 010 776	752 527	824 596	1 577 124	376 264	50%	52%
Travel Or Vehicle Allowance	8 473 459	7 050 672	1 784 312	1 862 546	3 646 858	892 156	50%	52%
Overtime	14 308 940	14 308 939	9 316 672	9 866 101	19 182 773	4 658 336	50%	134%
Acting Allowance	106 399	439 200	111 836	165 295	277 130	55 918	50%	63%
Annual Bonus	19 605 990	18 844 378	5 823 308	8 902 360	14 725 668	2 911 654	50%	78%
Long Service Award	4 450 064	4 450 064	880 766	610 286	1 491 052	440 383	50%	34%
Standby Allowance	2 088 033	2 088 033	369 787	466 593	836 381	184 894	50%	40%
Stat Contr.:Bargaining Council	137 258	137 263	41 186	93 444	134 631	20 593	50%	98%
Insurance : Group Life	1 247 897	1 245 874	361 858	398 841	760 699	180 929	50%	61%
Medical Aid	12 645 199	12 469 303	3 674 861	3 749 218	7 424 080	1 837 431	50%	60%
Pension Fund	19 348 904	32 882 751	8 804 495	9 400 527	18 205 023	4 402 248	50%	55%
Provident Fund	14 017 165	-	-	-	-	-	-	-
Insurance : Uif	2 156 215	2 140 022	626 710	624 734	1 251 443	313 355	50%	58%
Skills Development Levy	3 153 932	-	-	-	-	-	-	-
Post Retirement Benefit- Medical Aid	-	1 400 000	230 552	230 552	461 104	115 276	50%	33%
Total Costs - Municipal Staff	356 250 076	342 316 892	92 214 386	96 638 228	188 852 614	46 107 193	50%	55%
Remuneration Of Councillors	24 758 399	24 758 399	6 381 417	6 484 637	12 866 053	3 190 708	50%	52%
Total Employees Related Costs	381 008 475	379 254 550	100 323 551	104 308 966	204 632 517	50 161 775	50%	54%



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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	1st Quarter Actuals	2nd Quarter Actuals	YearTD Actuals	Balances
Outsourced Services					
OS: Burial Services	200 000	29 500	6 000	35 500	164 500
OS: B&A Occupational Health & Safety	500 000	-	-	-	500 000
OS: B&A Project Management (Landfill site)	4 000 000	-	682 105	682 105	3 317 895
OS: B&A Research & Advisory (Revenue enhancement)	5 610 000	-	77 164	77 164	5 532 836
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	-	5 433 300	5 433 300	1 566 700
OS: Traffic Fines Management	1 500 000	-	163 730	163 730	1 336 270
Sub Total : Outsource Services	19 560 000	29 500	6 362 299	6 391 799	13 168 201
Consultants And Professional Services					
C&PS: B&A Air Pollution	350 000	-	152 174	152 174	197 826
C&PS: B&A Audit Committee	100 000	-	19 728	19 728	80 272
C&PS: B&A Business & Fin Management	5 500 000	-	1 082 667	1 082 667	4 417 333
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	-	1 673 773	1 673 773	1 326 227
C&PS: B&A Project Management (PMU)	7 966 050	2 309 000	1 731 750	4 040 750	3 925 300
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	2 988 420	2 944 531	5 932 951	67 049
Sub Total : Consultant And Prof Services	33 416 050	5 297 420	7 604 623	12 902 043	20 514 007
Contractors					
Contr: Audio-Visual Services (Arts & Culture)	37 500	-	18 396	18 396	19 104
Contr: Catering Services (Arts & Culture)	37 500	-	-	-	37 500
Contr: Electrical Street Lights	3 000 000	237 728	-	237 728	2 762 272
R & M - Network Reticulation	8 000 000	-	-	-	8 000 000
R & M - Substations	11 200 000	-	274 438	274 438	10 925 563
R & M - Tranformers	9 600 000	-	1 617 605	1 617 605	7 982 395
Contr: Event Promoters (Arts & Culture)	37 500	-	-	-	37 500
R & M - Buildings	1 200 000	12 180	-	12 180	1 187 820
R & M - Computer Equipment	70 000	-	-	-	70 000
R & M - Motors & Pumps	300 000	-	1 280	1 280	298 720
Contr: Maintenance Of Unspecified Assets	1 000 000	-	-	-	1 000 000
R & M - Maintanance Of Vip Toilets	3 000 000	-	1 883 535	1 883 535	1 116 465
R & M - Resurfacing Of Roads	26 400 000	-	715 000	715 000	25 685 000
R & M - Streets & Stormwater	3 000 000	1 146 959	1 232 478	2 379 436	620 564
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	1 328 644	2 432 813	2 567 187
Sub Total : Contractors	73 632 500	2 501 035	7 071 375	9 572 410	64 060 090
Total : Contracted Services	126 608 550	7 827 955	21 038 297	28 866 252	97 742 298



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 **R606 thousand** which includes items relating to stipends. This will be corrected with a journal.

Description	mSCOA Budget	1st quarter Actuals	2nd Quarter Actuals	YearTD Actuals	Balances
Inventory - R & M - Network Reticulation	2 000 000	-	1 552 051	1 552 051	447 949
Inventory - R & M - Resurfacing Of Roads	6 600 000	-	9 400	9 400	6 590 600
Inventory - R & M - Substations	2 800 000	1 910 848	1 041 553	2 952 401	(152 401)
Inventory - R & M - Transformers	2 400 000	-	1 295 375	1 295 375	1 104 625
Inventory - R & M - Vehicles	400 000	191 751	207 034	398 784	1 216
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	320 375	20 942	341 317	158 683
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	61 092	433 496	494 587	505 413
Inventory - Pound Animal Food	200 000	30 000	51 000	81 000	119 000
Inventory - Pound Animal Medication	200 000	-	3 414	3 414	196 586
Inventory - PPA System (for public participation)	100 000	-	-	-	100 000
Inventory - PPM Megaphones (for public participation)	50 000	-	6 000	6 000	44 000
Inventory - Printing & Stationery	1 500 000	190 904	223 016	413 920	1 086 080
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	571 141	535 677	1 106 818	(606 818)
Inventory - Study Materials (for training of Councillors)	250 000	-	-	-	250 000
Inventory - R & M - Buildings	300 000	5 854	175 000	180 854	119 146
Inventory - R & M - Computer Equipment	30 000	-	-	-	30 000
Inventory - R & M - Equipment & Tools	50 000	-	1 696	1 696	48 304
Inventory - R & M - Grounds & Open Spaces	100 000	-	342	342	99 658
Fleet - Fuel & Oil	4 000 000	-	747 260	747 260	3 252 740
Sub Total - Inventory	25 220 000	3 281 965	6 303 256	9 585 220	15 634 780



Local Municipality • Mmasepala wa seLehale • Plaatslike Munisipaliteit

2.9. BANK TRANSACTIONS SUMMARY REPORT

Description	Oct-18	Nov-18	Dec-18
Opening balances as per bank statement (surplus/- deficit)	1 884 571,26	1 886 330,95	563 249,24
INCOME			
Interest on credit balance	13 330,10	26 170,07	19 338,83
Equitable Share	-	-	155 973 000,00
Other Grants received	1 030 000,00	-	48 461 000,00
Direct deposits	16 012 191,25	20 190 057,59	11 753 525,88
Cashier deposits	2 232 682,44	2 351 111,04	1 402 670,90
Transf from Pre-paid acc	4 500 000,00	11 100 000,00	-
Transf from Corridor acc	-	460 000,00	-
Trans from call accounts dda	-	-	-
Trans from call accounts call	67 670 000,00	41 643 886,04	134 364 390,68
Trans from MIG accounts	-	-	-
Sundry credit on bank statement	871 489,51	-	361 280,02
Total income for the period	92 329 693,30	75 771 224,74	352 335 206,31
EXPENDITURE			
Ele payments- Creditors	-41 961 978,34	-29 102 011,90	-91 724 968,56
Cheques Creditors	-	-4 400,00	-52 703,80
Ele -Netto Salaries	-26 153 517,94	-27 677 936,26	-26 565 311,33
Ele - salary 3rd parties	-18 272 117,46	-	-35 406 689,46
Ele- Project salaries	-291 380,36	-402 844,00	-3 557 437,82
Bank charges	-62 118,63	-101 260,40	-63 616,12
Interest paid on debit balance	-	-	-
Debit order	-686 820,88	-156 153,89	-184 489,90
Debit transfer to investment	-4 900 000,00	-18 000 000,00	-193 973 000,00
Rd cheques	-	-	-
Sundry Debits on bank statement	-	-1 649 700,00	-
Total expenditure for the period	-92 327 933,61	-77 094 306,45	-351 528 216,99
Closing balance as per bank statement (surplus/- deficit)	1 886 330,95	563 249,24	1 370 238,56

2.10. BANK BALANCES

Description	Oct-18	Nov-18	Dec-18
Main Accounts			
FNB - Maluti Main Acc	1 886 330,95	563 249,24	1 370 238,56
FNB - Pre-paid Acc	5 629 474,66	2 346 442,27	10 372 321,16
Total Main Accounts	7 515 805,61	2 909 691,51	11 742 559,72
Call deposits			
FNB Call Acc	24 300 531,02	809 969,81	32 750 393,59
DDA	64 001,21	64 351,91	64 689,09
Standard Bank	84 638,80	84 858,51	85 099,95
Project account			
FNB CALL Acc - MIG funds	1 042,51	1 048,05	28 001 053,53
FNB CALL Acc - INT/Harr Corridor	342 845,81	50 962,01	175 730,84
Total - Call Accounts	24 793 059,35	1 011 190,29	61 076 967,00
Total - Bank Balances	32 308 864,96	3 920 881,80	72 819 526,72