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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL ON BUDGET STATEMENT FOR THE 3RD QUARTER ENDING 31 MARCH 2019 – MFMA s52 (d)

1. EXECUTIVE SUMMARY

The purpose of this report is to provide a budget statement of the Municipality for the **3rd quarter ending 31 March 2019.**

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

3rd QUARTER REPORT (JANUARY - MARCH) 2019

- **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

BUDGET OVERVIEW

Description	Original Budget 2018/19	Variances	mSCOA Budget 2018/19	Variances	Adjustment Budget 2018/19
MAP OPERATING BUDGET					
Total Revenue	1 363 672 246	(8 242 236)	1 355 430 010	(47 515 790)	1 307 914 220
Total Expenditure	1 896 672 246	(1 444 355)	1 895 227 891	352 009 337	2 247 237 228
Surplus/-deficit	**(533 000 000)**	**(6 797 881)**	**(539 797 881)**	**(399 525 127)**	**(939 323 008)**
MAP WATER (SOC) LTD					
Total Revenue	225 278 508	12 906 000	238 184 508	(40 000 000)	198 184 508
Total Expenditure	225 278 508	1 279 238	226 557 746	(30 419 194)	196 138 552
Surplus/-deficit	**(0)**	**11 626 762**	**11 626 762**	**(9 580 806)**	**2 045 956**
CONSOLIDATED OPERATING BUDGET					
Total Revenue	1 588 950 754	4 663 764	1 593 614 518	(87 515 790)	1 506 098 728
Total Expenditure	2 121 950 755	(165 118)	2 121 785 637	321 590 143	2 443 375 780
Surplus/-deficit	(533 000 000)	4 828 881	(528 171 119)	(409 105 933)	(937 277 052)
CAPITAL BUDGET					
Capital Budget from Grants	223 321 000	(7 966 050)	215 354 950	(25 000 000)	190 354 950
MAP Own source	7 000 000	-	7 000 000	-	21 647 000
Map Water Budget	-	11 626 762	11 626 762	-	2 045 956
Total Capital Budget	**230 321 000**	**3 660 712**	**233 981 712**	**(25 000 000)**	**214 047 906**

FINANCIAL PERFORMANCE OVERVIEW FOR THE QUARTER ENDING 31 MARCH 2019

- The total consolidated year to date operating revenue by the end March amounted to **R966.7 million** and the expenditure to date amounted to **R1 billion** as indicated on **page 9**.
- The total capital grants received to date amounted to **R198.3 million** and the expenditure amounted to **R99.7 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 **1 370** by the **3rd quarter ending 31 March 2019.**

11. COMMENTS FROM OTHER DIRECTORS

None

12. RECOMMENDATIONS

It is recommended that Council takes note of the following reports for the **3rd quarter ending 31 March 2019:**

- 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

3RD QUARTER ENDING

31 MARCH 2019

PART 1- IN-YEAR BUDGET STATEMENT MAIN TABLES

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

Description	Adjustment Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	Variances (3rd vs 2nd quarter)	YTD Actuals	YTD Target	YTD Variances	% YTD variances	% YTD vs Budget
Revenue By Source										
Rates & taxes	207 596 000	**52 781 390**	**37 642 215**	**38 416 022**	773 807	**128 839 627**	**155 697 000**	-26 857 373	**-17%**	**62%**
Electricity	397 432 000	**65 284 622**	**51 566 371**	**47 308 398**	-4 257 973	**164 159 391**	**298 074 000**	-133 914 609	**-45%**	**41%**
Water revenue	84 270 061	**20 907 360**	**21 244 546**	**16 781 611**	-4 462 936	**58 933 517**	**63 202 546**	-4 269 029	**-7%**	**70%**
Sewerage revenue	42 678 361	**9 632 218**	**8 562 878**	**8 614 696**	51 818	**26 809 792**	**32 008 771**	-5 198 979	**-16%**	**63%**
Refuse revenue	34 462 123	**7 403 135**	**8 032 394**	**8 032 645**	251	**23 468 174**	**25 846 592**	-2 378 418	**-9%**	**68%**
Rental of facilities and equipment	1 409 000	**180 132**	**455 587**	**218 325**	-237 262	**854 043**	**1 056 750**	-202 707	**-19%**	**61%**
Interest on investments & call accounts	2 900 000	**626 198**	**854 949**	**354 828**	-500 122	**1 835 975**	**2 175 000**	-339 025	**-16%**	**63%**
Interest on outstanding debtors	23 500 000	**-32 370**	**-**	**9 520 844**	9 520 844	**9 488 474**	**17 625 000**	-8 136 526	**-46%**	**40%**
Fines and penalties	6 376 678	**826 393**	**762 863**	**200 092**	-562 770	**1 789 348**	**4 782 509**	-2 993 161	**-63%**	**28%**
Transfers recognised operational grants	500 604 000	**224 466 000**	**155 973 000**	**111 080 000**	-44 893 000	**491 519 000**	**375 453 000**	116 066 000	**31%**	**98%**
Other revenue	6 685 997	**609 069**	**495 742**	**790 517**	294 776	**1 895 328**	**5 014 498**	-3 119 170	**-62%**	**28%**
Total Revenue	**1 307 914 220**	**382 684 148**	**285 590 544**	**241 317 978**	**(44 272 566)**	**909 592 669**	**980 935 665**	**(71 342 996)**	**-7%**	**70%**
Expenditure By Type										
Employee related costs	385 096 075	**93 942 134**	**97 824 329**	**94 929 016**	-2 895 313	**286 695 480**	**288 822 056**	-2 126 576	**-1%**	**74%**
Remuneration of councillors	24 452 589	**6 381 417**	**6 484 637**	**4 435 947**	-2 048 690	**17 302 000**	**18 339 442**	-1 037 442	**-6%**	**71%**
Debt impairment	240 000 000	**-**	**-**	**-**	-	**-**	**180 000 000**	-180 000 000	**-100%**	**0%**
Depreciation & asset impairment	270 000 000	**-**	**-**	**-**	-	**-**	**202 500 000**	-202 500 000	**-100%**	**0%**
Interests on loans and overdue accounts	206 000 000	**196 560**	**188 565**	**187 755**	-810	**572 881**	**154 500 000**	-153 927 120	**-100%**	**0%**
Bulk purchases	711 000 000	**243 293 518**	**129 271 524**	**196 336 778**	67 065 254	**568 901 820**	**533 250 000**	35 651 820	**7%**	**80%**
Repairs & maintenance and Contracted services	167 723 813	**7 827 955**	**21 038 297**	**14 753 742**	-6 284 555	**43 619 994**	**125 792 860**	-82 172 866	**-65%**	**26%**
Transfers & subsidies paid (Entity, EPWP, Bursaries)	130 761 000	**32 390**	**1 955 015**	**75 000**	-1 880 015	**2 062 405**	**98 070 750**	-96 008 345	**-98%**	**2%**
Operational costs, inventory and operating leases	112 203 751	**10 375 831**	**11 137 432**	**5 955 622**	-5 181 810	**27 468 885**	**84 152 813**	-56 683 929	**-67%**	**24%**
Total Expenditure	**2 247 237 228**	**362 049 805**	**267 899 799**	**316 673 860**	**48 774 061**	**946 623 464**	**1 685 427 921**	**(738 804 457)**	**-44%**	**42%**
Surplus/-deficit	**(939 323 008)**	**20 634 342**	**17 690 745**	**(75 355 882)**	**(93 046 627)**	**(37 030 795)**	**(704 492 256)**	**667 461 461**		

Revenue by source material variances - Page 6 of the report

The total operating revenue by the end of the **3rd quarter** was at **R909.5 million** which was **R71.3 million** less than the anticipated **R980.9 million** due to the following:

- **Rates & taxes** – the year to date outcome was at **62%** of the budget by the end of the 3rd quarter. 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 year to date outcome was at **41%** of the budget by the end of the 3rd quarter. The low outcomes are due to high tampering of meters, illegal connections, faulty meters and meters that needs to be replaced. This contributes largely to distribution losses as what Eskom bills the Municipality cannot all be charged to municipal consumers.
- **Water revenue** – the outcome by the end of the 3rd quarter was at **70%** of the budget. 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 outcome was at **63%** and **68%** of the budget respectively by the end of the 3rd 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** – the interest charged on consumers was not done in the 1st and 2nd quarter of the financial year because billing was not done on time for those periods.
- **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.

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

The total operating expenditure by the end of the **3rd quarter** amounted to **R946.6 million** which was **R738.8 million** less than the anticipated **R1.6 billion** due to the following:

- **Employee related costs and remuneration of councillors** – the year to date outcomes for these items were within target by the end of the 3rd quarter.
- **Debt impairment and assets depreciation** – the calculations will be done 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** – the monthly allocations for the Entity were not paid because salaries and creditors were paid by the Parent Municipality.

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

Description	Adjustment Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	3rd vs 2nd quarter variances	YTD Actuals	YTD Target	YTD Variances	% YTD variances	% YTD vs Budget
Revenue By Source										
Transfers & subsidies received						-				
Equitable share	115 000 000	-	**23 856 000**	**23 919 873**	63 873	**47 775 873**	**86 250 000**	-38 474 127	**-45%**	**42%**
Sewerage revenue	26 087 496	-	**1 684 633**	**1 478 416**	-206 217	**3 163 048**	**19 565 622**	-16 402 574	**-84%**	**12%**
Water revenue	56 897 012	-	**3 188 568**	**3 010 379**	-178 190	**6 198 947**	**42 672 759**	-36 473 812	**-85%**	**11%**
Interest on investements and call account	100 000	-	-	-	-	-	**75 000**	-75 000	**-100%**	**0%**
Other income	100 000	-	-	-	-	-	**75 000**	-75 000	**-100%**	**0%**
Total Revenue	**198 184 508**	**-**	**28 729 201**	**28 408 668**	**(320 533)**	**57 137 869**	**148 488 381**	**-91 500 513**	**-62%**	**29%**
Expenditure By Type										
Employee related costs	131 862 763	**21 650 150**	**28 557 533**	**30 001 740**	1 444 207	**80 209 422**	**98 897 072**	-18 687 650	**-19%**	**61%**
Bulk purchases	2 797 385	-	-	**22 765**	22 765	**22 765**	**2 098 039**	-2 075 274	**-99%**	**1%**
Depreciation & asset impairment	4 900 000	-	-	-	-	-	**3 675 000**	-3 675 000	**-100%**	**0%**
Interest on loans and overdue accounts	3 959 596	-	-	-	-	-	**2 969 697**	-2 969 697	**-100%**	**0%**
Contracted services	13 016 079	**391 350**	**409 229**	**1 660 205**	1 250 977	**2 460 784**	**9 762 059**	-7 301 275	**-75%**	**19%**
Operational costs, inventory and operating leases	39 602 729	**1 095 359**	**1 928 363**	**2 388 209**	459 846	**5 411 931**	**29 702 047**	-24 290 116	**-82%**	**14%**
Total Expenditure	**196 138 552**	**23 136 859**	**30 895 124**	**34 072 919**	**3 177 795**	**88 104 902**	**147 103 914**	**-58 999 012**	**-40%**	**45%**
Surplus/-deficit	**2 045 956**	**(23 136 859)**	**(2 165 923)**	**(5 664 252)**	**(3 498 328)**	**(30 967 034)**	**1 384 467**	**(32 501 501)**		

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

Description	Adjustment Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	Variances (2nd vs 1st quarter)	YTD Actuals	% YTD vs Budget
Revenue By Source							
Rates & taxes	207 596 000	**52 781 390**	**37 642 215**	**38 416 022**	773 807	**128 839 627**	**62%**
Electricity	397 432 000	**65 284 622**	**51 566 371**	**47 308 398**	(4 257 973)	**164 159 391**	**41%**
Water revenue	84 270 061	**20 907 360**	**21 244 546**	**16 781 611**	(4 462 936)	**58 933 517**	**70%**
Sewerage revenue	42 678 361	**9 632 218**	**8 562 878**	**8 614 696**	51 818	**26 809 792**	**63%**
Refuse revenue	34 462 123	**7 403 135**	**8 032 394**	**8 032 645**	251	**23 468 174**	**68%**
Rental of facilities and equipment	1 409 000	**180 132**	**455 587**	**218 325**	(237 262)	**854 043**	**61%**
Interest on investments & call accounts	3 000 000	**626 198**	**854 949**	**354 828**	(500 122)	**1 835 975**	**61%**
Interest on outstanding debtors and rental on townland	23 500 000	**-32 370**	**-**	**9 520 844**	9 520 844	**9 488 474**	**40%**
Fines and penalties	6 376 678	**826 393**	**762 863**	**200 092**	(562 770)	**1 789 348**	**28%**
Transfers recognised operational grants	698 588 508	**224 466 000**	**184 702 201**	**139 488 668**	(45 213 533)	**548 656 869**	**79%**
Other revenue	6 785 997	**609 069**	**495 742**	**790 517**	294 776	**1 895 328**	**28%**
Total Revenue	**1 506 098 728**	**382 684 148**	**314 319 745**	**269 726 645**	**(44 593 099)**	**966 730 538**	**64%**
Expenditure By Type							
Employee related costs	516 958 838	**115 592 284**	**126 381 862**	**124 930 756**	(1 451 106)	**366 904 902**	**71%**
Remuneration of councillors	24 452 589	**6 381 417**	**6 484 637**	**4 435 947**	(2 048 690)	**17 302 000**	**71%**
Debt impairment	240 000 000	**-**	**-**	**-**	-	**-**	**0%**
Depreciation & asset impairment	274 900 000	**-**	**-**	**-**	-	**-**	**0%**
Interests on loans and overdue accounts	209 959 596	**196 560**	**188 565**	**187 755**	(810)	**572 881**	**0%**
Bulk purchases	713 797 385	**243 293 518**	**129 271 524**	**196 359 543**	67 088 019	**568 924 585**	**80%**
Repairs & maintenance and Contracted services	180 739 892	**8 219 305**	**21 447 526**	**16 413 948**	(5 033 578)	**46 080 778**	**25%**
Transfers & subsidies paid (Entity, EPWP, Bursaries)	130 761 000	**32 390**	**1 955 015**	**75 000**	(1 880 015)	**2 062 405**	**2%**
Operational costs, inventory and operating leases	151 806 480	**11 471 190**	**13 065 794**	**8 343 831**	(4 721 963)	**32 880 816**	**22%**
Total Expenditure	**2 443 375 780**	**385 186 664**	**298 794 923**	**350 746 779**	**51 951 856**	**1 034 728 366**	**42%**
Surplus/-deficit	**(937 277 052)**	**(2 502 517)**	**15 524 821**	**(81 020 134)**	**(96 544 955)**	**(67 997 829)**	

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

Vote Description	Adjustment Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	Variances (3rd vs 2nd 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	**-**	**-**	**-**	-	**-**	**0%**
Vote 4 - Financial Services	728 867 747	**278 187 939**	**194 665 082**	**153 456 793**	(41 208 289)	**626 309 814**	**86%**
Vote 5 - Municipal Infrastructure	126 948 422	**30 539 579**	**29 807 424**	**28 991 707**	(815 717)	**89 338 709**	**70%**
Vote 6 - Community Services	37 986 801	**7 542 100**	**8 125 103**	**8 981 826**	856 724	**24 649 029**	**65%**
Vote 7 - Public Safety & Transport	7 063 250	**861 283**	**822 020**	**312 865**	(509 156)	**1 996 168**	**28%**
Vote 8 - Sports, Parks, Arts & Culture	857 000	**83 786**	**357 381**	**66 778**	(290 602)	**507 945**	**59%**
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development	4 120 000	**-**	**-**	**-**	-	**-**	**0%**
Vote 10 - Human Settlements	2 289 000	**103 901**	**139 397**	**283 168**	143 771	**526 466**	**23%**
Vote 11 - IDP- PMS Department		**-**	**-**	**-**	-	**-**	**0%**
Vote 12 - Spatial Development, Planning & Traditional Affairs	1 830 000	**75 495**	**104 760**	**104 809**	50	**285 064**	**16%**
Vote 13 - Electricity Department	397 452 000	**65 290 066**	**51 569 378**	**49 120 031**	(2 449 346)	**165 979 475**	**42%**
Total Revenue by Vote	**1 307 914 220**	**382 684 148**	**285 590 544**	**241 317 978**	**(44 272 566)**	**909 592 669**	**70%**
Expenditure by Vote							
Vote 1 - Legislative Authority	318 835 787	**9 779 868**	**11 374 882**	**6 441 476**	(4 933 406)	**27 596 226**	**9%**
Vote 2 - Office of the Municipal Manager	27 081 849	**4 937 780**	**4 737 298**	**4 727 043**	(10 255)	**14 402 121**	**53%**
Vote 3 - Corporate Services	64 609 533	**11 897 749**	**13 262 073**	**8 394 458**	(4 867 615)	**33 554 279**	**52%**
Vote 4 - Financial Services	675 984 356	**17 129 177**	**17 953 339**	**15 175 054**	(2 778 285)	**50 257 571**	**7%**
Vote 5 - Municipal Infrastructure	57 285 764	**9 065 792**	**11 417 215**	**7 975 859**	(3 441 356)	**28 458 866**	**50%**
Vote 6 - Community Services	71 450 589	**17 178 757**	**17 590 436**	**17 976 272**	385 837	**52 745 465**	**74%**
Vote 7 - Public Safety & Transport	112 345 078	**18 625 066**	**25 235 289**	**22 896 398**	(2 338 892)	**66 756 753**	**59%**
Vote 8 - Sports, Parks, Arts & Culture	41 744 949	**9 709 371**	**9 926 719**	**10 398 674**	471 955	**30 034 765**	**72%**
Vote 9 - LED,Tourism,SMME's,Rural & agricultural development	36 425 927	**1 644 162**	**2 692 874**	**3 753 922**	1 061 048	**8 090 958**	**22%**
Vote 10 - Human Settlements	9 273 839	**1 612 706**	**1 774 011**	**1 899 918**	125 907	**5 286 634**	**57%**
Vote 11 - IDP- PMS Department	1 519 609	**301 174**	**336 902**	**387 598**	50 696	**1 025 674**	**67%**
Vote 12 - Spatial Development, Planning & Traditional Affairs	9 726 171	**2 131 159**	**2 137 209**	**2 337 830**	200 622	**6 606 198**	**68%**
Vote 13 - Electricity Department	820 953 777	**258 667 044**	**149 461 552**	**213 679 358**	64 217 806	**621 807 954**	**76%**
Total Expenditure by Vote	**2 247 237 228**	**362 679 805**	**267 899 799**	**316 043 860**	**48 144 061**	**946 623 464**	**42%**
Surplus/-Deficit	**(939 323 008)**	**20 004 342**	**17 690 745**	**(74 725 882)**	**(92 416 627)**	**(37 030 795)**	

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1.5. NATIONAL TRANSFERS – OPERATING AND CAPITAL

The municipality received 100% of the National allocation grants by the end of the 3rd quarter. The Provincial allocation of **R2.7 million** was still outstanding by the end of March 2019.

Description	Budget 2018/19	Adjustment Budget 2018/19	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	YearTD Actuals	YearTD Target	YTD Variances
OPERATING TRANSFERS AND GRANTS								
National Government:								
Local Government Equitable Share	538 719 000	491 519 000	**224 466 000**	**155 973 000**	**111 080 000**	**491 519 000**	491 519 000	-
Finance Management Grant **(FMG)**	2 215 000	2 215 000	**2 215 000**	**-**	**-**	**2 215 000**	2 215 000	-
EPWP Incentive	4 120 000	4 120 000	-	**1 030 000**	**3 090 000**	**4 120 000**	4 120 000	-
Provincial Government					-			-
Sport and Recreation	2 750 000	2 750 000	-	-	-	-	2 750 000	-2 750 000
TOTAL	**547 804 000**	**500 604 000**	**226 681 000**	**157 003 000**	**114 170 000**	**497 854 000**	**500 604 000**	**(2 750 000)**
CAPITAL TRANSFERS AND GRANTS								
Municipal Infrastructure Grant **(MIG)**	159 321 000	159 321 000	**66 939 000**	**41 461 000**	**50 921 000**	**159 321 000**	159 321 000	-
Intergrated National Electrification Programme **(INEP)**	29 000 000	14 000 000	**-**	**7 000 000**	**7 000 000**	**14 000 000**	14 000 000	-
Water services Infrastructure grant **(WSIG Schedule 5B)**	35 000 000	25 000 000	**14 919 000**	**-**	**10 081 000**	**25 000 000**	25 000 000	-
TOTAL	**223 321 000**	**198 321 000**	**81 858 000**	**48 461 000**	**68 002 000**	**198 321 000**	**198 321 000**	**-**

1.6. CAPITAL EXPENDITURE

CAPITAL EXPENDITURE BY SOURCE OF FUNDING									
Description	**Budget 2018/19**	**1st Quarter Actuals**	**2nd Quarter Actuals**	**3rd Quarter Actuals**	**YearTD Actuals**	**YTD Target**	**YTD Variances**	**% YTD Target vs Budget**	**% YTD vs Budget**
Municipal Infrastructure Grant **(MIG)**	151 354 951	**28 121 754**	**36 897 267**	**20 768 352**	**85 787 373**	113 516 213	-27 728 840	**-24%**	**57%**
Intergrated National Electrification Programme **(INEP)**	14 000 000	**3 433 280**	**3 245 858**	**2 477 836**	**9 156 973**	10 500 000	-1 343 027	**-13%**	**65%**
Water services Infrastructure grant **(WSIG Schedule 5B)**	25 000 000	**2 303 004**	**1 399 392**	**1 007 488**	**4 709 884**	18 750 000	-14 040 116	**-75%**	**19%**
Assets from own funds	21 647 000	-	-	**48 424**	**48 424**	16 235 250	-16 186 826	**0%**	**0%**
Total capital expenditure (VAT excl.)	**212 001 951**	**33 858 038**	**41 542 517**	**24 302 100**	**99 702 655**	**159 001 463**	**(59 298 808)**	**-37%**	**47%**

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CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION							
Description	**Source of funding**	**Budget 2018/19**	**1st quarter**	**2nd quarter**	**3rd quarter**	**YTD Outcomes**	**Balances**
COMMUNITY FACILITY PROJECTS							
Harrismith/Tshiame B: Construction of a new taxi facility (MIS:255146)	MIG	10 419 243	**1 772 514**	**1 870 669**	**1 978 413**	**5 621 597**	4 797 646
Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:264316)	MIG	3 933 121	**1 354 746**	**1 853 183**	**1 038 026**	**4 245 954**	-312 833
Kestell/Tholong: Construction of a new taxi facility (MIS:255150)	MIG	15 949 916	**926 456**	**4 389 882**	**3 305 442**	**8 621 780**	7 328 136
Phuthaditjhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	MIG	12 325 224	**2 153 704**	**4 131 761**	**2 710 863**	**8 996 328**	3 328 896
	TOTAL	**42 627 504**	**6 207 420**	**12 245 495**	**9 032 745**	**27 485 659**	**15 141 845**
SPORTS AND RECREATIONAL FACILITIES							
Bluegumbosch: New indoor Sport and Recreational Facility (MIS:245891)	MIG	5 157 323	**1 773 137**	**1 408 431**	**364 195**	**3 545 763**	1 611 560
Intabazwe: Upgrading of recreational and sports facilities at Intabazwe Stadium (MIS:264315)	MIG	11 319 630	**1 276 932**	**4 112 858**	**1 003 003**	**6 392 793**	4 926 837
	TOTAL	**16 476 953**	**3 050 069**	**5 521 289**	**1 367 197**	**9 938 556**	**6 538 397**
ELECTRICITY PROJECTS							
Upgrading of E-Ross Substation- Phase 1	DOE	3 894 000	-	**1 619 000**	**876 000**	**2 495 000**	1 399 000
Tshiame D - electrification	DOE	3 100 000	**3 433 280**	**1 626 858**	**699 252**	**5 759 389**	-2 659 389
Kgabisi electrification - Phase 2	DOE	3 503 000	-	-	**902 584**	**902 584**	2 600 416
Schoonplatz Electrification	DOE	3 503 000	-	-	-	-	3 503 000
TRANSFORMERS	OWN SOURCE	10 000 000	-	-	-	-	10 000 000
KGABISI ELECTRIFICATION - PHASE 2	OWN SOURCE	4 600 000	-	-	-	-	4 600 000
Maluti-a-Phofung: High mast lights in 4 towns (Phase 2)	MIG	1 312 563	-	-	-	-	1 312 563
	TOTAL	**29 912 563**	**3 433 280**	**3 245 858**	**2 477 836**	**9 156 973**	**20 755 590**
WATER PROJECTS							
Intabazwe/Harrismith: Rectification of water supply pipeline (MIS:278789)	MIG	4 283 372	-	**277 772**	-	**277 772**	4 005 600
Fika Patso Purification project	WSIG	2 648 454	-	-	-	-	2 648 454
Kestel Bulk line	WSIG	22 351 546	**2 303 004**	**1 399 392**	**1 007 488**	**4 709 884**	17 641 662
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections (Qwaqwa Rural) Phase 3B	MIG	731 901	-	**586 790**	**911 584**	**1 498 375**	-766 474
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections (Qwaqwa Rural) Phase 3C	MIG	5 203 296	**189 711**	**1 720 008**	**259 290**	**2 169 009**	3 034 287
	TOTAL	**35 218 569**	**2 492 715**	**3 983 963**	**2 178 362**	**8 655 040**	**26 563 529**

CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION							
Description	Source of funding	Approved Budget 2018/19	1st Quarter	2nd Quarter	3rd Quarter	YTD outcomes	Balances
WASTE WATER MANAGEMENT/ SEWERAGE PROJECTS							
Bluegumbosch: Construction of sewer reticulation network to 2367 stands - phase 1 (MIS:264308)	MIG	13 133 832	**3 754 188**	**1 754 955**	**1 998 470**	**7 507 613**	5 626 219
Harrismith/Intabazwe-Ext3: Construction of sewer outfall line and rising main (MIS:236415)	MIG	6 587 349	**31 760**	**2 847 850**	**1 565 043**	**4 444 652**	2 142 697
Khotsong: Construction of sewer reticulation network to 510 stands (MIS:264119)	MIG	3 024 143	**1 581 407**	**780 816**	-	**2 362 223**	661 920
Namahadi: Construction of Sewer Network (Harankopane)	MIG	3 855 909	-	-	**1 826 420**	**1 826 420**	2 029 489
Thabong: Construction of sewer reticulation network to 1209 stands (MIS:264287)	MIG	12 308 017	**4 153 287**	**3 090 576**	**1 581 594**	**8 825 458**	3 482 559
	TOTAL	**38 909 250**	**9 520 642**	**8 474 197**	**6 971 527**	**24 966 366**	**13 942 884**
ROADS PROJECTS							
Turfontein/Makeneng Access	OWN SOURCE	2 347 000	-	-	-	-	2 347 000
Intabazwe: Paving of 6km roads - Phase 2	MIG	3 014 644	**909 964**	**30 863**	-	**940 827**	2 073 817
Namahadi: Construction of 5km paved roads and storm water phase 2 (MIS:240386)	MIG	12 844 210	**2 683 036**	**2 508 016**	**3 490 646**	**8 681 698**	4 162 512
Tshiame B: Paving of 6km roads - Phase 2B	MIG	264 066	-	-	**229 623**	**229 623**	34 443
Tshiame: Construction of 4.5km paved roads and storm water drainage phase 3 (MIS:240998)	MIG	16 587 191	**3 251 912**	**3 801 086**	**2 146 521**	**9 199 518**	7 387 673
Phuthaditjhaba: Upgrading of 1km paved road (Motebang) - phase 1 (MIS:276324)	MIG	4 550 000	-	-	-	-	4 550 000
Intabazwe/Harrismith: Ext 3 New Surface Road Phase 1 (MIS: 190544)	MIG	4 550 000	-	-	**399 970**	**399 970**	4 150 030
	TOTAL	**44 157 111**	**6 844 912**	**6 339 965**	**6 266 759**	**19 451 636**	**22 358 475**
FIXED ASSETS							
MACHINERY & EQUIPMENT	OWN SOURCE	100 000	-	-	**25 625**	**25 625**	74 375
FURNITURE & FITTINGS		100 000	-	-	-	-	100 000
COMPUTER & EQUIPMENT		1 500 000	-	-	**22 799**	**22 799**	1 477 201
Yellow fleet (Plant & Machinery)		3 000 000	-	-	-	-	3 000 000
	TOTAL	**4 700 000**	-	-	**48 424**	**48 424**	**3 000 000**

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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**	**2nd Quarter billing**	**3rd Quarter billing**	**Year to date billing**	**% YTD billing vs budget**
Rates and taxes	207 596 000	53 835 102	51 204 058	38 402 250	143 441 410	**69%**
Conventional electricity	292 432 000	65 651 505	68 124 584	38 600 513	172 376 601	**59%**
Prepaid electricity	105 000 000	29 728 170	26 695 007	23 324 398	79 747 575	**76%**
Water	84 270 061	26 734 269	32 236 300	22 891 543	81 862 112	**97%**
Sewerage	42 678 361	11 886 102	16 127 130	12 503 819	40 517 052	**95%**
Refuse	34 462 123	10 719 114	14 569 187	11 367 092	36 655 393	**106%**
Total	**766 438 545**	**198 554 262**	**208 956 267**	**147 089 616**	**554 600 144**	**72%**
COLLECTION						
Description	**Budget 2018/19**	**1st Quarter collection**	**2nd Quarter Collection**	**3rd Quarter Collection**	**Year to date collection**	**% YTD collection vs budget**
Rates and taxes	207 596 000	2 074 610	3 989 673	27 317 370	33 381 652	**16%**
Conventional electricity	292 432 000	3 715 806	6 280 935	14 221 980	24 218 721	**8%**
Prepaid electricity	105 000 000	27 153 538	23 615 231	22 212 855	72 981 624	**70%**
Water	84 270 061	1 245 698	2 409 345	2 819 891	6 474 934	**8%**
Sewerage	42 678 361	795 776	1 133 120	1 463 106	3 392 002	**8%**
Refuse	34 462 123	636 817	871 212	1 112 475	2 620 504	**8%**
Total	**766 438 545**	**35 622 245**	**38 299 515**	**69 147 677**	**143 069 436**	**19%**

% COLLECTION VS BILLING				
Description	**1st quarter collection vs billing**	**2nd quarter collection vs billing**	**3rd quarter collection vs billing**	**% Year to date collection vs billing**
Rates and taxes	4%	8%	71%	23%
Conventional electricity	6%	9%	37%	14%
Prepaid electricity	91%	88%	95%	92%
Water	5%	7%	12%	8%
Sewerage	7%	7%	12%	8%
Refuse	6%	6%	10%	7%
Total	**18%**	**18%**	**47%**	**26%**

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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	9 563 346	**92%**	36 515 535	13 002 583	**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	7 595 872	**88%**	44 747 033	8 091 487	**18%**	46 525 594
Dec-18	15 117 583	2 609 145	**17%**	9 065 788	8 050 263	**89%**	24 183 371	10 659 408	**44%**	35 443 339
Jan-19	14 452 981	4 186 054	**29%**	8 298 120	7 313 878	**88%**	23 518 769	4 881 779	**21%**	31 089 928
Feb-19	13 421 304	8 861 460	**66%**	7 238 644	7 183 538	**99%**	21 719 424	9 298 632	**43%**	35 106 922
Mar-19	10 726 227	1 174 466	**11%**	7 787 634	7 715 439	**99%**	17 961 871	1 544 677	**9%**	33 693 986
TOTAL	**172 376 601**	**24 218 721**	**158%**	**79 747 575**	**72 981 624**	**92%**	**253 399 331**	**76 490 599**	**30%**	**470 171 947**

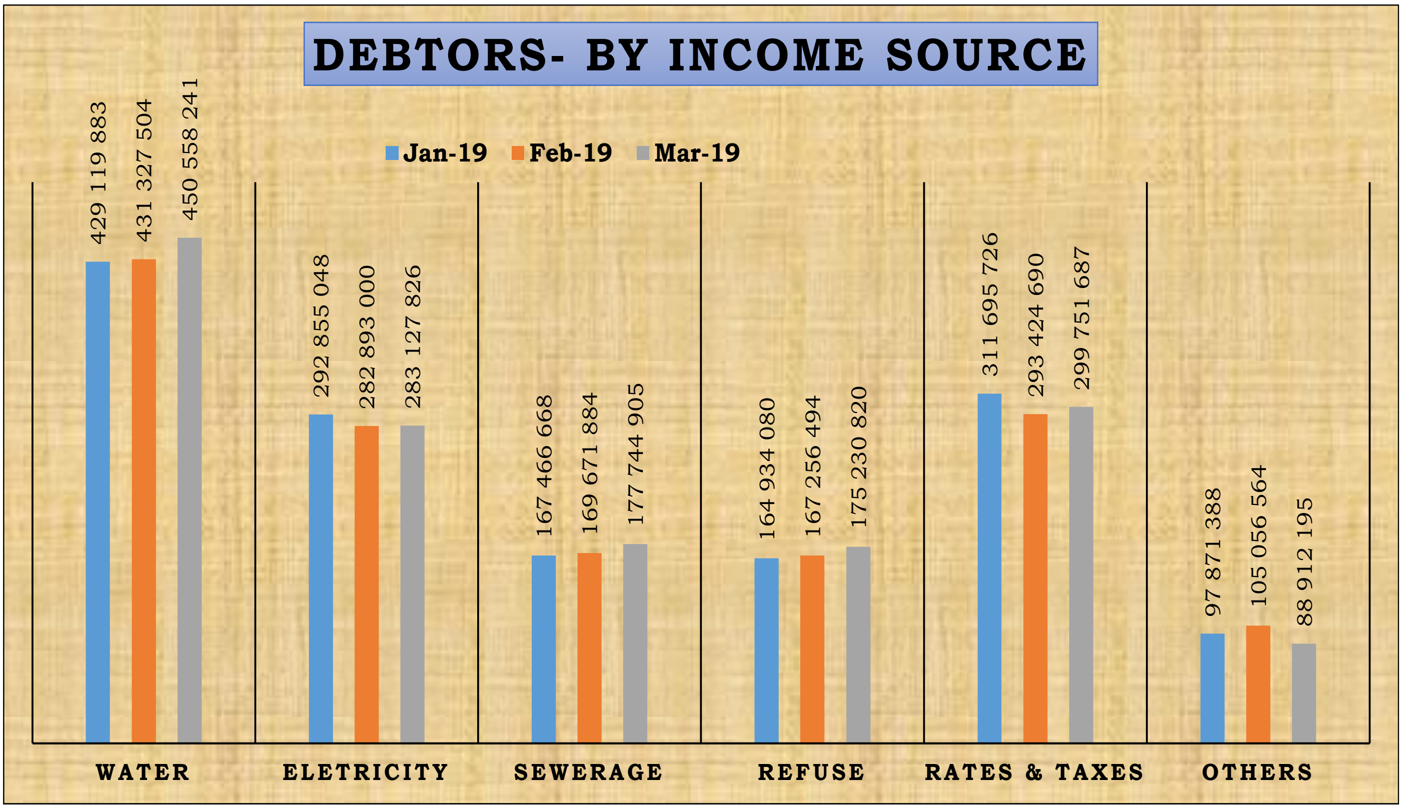
PRE-PAID SALES ELECTRICITY RECONCILIATION				
MONTH	**SALES**	**BANKING**	**SURPLUS/ '-SHORTAGE**	**FREE BASIC ELECTRICITY (FBE)**
Jul-18	9 674 754,00	9 563 346,00	- 111 408,00	751 050,00
Aug-18	9 371 938,01	9 243 237,00	- 128 701,01	740 950,00
Sep-18	8 346 955,10	8 346 955,10	-	719 400,00
Oct-18	8 010 256,36	7 969 096,56	- 41 159,80	979 300,00
Nov-18	7 688 362,83	7 595 871,51	- 92 491,32	951 300,00
Dec-18	8 148 738,01	8 050 263,00	- 98 475,01	917 050,00
Jan-19	7 404 270,01	7 313 878,00	- 90 392,01	893 850,00
Feb-19	6 364 444,00	7 183 538,00	819 094,00	871 200,00
Mar-19	6 902 134,00	7 715 439,00	813 305,00	885 500,00
TOTAL	**71 911 852,32**	**72 981 624,17**	**1 069 771,85**	**7 709 600,00**

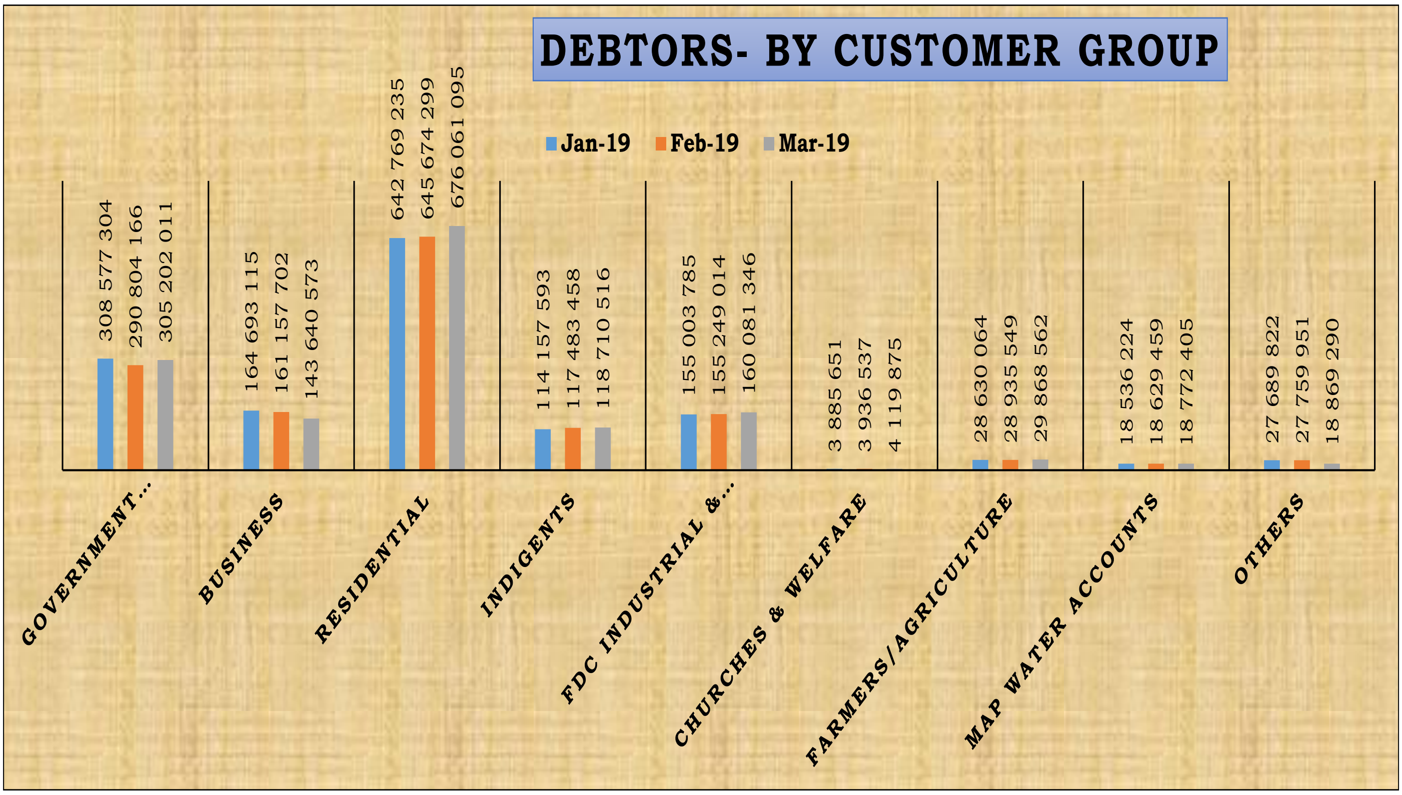
2.2. AGE ANALYSIS OF DEBTORS

The total debt book amounted to **R1.5 billion** by the end of **March 2019.**

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	8 698 400	8 233 893	8 097 144	415 918 000	440 947 437	-635 272	440 312 164	431 327 504
Eletricity	15 249 160	8 424 316	10 062 557	256 332 819	290 068 851	-1 637 590	288 431 261	282 893 000
Sewerage	3 842 627	3 619 924	3 012 299	163 565 466	174 040 316	-226 372	173 813 945	169 671 884
Refuse	3 297 780	3 242 198	2 737 298	161 507 311	170 784 588	-194 399	170 590 189	167 256 494
Rates & Taxes	12 965 710	12 534 084	11 985 296	440 152 697	477 637 787	-68 445 034	409 192 752	293 424 690
Total	**44 053 677**	**36 054 415**	**35 894 595**	**1 437 476 292**	**1 553 478 979**	**-71 138 667**	**1 482 340 311**	**1 344 573 571**
Others	1 540 445	1 517 568	316	56 453 212	59 511 541	-38 542	59 472 999	50 449 405
Sundries	245 882	274 995	157 784	42 755 808	43 434 469	-48 841	43 385 629	54 607 159
Total other	**1 786 328**	**1 792 562**	**158 100**	**99 209 020**	**102 946 010**	**-87 383**	**102 858 627**	**105 056 564**
Total Debt	**45 840 004**	**37 846 977**	**36 052 695**	**1 536 685 312**	**1 656 424 989**	**-71 226 050**	**1 585 198 938**	**1 449 630 136**
AGE ANALYSIS OF DEBTORS - BY CUSTOMER GROUP								
Government departments	14 087 404	10 798 760	12 654 409	287 172 139	324 712 712	-19 510 701	305 202 011	290 804 166
Business	12 921 378	8 520 708	7 939 541	160 970 008	190 351 634	-42 240 956	148 110 678	161 157 702
Residential	13 741 508	13 557 444	11 352 959	742 943 595	781 595 506	-6 395 401	775 200 105	645 674 299
Indigents	1 214 653	1 188 699	1 229 523	115 844 698	119 477 573	-767 057	118 710 516	117 483 458
Fdc industrial & Tenants	2 921 782	2 822 876	2 173 186	150 051 931	157 969 774	-32 256	157 937 518	155 249 014
Churches & welfare	97 614	102 990	84 287	3 806 945	4 091 836	-79 732	4 012 104	3 936 537
Farmers/Agriculture	559 987	545 695	389 590	28 102 697	29 597 969	-290 696	29 307 273	28 935 549
Map Water Accounts	77 866	93 459	94 243	18 441 757	18 707 325	-	18 707 325	18 629 459
Total	**45 622 192**	**37 630 632**	**35 917 737**	**1 507 333 769**	**1 626 504 330**	**-69 316 799**	**1 557 187 531**	**1 421 870 184**
Others	189 418	187 760	118 414	27 779 419	28 275 011	-1 246 879	27 028 133	26 826 220
Sundries	28 395	28 585	16 544	1 572 124	1 645 648	-662 373	983 275	933 732
Total	**217 813**	**216 345**	**134 958**	**29 351 543**	**29 920 659**	**-1 909 251**	**28 011 408**	**27 759 951**
Total Debt	**45 840 004**	**37 846 977**	**36 052 695**	**1 536 685 312**	**1 656 424 989**	**-71 226 050**	**1 585 198 938**	**1 449 630 136**
							Increase/ - decrease in the total debt	**135 568 803**

JANUARY - MARCH 2019 BALANCES			
Description	**Jan-19**	**Feb-19**	**Mar-19**
DEBTORS - BY INCOME SOURCE			
Water	429 119 883	431 327 504	440 312 164
Eletricity	292 855 048	282 893 000	288 431 261
Sewerage	167 466 668	169 671 884	173 813 945
Refuse	164 934 080	167 256 494	170 590 189
Rates & Taxes	311 695 726	293 424 690	409 192 752
Others	97 871 388	105 056 564	102 858 627
TOTAL	**1 463 942 793**	**1 449 630 136**	**1 585 198 938**
DEBTORS - BY CUSTOMER GROUP			
Government departments	308 577 304	290 804 166	305 202 011
Business	164 693 115	161 157 702	148 110 678
Residential	642 769 235	645 674 299	775 200 105
Indigents	114 157 593	117 483 458	118 710 516
Fdc industrial & Tenants	155 003 785	155 249 014	157 937 518
Churches & welfare	3 885 651	3 936 537	4 012 104
Farmers/Agriculture	28 630 064	28 935 549	29 307 273
Map Water Accounts	18 536 224	18 629 459	18 707 325
Others	27 689 822	27 759 951	28 011 408
TOTAL	**1 463 942 793**	**1 449 630 136**	**1 585 198 938**


DEBTORS- BY INCOME SOURCE
Jan-19
Feb-19
Mar-19
429 119 883
431 327 504
450 558 241
292 855 048
282 893 000
283 127 826
167 466 668
169 671 884
177 744 905
164 934 080
167 256 494
175 230 820
311 695 726
293 424 690
299 751 687
97 871 388
105 056 564
88 912 195
WATER
ELETRICITY
SEWERAGE
REFUSE
RATES & TAXES
OTHERS


DEBTORS- BY CUSTOMER GROUP
Jan-19
Feb-19
Mar-19
308 577 304
290 804 166
305 202 011
164 693 115
161 157 702
143 640 573
642 769 235
645 674 299
676 061 095
114 157 593
117 483 458
118 710 516
155 003 785
155 249 014
160 081 346
3 885 651
3 936 537
4 119 875
28 630 064
28 935 549
29 868 562
18 536 224
18 629 459
18 772 405
27 689 822
27 759 951
18 869 290
GOVERNMENT...
BUSINESS
RESIDENTIAL
INDIGENTS
FDC INDUSTRIAL &...
CHURCHES & WELFARE
FARMERS/AGRICULTURE
MAP WATER ACCOUNTS
OTHERS

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2.3. AGE ANALYSIS OF CREDITORS

FS194 Maluti-a-Phofung - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

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	33 694	–	31 090	35 443	46 526	46 193	1 088 389	2 573 273	**3 854 608**	2 752 352
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	4 615	4 915	5 274	4 914	9 872	–	–	–	**29 591**	21 087
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	5 024	5 026	4 994	–	–	–	–	–	**15 044**	25 723
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	–	–	–	–	–	–	–	–	–	–
Auditor General	0800		546	503	3 697	–	–	–	–	**4 746**	4 513
Other	0900	918	–	1 732	1 793	116 337	–	–	–	**120 781**	156 080
Total By Customer Type	**1000**	**44 252**	**10 488**	**43 593**	**45 848**	**172 735**	**46 193**	**1 088 389**	**2 573 273**	**4 024 771**	2 959 753

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 3rd **quarter**. Long term investments are comprised of insurance policies.

Description	Amount	%
Call Accounts	411 481	**13%**
Long term investments	2 825 915	**87%**
Total	**3 237 396**	**100%**

JANUARY - MARCH 2019 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	2 039 274	0	0	36 671	2 075 945
11690236x2	Sanlam	393 511	0	0	0	393 511
62027358292	FNB Call Account	33 050 394	-97 406 792	64 249 701	130 056	23 359
62387689824	FNB JAZZ Fund	65 046	-8 600 000	8 632 532	10 571	108 149
62199534580	FNB Call Account - MIG Funds	1 045 936	-8 800 210	7 737 126	31 355	14 207
62212896346	FNB Call Account - Intabazwe corridor	178 558	-211 748	173 834	2 638	143 283
348526407	Standard BANK	85 100	0	0	713	85 813
TOTAL		**37 250 950**	**-115 018 750**	**80 793 193**	**212 004**	**3 237 398**

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2.5. EXTERNAL LOANS

JANUARY - MARCH 2019 MOVEMENTS							
Loan Number	Financial Institution	Department	Opening Balances	Provision for interest	Re-payment made	Interest payment made	Balance as at 31 March 2019
11076/103	DBSA	Water	425 835,43	11 289,77	-	-	437 125
11076/202	DBSA	Rates & General	450 197,23	17 827,75	-	-	468 025
13768/102	DBSA	Water	812 136,04	14 210,03	-	-	826 346
13768/202	DBSA	Water	707 053,60	12 417,31	-	-	719 471
13768/302	DBSA	Sewerage	1 072 993,94	22 340,52	-	-	1 095 334
61006823	DBSA	Water Meters	2 657 653,10	45 899,77	-	-	2 703 553
61006824	DBSA	MAP Building	2 900 086,06	63 770,01	-	-	2 963 856
TOTAL			**9 025 955**	**187 755**	**-**	**-**	**9 213 711**

2.6. SUMMARY OF THE STAFF BENEFITS (PARENT MUNICIPALITY)

The actual movements by the end of the **3rd quarter** were targeted to be at **75%** of the budget. The overall total staff benefits were **41% less** than the target by the end of **March 2019**.

DESCRIPTIONS	SUMMARY EMPLOYEES RELATED COSTS						
	ADJUSTMENT BUDGET	QUARTERLY ALLOCATION	3RD QUARTER OUTCOMES	YEAR TO DATE OUTCOMES	YEAR TO DATE TARGET	% YTD TARGET VS BUDGET	% YTD OUTCOMES vs BUDGET
TOTAL SENIOR MANAGER SALARIES & BENEFITS	**29 262 955**	**7 315 739**	**3 917 049**	**13 771 476**	**21 947 216**	**75%**	**-112%**
MUNICIPAL STAFF							
SALARIES & WAGES	315 458 777	78 864 694	71 951 516	210 374 057	236 594 083	**75%**	**-50%**
SUBSISTENCE ALLOWANCE	3 668 785	917 196	919 757	2 551 154	2 751 589	**75%**	**-44%**
TELEPHONE ALLOWANCE	643 000	160 750	164 815	2 224 248	482 250	**75%**	**71%**
HOUSING SUBSIDY	3 663 676	915 919	2 600 168	4 811 905	2 747 757	**75%**	**24%**
LEAVE PAY	3 408 180	852 045	1 264 243	2 841 367	2 556 135	**75%**	**-20%**
TRAVEL OR VEHICLE ALLOWANCE	14 483 812	3 620 953	2 691 486	10 077 497	10 862 859	**75%**	**-44%**
OVERTIME	33 094 242	8 273 561	13 975 777	37 087 991	24 820 682	**75%**	**11%**
SHIFT ALLOWANCE	982 424	245 606	9 419	9 419	736 818	**75%**	**-10330%**
ACTING ALLOWANCE	2 539 849	634 962	951 279	2 030 280	1 904 887	**75%**	**-25%**
ANNUAL BONUS	30 033 047	7 508 262	4 678 329	20 787 619	22 524 785	**75%**	**-44%**
LONG SERVICE AWARD	3 583 862	895 966	1 170 617	2 681 186	2 687 897	**75%**	**-34%**
WATER CRISIS ALLOWANCE	1 316 000	329 000	-	-	987 000	**75%**	**-100%**
STANDY ALLOWANCE	2 881 167	720 292	830 723	2 226 268	2 160 875	**75%**	**-29%**
TOOLS ALLOWANCE	-	-	-	1 971	-	**0%**	**100%**
STAT CONTR.:BARGAINING COUNCIL	118 000	29 500	36 332	170 963	88 500	**75%**	**31%**
INSURANCE : GROUP LIFE	1 558 228	389 557	416 560	1 177 258	1 168 671	**75%**	**-32%**
MEDICAL AID	19 895 005	4 973 751	5 709 082	15 819 633	14 921 254	**75%**	**-26%**
PENSION FUND	45 947 629	11 486 907	12 554 189	35 182 573	34 460 722	**75%**	**-31%**
INSURANCE : UIF	2 914 637	728 659	664 652	2 132 702	2 185 978	**75%**	**-37%**
POST RETIREMENT BENEFIT- MEDICAL AID	1 505 563	376 391	424 747	945 317	1 129 172	**75%**	**-59%**
TOTAL MUNICIPAL STAFF RELATED COSTS	**487 695 883**	**121 923 971**	**121 013 690**	**353 133 409**	**365 771 912**	**75%**	**-38%**
TOTAL REMUNERATION OF COUNCILLORS	**24 452 589**	**6 113 147**	**4 435 947**	**17 302 000**	**18 339 442**	**75%**	**-41%**
TOTAL COUNCILLORS & EMPLOYEES RELATED COSTS	**541 411 427**	**135 352 857**	**129 366 686**	**384 206 885**	**406 058 570**	**75%**	**-41%**

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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	Budget	Adjustment Budget	1st Quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	YearTD Actuals	Balances
Outsourced Services							
OS: Burial Services	200 000	150 000	**29 500**	**6 000**	**3 000**	**38 500**	111 500
OS: B&A Occupational Health & Safety	500 000	-	-	-	-	-	-
OS: B&A Project Management (Landfill site)	4 000 000	8 185 263	-	**682 105**	**2 046 316**	**2 728 421**	5 456 842
OS: B&A Research & Advisory (Revenue enhancement)	5 610 000	6 810 000	-	**77 164**	**17 352**	**94 515**	6 715 485
OS: Strategic Waste Management Plan	350 000	350 000	-	-	-	-	350 000
OS: R & M - Grounds & Open Spaces	400 000	400 000	-	-	**113 054**	**113 054**	286 946
OS: Security Services	7 000 000	31 000 000	-	**5 433 300**	**4 036 035**	**9 469 335**	21 530 665
OS: Traffic Fines Management	1 500 000	1 000 000	-	**163 730**	**77 668**	**241 398**	758 602
Sub Total : Outsource Services	**19 560 000**	**47 895 263**	**29 500**	**6 362 299**	**6 293 424**	**12 685 223**	**35 210 040**
Consultants And Professional Services							
C&PS: B&A Air Pollution	350 000	340 000	-	**152 174**	-	**152 174**	187 826
C&Ps: B&A Audit Committee	100 000	60 000	-	**19 728**	**6 933**	**26 661**	33 339
C&Ps: B&A Business & Fin Management	5 500 000	5 500 000	-	**1 082 667**	**750 349**	**1 833 015**	3 666 985
C&PS: Debt Collectors	1 500 000	500 000	-	-	-	-	500 000
C&PS: Indigent Register	3 000 000	1 000 000	-	-	-	-	1 000 000
C&PS: Vat Review	3 000 000	3 000 000	-	**1 673 773**	-	**1 673 773**	1 326 227
C&Ps: B&A Project Management (PMU)	7 966 050	7 966 050	**2 309 000**	**1 731 750**	**1 067 913**	**5 108 663**	2 857 388
C&Ps: B&A Valuer & Assessors	1 500 000	3 000 000	-	-	-	-	3 000 000
C&Ps: I&P Geodetic Control & Surveys (Valuation roll)	1 500 000	1 500 000	-	-	-	-	1 500 000
C&Ps: Rural Formalisation	1 000 000	500 000	-	-	-	-	500 000
C&Ps: Urban Renewal	2 000 000	500 000	-	-	-	-	500 000
C&Ps: Legal Cost Advice & Litigation	6 000 000	20 000 000	**2 988 420**	**2 944 531**	**(711 142)**	**5 221 809**	14 778 191
Sub Total : Consultant And Prof Services	**33 416 050**	**43 866 050**	**5 297 420**	**7 604 623**	**1 114 052**	**14 016 095**	**29 849 955**
Contractors							
Contr: Audio-Visual Services (Arts & Culture	37 500	37 500	-	**18 396**	-	**18 396**	19 104
Contr: Catering Services (Arts & Culture)	37 500	197 500	-	-	**5 000**	**5 000**	192 500
Contr: Electrical Street Lights	3 000 000	4 000 000	**237 728**	-	**434 783**	**672 510**	3 327 490
R & M - Network Reticulation	8 000 000	5 000 000	-	-	**112 238**	**112 238**	4 887 762
R & M - Substations	11 200 000	20 000 000	-	**274 438**	**2 579 162**	**2 853 600**	17 146 400
R & M - Tranformers	9 600 000	10 000 000	-	**1 617 605**	**268 000**	**1 885 605**	8 114 395
Contr: Event Promoters (Arts & Culture)	37 500	37 500	-	-	-	-	37 500
R & M - Buildings	1 200 000	3 000 000	**12 180**	-	**54 452**	**66 632**	2 933 368
R&M- Maintainance of equipment	-	300 000			**246 000**	**246 000**	54 000
R & M - Computer Equipment	70 000	500 000	-	-	-	-	500 000
R & M - Motors & Pumps	300 000	190 000	-	**1 280**	-	**1 280**	188 720
Contr: Maintenance Of Unspecified Assets	1 000 000	2 000 000	-	-	-	-	2 000 000
R & M - Maintanance Of Vip Toilets	3 000 000	5 000 000	-	**1 883 535**	**701 100**	**2 584 635**	2 415 365
R & M - Resurfacing Of Roads	26 400 000	10 000 000	-	**715 000**	-	**715 000**	9 285 000
R & M - Streets & Stormwater	3 000 000	6 000 000	**1 146 959**	**1 232 478**	**620 072**	**2 999 508**	3 000 492
R & M - Vehicles	1 600 000	1 600 000	-	-	**129 526**	**129 526**	1 470 474
Contr: Medical Services (Medical examination)	150 000	100 000	-	-	**1 200**	**1 200**	98 800
Contr: Prepaid Electricity Vendors	5 000 000	8 000 000	**1 104 169**	**1 328 644**	**2 194 133**	**4 626 946**	3 373 054
Sub Total : Contractors	**73 632 500**	**75 962 500**	**2 501 035**	**7 071 375**	**7 345 666**	**16 918 076**	**59 044 424**
Total : Contracted Services	**126 608 550**	**167 723 813**	**7 827 955**	**21 038 297**	**14 753 142**	**43 619 394**	**124 104 419**

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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.

Description	Adjustment Budget	1st quarter Actuals	2nd Quarter Actuals	3rd Quarter Actuals	YearTD Actuals	Balances
Inventory - R & M - Network Reticulation	2 000 000	-	**1 552 051**	**434 783**	**1 986 834**	13 166
Inventory - R & M - Resurfacing Of Roads	5 000 000	-	**9 400**	**80 980**	**90 380**	4 909 620
Inventory - R & M - Substations	3 600 000	**1 910 848**	**1 041 553**	**(679 848)**	**2 272 553**	1 327 447
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 - Meeting items	50 000	-	-	-	-	50 000
Inventory - Food parcels	50 000	-	-	**30 822**	**30 822**	19 178
Inventory - Consumables	123 000	-	-	-	-	123 000
Inventory - Attire/Trophies/Musical Instruments (Arts & Culture projects)	210 000	-	-	-	-	210 000
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**	**(296 725)**	**44 592**	455 408
Inventory - Equipment (for Disaster management projects)	300 000	-	-	-	-	300 000
Inventory - Fencing (for Agriculture projects)	300 000	-	-	-	-	300 000
Inventory - Immediate Relief Items (for Disaster management projects)	300 000	-	-	-	-	300 000
Inventory - Library Programmes	40 000	-	-	-	-	40 000
Inventory - Materials & Consumables	1 000 000	**61 092**	**433 496**	**95 014**	**589 601**	410 399
Inventory - Pound Animal Food	200 000	**30 000**	**51 000**	**67 368**	**148 368**	51 632
Inventory - Pound Animal Medication	200 000	-	**3 414**	**19 259**	**22 673**	177 327
Inventory - PPA System (for public participation)	50 000	-	-	-	-	50 000
Inventory - PPM Megaphones (for public participation)	40 000	-	**6 000**	-	**6 000**	34 000
Inventory - Printing & Stationery	1 500 000	**190 904**	**223 016**	**163 962**	**577 882**	922 118
Inventory - Reduction (for Disaster management projects)	100 000	-	-	-	-	100 000
Inventory - Seedlings/Equip/Compose (for Agriculture projects)	300 000	-	-	-	-	300 000
Inventory - Skills Development Program	100 000	**571 141**	**535 677**	**(1 106 818)**	-	100 000
Inventory - Study Materials (for training of Councillors)	90 000	-	-	-	-	90 000
Inventory - R & M - Buildings	300 000	**5 854**	**175 000**	**(5 854)**	**175 000**	125 000
Inventory - R & M - Computer Equipment	100 000	-	-	-	-	100 000
Inventory - R & M - Equipment & Tools	50 000	-	**1 696**	-	**1 696**	48 304
Inventory - R & M - Grounds & Open Spaces	50 000	-	**342**	**10 825**	**11 167**	38 833
Fleet - Fuel & Oil	3 000 000	-	**747 260**	**559 835**	**1 307 095**	1 692 905
Sub Total - Inventory	**22 703 000**	**3 281 965**	**6 303 256**	**(626 398)**	**8 958 822**	**13 744 178**

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2.9. BANK TRANSACTIONS SUMMARY REPORT

Description	Jan-19	Feb-19	Mar-19
Opening balances as per bank statement (surplus/- deficit)	**1 370 239**	**3 290 163**	**1 285 642**
INCOME			
Interest on credit balance	13 140	25 955	50 445
Equitable Share	-	-	111 080 000
Other Grants received	-	10 090 000	61 002 000
Direct deposits	13 570 459	38 089 771	46 479 240
Cashier deposits	3 070 615	3 122 400	1 142 762
Transf from Pre-paid acc	3 300 000	5 020 000	7 100 000
Transf from Corridor acc	-	280 000	-
Trans from call accounts dda	-	8 600 000	-
Trans from call accounts call	40 607 582	14 999 000	56 300 000
Trans from MIG accounts	-	7 800 000	-
Sundry credit on bank statement	12 735	20 416	33 693
Total income for the period	**60 574 530,70**	**88 047 541,62**	**283 188 140,40**
EXPENDITURE			
Ele payments- Creditors	(21 906 035)	(40 363 111)	(27 766 215)
Cheques Creditors	-	-	-
Ele -Netto Salaries	(26 191 541)	(19 611 333)	(19 020 524)
Ele - salary 3rd parties	(7 499 570)	(2 592 680)	(28 612 232)
Ele- Project salaries	(261 120)	(1 920 875)	(4 703)
Bank charges	(176 374)	(65 736)	(74 040)
Interest paid on debit balance	-	-	(413)
Debit order	(119 966)	(108 670)	(13 048 570)
Debit transfer to investment	(2 500 000)	(25 369 658)	(197 000 000)
Rd cheques	-	(20 000)	-
Sundry Debits on bank statement	-	-	-
Total expenditure for the period	**(58 654 606)**	**(90 052 063)**	**(285 526 697)**
Closing balance as per bank statement (surplus/ (deficit)	**3 290 163**	**1 285 642**	**(1 052 915)**

2.10. BANK BALANCES

Description	Jan-19	Feb-19	Mar-19
Main Accounts			
FNB - Maluti Main Acc	3 290 163,40	1 285 642,33	- 1 052 914,65
FNB - Pre-paid Acc	500 136,37	1 912 240,99	2 522 446,16
Total Main Accounts	**3 790 299,77**	**3 197 883,32**	**1 469 531,51**
Call deposits			
FNB Call Acc	1 750 298,82	23 317 735,42	23 317 735,42
DDA	65 046,21	97 937,50	107 574,33
Standard Bank	85 342,08	85 561,40	85 812,69
Project account			
FNB CALL Acc - MIG funds	45 935,87	4 305,33	14 128,46
FNB CALL Acc - INT/Harr Corridor	242 624,17	21 747,86	140 858,39
FNB CALL Acc-New Investment	-	-	19 232 690,09
Total - Call Accounts	**2 189 247,15**	**23 527 287,51**	**42 898 799,38**
Total - Bank Balances	**5 979 546,92**	**26 725 170,83**	**44 368 330,89**