

MOSES KOTANE  
LOCAL  
MUNICIPALITY

MID YEAR BUDGET AND  
PERFORMANCE ASSESSMENT  
31 DECEMBER 2019

## **TABLE OF CONTENTS**

### **Legislative requirement**

#### **PART 1- In-year report**

- Mayor's report
- Resolution
- Executive summary
- Mid-year budget statements tables
  - Monthly Budget statement summary
  - Statement of Financial performance (Standard Classification)
  - Statement of Financial performance (Revenue and Expenditure)
  - Capital Expenditure by (Standard Classification, Vote and Funding)
  - Financial Position
  - Cash Flow

#### **PART 2-SUPPORTING DOCUMENTATION**

1. Debtor's Analysis
2. Creditor's Analysis
3. Investments Portfolio analysis
4. Transfers and grant receipts and expenditure
5. Transfers and grant expenditure
6. Councillors and Grant Receipt
7. Actual and revised target for cash receipts
8. Capital expenditure trend
9. Capital expenditure on new assets by asset class
10. Capital expenditure on renewal of existing assets by asset class
11. Repair and maintenance
12. Depreciation by asset class
13. Capital expenditure on upgrading of existing assets by asset class
14. Material variances to the service delivery and budget implantation plan

#### **PART 3-MATERIAL VARIANCES TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

## **MID-YEAR BUDGET AND PERFORMANCE ASSESMENT FOR 2019/2020 FINANCIAL YEAR**

### **Legislative Framework**

This report has been prepared in terms of the following enabling legislation:

<b>Municipal Finance Management Act, No. 56 of 2003</b>
---

### **Section 72: Mid-year budget and performance assessment**

72. (1) the accounting officer of a municipality must by 25 January of each year—

(a) Assess the performance of the municipality during the first half of the financial year,

taking into account—

(i) the monthly statements referred to in section 71 for the first half of the financial year;

(ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;

(iii) the past year's annual report, and progress on resolving problems identified in the annual report; and

(iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) Submit a report on such assessment to—

(i) The mayor of the municipality;

(ii) The National Treasury; and

(iii) The relevant provincial treasury.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

72. (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

72. (3) The accounting officer must, as part of the review—

(a) make recommendations as to whether an adjustments budget is necessary; and

(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

### **Section 54: Budgetary control and early identification of financial problems**

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

(a) consider the statement or report;

(b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

(c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

(d) issue any appropriate instructions to the accounting officer to ensure—

(i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

(f) in the case of a section 72 report, submit the report to the council by 31 January of each year.

(2) If the municipality faces any serious financial problems, the mayor must—

(a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—

(i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

(ii) the tabling of an adjustments budget; or

(iii) steps in terms of Chapter 13; and

(b) alert the council and the MEC for local government in the province to those problems.

(3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

### **Municipal Finance Management Act, No. 56 of 2003**

### **Municipal Budgeting and Reporting Regulation Notice 393 of 2009**

### **Section 33: Format of a mid-year budget and performance assessment**

33. A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

### **Section 34: Publication of mid-year budget and performance assessments**

34. (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

34. (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including –

(a) Summaries in alternate languages predominant in the community; and

(b) Information relevant to each ward in the municipality

### **Section 35: Submission of mid-year budget and performance assessments**

35. The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

(a) the mid-year budget and performance assessment by 25 January of each year, and

(b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

### **PART 1: Mid-Year Budget and Performance Assessment**

This report has been prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003: Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009. The budget reflects a deficit position which is due to the provision for depreciation which is a non cash provision.

#### **1.1 Mayor's Report**

In terms of section 72 (1) (a) and 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report of such assessment must in terms of section 72 (1) (b) of the Local Government: Municipal Finance Management Act

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

No. 56 of 2003 be submitted to the Executive Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the section 72 report, such a report must be submitted to council by the 31 January each year as required in terms of section 54 (f) of the Local Government: Municipal Finance Management Act No. 56 of 2003. The mid-year budget and performance assessment report and supporting tables of Moses Kotane Local Municipality, was also prepared in accordance with the requirements of MFMA and the Municipal Budget and Reporting Regulations.

In order to achieve our goals as set out in both Integrated Development Plan and Budget we have to strive for institutional excellence through institutional

re-engineering, effective leadership and effective long range development planning. Although there has been significant progress made towards realization of the set performance objectives for the period under review, there are however still a number of challenges that needs to be overcome and these include the following dominant challenges:

- Cash flow deficiency to ensure sustainable service delivery;
- Critical vacancies that exist in different departments;
- Non-payment of municipalities services by consumers;
- Inconsistency in the supply of water to communities by municipality
- Institutional transformation (National Treasury Reforms)

All of these challenges invariably have a negative bearing on the overall performance of the municipality.

However, pro-active measures have already been instituted to effectively deal with these challenges. These includes:

Implementation of effective HR management to ensure that adequate and sufficiently skilled

Implementation of cost containment measures

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

Adherence and implementation of credit control policy to alleviate the low cash flow.

We believe that having filled all senior managers' position will assist the administrative wing of the municipality in effectively exercising adequate and sound financial management of the municipality, compliance with financial management norms and standards as well as other aspects of performance reporting.

In conclusion, I am confident that the mid-term performance results as contained in this report sets a tone for overall improved institutional performance results for this financial year and based on these results and the outlook of the remaining term of this financial year.

I hereby recommend the following to Council:

- That the Mid-Year Budget and Performance Assessment report be noted and accepted,
- That the Medium Term Revenue and Expenditure Framework Budget Adjustment in terms of MFMA Section 28 to be submitted to Council for consideration,
- That the Service Delivery and Budget Implementation Plan to be submitted to Council for consideration,

---

CLR: Ralesole Diale

Executive Mayor



# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

## 1.2 Resolution (awaiting council meeting)

## 1.3 Executive Summary

The summary report indicates the following:

<b>Original vs Actuals as at 31 December 2019(R'000)</b>				
<b>Operating Expenditure</b>				
	<b>YearTDActuals</b>	<b>YearTDBudget</b>	<b>YTD variance</b>	
938 819	101 421	474 148	-79%	
<b>Operating Revenue</b>				
	<b>YearTDActuals</b>	<b>YearTDBudget</b>	<b>YTD variance</b>	
836 566	113 841	418 283	-73%	
<b>Capital Expenditure</b>				
	<b>YearTDActuals</b>	<b>YearTDBudget</b>	<b>YTD variance</b>	
204 026	19 987	102 143	-80%	

This is the half yearly report for the 2019/2020 financial year, that leads to the under expenditure of 22% against the year to date actuals.

In December 2019 there is an under collection of 8%.

The under expenditure of 36% against the year to date actuals, this is due to municipal capital expenditure which is not fixed.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

### **1.4 Mid-Year budget Statement tables**

If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the following tables:

- (a) Table C1 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement -Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement-Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement- Financial Position
- (g) Table C7 Monthly Budget Statement Cash Flow

If a municipality does have one or more municipal entities, the adjustments budget tables must consist of -

- (a) The tables mentioned above, and
- (b) The tables in the Second Attachment to this Schedule, namely-
  - (i) Table C1 Consolidated Monthly Budget Statement Summary
  - (ii) Table C2 Consolidated Monthly Budget Statement -Financial Performance (standard classification)
  - (iii) Table C3 Consolidated Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

(iv) Table C4 Consolidated Monthly Budget Statement -Financial Performance  
(revenue and expenditure)

(v) Table C5 Consolidated Monthly Budget Statement- Capital Expenditure  
(municipal vote, standard classification and funding)

(vi) Table C6 Consolidated Monthly Budget Statement- Financial Position

(vii) Table C7 Consolidated Monthly Budget Statement -Cash Flow

Supporting information and explanations of trends and anomalies must be presented for each table where such presentation will assist with the information contained in the tables

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

## **(a) Table C1 Monthly Statements Summary**

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

**NW375 Moses Kotane - Table C1 Monthly Budget Statement Summary - M06 December**

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	134 800	142 164	142 164	11 783	70 654	71 082	(428)	-1%	142 164
Service charges	154 209	184 251	184 251	16 464	88 794	92 126	(3 332)	-4%	184 251
Investment revenue	453	5 400	5 400	275	3 851	2 700	1 151	43%	5 400
Transfers and subsidies	397 008	437 830	437 830	80 142	259 051	218 915	40 136	18%	437 830
Other own revenue	55 860	66 922	66 922	5 177	29 674	33 461	(3 787)	-11%	66 922
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>742 329</b>	<b>836 566</b>	<b>836 566</b>	<b>113 841</b>	<b>452 024</b>	<b>418 283</b>	<b>33 741</b>	<b>8%</b>	<b>836 566</b>
Employee costs	194 442	270 275	247 705	19 520	108 020	127 615	(19 595)	-15%	247 705
Remuneration of Councillors	22 827	25 371	25 371	1 949	10 989	12 686	(1 697)	-13%	25 371
Depreciation & asset impairment	159 814	154 537	154 537	12 878	77 382	77 268	114	0%	154 537
Finance charges	6 178	3 689	3 689	1 661	1 919	1 844	75	4%	3 689
Materials and bulk purchases	114 908	109 277	108 827	27 252	44 034	54 489	(10 454)	-19%	108 827
Transfers and subsidies	75	-	-	-	-	-	-	-	-
Other expenditure	577 827	404 091	398 690	38 162	126 525	200 245	(73 720)	-37%	398 690
<b>Total Expenditure</b>	<b>1 076 070</b>	<b>967 240</b>	<b>938 819</b>	<b>101 421</b>	<b>368 871</b>	<b>474 148</b>	<b>(105 277)</b>	<b>-22%</b>	<b>938 819</b>
<b>Surplus/(Deficit)</b>	<b>(333 741)</b>	<b>(130 674)</b>	<b>(102 253)</b>	<b>12 420</b>	<b>83 153</b>	<b>(55 865)</b>	<b>139 018</b>	<b>-249%</b>	<b>(102 253)</b>
Transfers and subsidies - capital (monetary alloc	88 203	87 086	87 086	-	2 110	43 543	(41 433)	-95%	87 086
Contributions & Contributed assets	91 481	112 438	112 438	-	22 650	56 219	(33 569)	-60%	112 438
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(154 057)</b>	<b>68 850</b>	<b>97 271</b>	<b>12 420</b>	<b>107 913</b>	<b>43 897</b>	<b>64 016</b>	<b>146%</b>	<b>97 271</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(154 057)</b>	<b>68 850</b>	<b>97 271</b>	<b>12 420</b>	<b>107 913</b>	<b>43 897</b>	<b>64 016</b>	<b>146%</b>	<b>97 271</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>70 100</b>	<b>204 802</b>	<b>204 026</b>	<b>19 987</b>	<b>65 702</b>	<b>102 143</b>	<b>(36 441)</b>	<b>-36%</b>	<b>204 026</b>
Capital transfers recognised	62 181	201 362	201 362	19 221	60 123	100 681	(40 558)	-40%	201 362
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	3 440	2 664	766	5 579	1 462	4 118	282%	2 664
<b>Total sources of capital funds</b>	<b>62 181</b>	<b>204 802</b>	<b>204 026</b>	<b>19 987</b>	<b>65 702</b>	<b>102 143</b>	<b>(36 441)</b>	<b>-36%</b>	<b>204 026</b>
<b><u>Financial position</u></b>									
Total current assets	155 836	572 098	572 098		267 344				572 098
Total non current assets	3 493 340	1 785 427	1 784 651		3 481 773				1 784 651
Total current liabilities	361 268	172 503	172 503		353 588				172 503
Total non current liabilities	31 543	24 600	24 600		32 093				24 600
Community wealth/Equity	<b>3 441 503</b>	<b>2 160 422</b>	<b>2 131 225</b>		<b>3 356 935</b>				<b>2 131 225</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	-	15 517	15 517	11 969	168 731	218 915	50 184	23%	15 517
Net cash from (used) investing	-	200 374	200 374	(19 987)	(66 041)	-	66 041	#DIV/0!	200 374
Net cash from (used) financing	(0)	7 960	7 960	-	-	3 980	3 980	100%	7 960
<b>Cash/cash equivalents at the month/year end</b>	<b>(0)</b>	<b>271 250</b>	<b>271 250</b>	<b>-</b>	<b>629 632</b>	<b>222 895</b>	<b>(406 737)</b>	<b>-182%</b>	<b>223 851</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>									
Total By Income Source	34 405	32 198	26 634	24 768	22 752	21 410	394 686	522 144	1 078 997
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	193	597	246	421	-	-	-	-	1 457

### (b) – Table C2 Financial Performance (Standard classification)

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

NW375 Moses Kotane - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>576 222</b>	<b>481 392</b>	<b>481 392</b>	<b>97 109</b>	<b>362 017</b>	<b>240 696</b>	121 321	50%	<b>481 392</b>
Executive and council		653	1 695	1 695	(200)	(1 047)	847	(1 894)	-224%	1 695
Finance and administration		575 569	479 697	479 697	97 309	363 064	239 848	123 216	51%	479 697
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>27 513</b>	<b>19 245</b>	<b>19 245</b>	<b>3</b>	<b>17 380</b>	<b>9 623</b>	7 757	81%	<b>19 245</b>
Community and social services		24 966	14 640	14 640	3	17 379	7 320	10 059	137%	14 640
Sport and recreation		42	55	55	-	1	27	(26)	-95%	55
Public safety		2 505	4 550	4 550	-	-	2 275	(2 275)	-100%	4 550
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>58 410</b>	<b>67 461</b>	<b>67 461</b>	<b>64</b>	<b>2 028</b>	<b>33 730</b>	(31 702)	-94%	<b>67 461</b>
Planning and development		2 445	5 268	5 268	64	102	2 634	(2 532)	-96%	5 268
Road transport		55 965	62 193	62 193	-	1 927	31 097	(29 170)	-94%	62 193
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>259 870</b>	<b>467 992</b>	<b>467 992</b>	<b>16 664</b>	<b>95 358</b>	<b>233 996</b>	(138 638)	-59%	<b>467 992</b>
Energy sources		5 282	19 858	19 858	-	1 951	9 929	(7 978)	-80%	19 858
Water management		219 467	324 372	324 372	15 626	84 795	162 186	(77 391)	-48%	324 372
Waste water management		18 299	43 022	43 022	211	2 164	21 511	(19 347)	-90%	43 022
Waste management		16 821	80 741	80 741	826	6 448	40 371	(33 922)	-84%	80 741
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>922 014</b>	<b>1 036 091</b>	<b>1 036 091</b>	<b>113 841</b>	<b>476 784</b>	<b>518 045</b>	<b>(41 261)</b>	<b>-8%</b>	<b>1 036 091</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>402 883</b>	<b>395 400</b>	<b>339 557</b>	<b>33 435</b>	<b>136 984</b>	<b>179 086</b>	(42 102)	-24%	<b>339 557</b>
Executive and council		89 330	107 752	90 343	7 701	37 299	48 073	(10 775)	-22%	90 343
Finance and administration		310 103	283 950	245 516	25 417	97 943	129 164	(31 221)	-24%	245 516
Internal audit		3 450	3 697	3 697	317	1 743	1 849	(106)	-6%	3 697
<i><b>Community and public safety</b></i>		<b>107 526</b>	<b>101 815</b>	<b>93 255</b>	<b>10 817</b>	<b>39 549</b>	<b>48 054</b>	(8 505)	-18%	<b>93 255</b>
Community and social services		45 249	30 483	26 733	2 131	9 214	13 991	(4 778)	-34%	26 733
Sport and recreation		33 189	29 289	28 929	4 466	16 013	14 524	1 488	10%	28 929
Public safety		29 088	42 043	37 593	4 220	14 323	19 538	(5 216)	-27%	37 593
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>150 851</b>	<b>115 204</b>	<b>100 827</b>	<b>7 671</b>	<b>45 175</b>	<b>53 381</b>	(8 206)	-15%	<b>100 827</b>
Planning and development		17 339	31 369	27 492	1 671	9 930	14 393	(4 463)	-31%	27 492
Road transport		133 512	83 834	73 334	6 000	35 245	38 989	(3 743)	-10%	73 334
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>414 810</b>	<b>354 822</b>	<b>405 181</b>	<b>49 499</b>	<b>147 162</b>	<b>193 626</b>	(46 464)	-24%	<b>405 181</b>
Energy sources		27 188	31 909	28 309	2 949	17 970	14 754	3 216	22%	28 309
Water management		307 502	241 660	299 958	37 605	94 256	139 691	(45 436)	-33%	299 958
Waste water management		32 008	18 784	26 418	2 076	11 689	11 937	(248)	-2%	26 418
Waste management		48 112	62 469	50 496	6 869	23 248	27 244	(3 996)	-15%	50 496
<i><b>Other</b></i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 076 070</b>	<b>967 240</b>	<b>938 819</b>	<b>101 421</b>	<b>368 871</b>	<b>474 148</b>	<b>(105 277)</b>	<b>-22%</b>	<b>938 819</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(154 057)</b>	<b>68 850</b>	<b>97 271</b>	<b>12 420</b>	<b>107 913</b>	<b>43 897</b>	<b>64 016</b>	<b>146%</b>	<b>97 271</b>

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### (c) Table C3 Monthly Budget Statement-Financial Performance (Revenue and expenditure by municipal vote)

NW375 Moses Kotane - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Municipal Council		653	1 695	1 695	(200)	(1 047)	847	(1 894)	-223.5%	1 695
Vote 02 - Office OfThe Accounting Officer		-	-	-	-	-	-	-		-
Vote 03 - Budget And Treasury Office		575 355	479 197	479 197	97 309	362 907	239 598	123 309	51.5%	479 197
Vote 04 - Corporate Services		214	500	500	-	157	250	(93)	-37.2%	500
Vote 05 - Community Services		44 334	99 987	99 987	830	23 828	49 993	(26 165)	-52.3%	99 987
Vote 06 - Planning & Development		107	100	100	64	102	50	52	103.1%	100
Vote 07 - Infrastructure & Technical Services		301 352	454 612	454 612	15 837	90 837	227 306	(136 469)	-60.0%	454 612
Vote 08 -		-	-	-	-	-	-	-		-
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	922 014	1 036 091	1 036 091	113 841	476 784	518 045	(41 261)	-8.0%	1 036 091
Expenditure by Vote	1									
Vote 01 - Municipal Council		71 986	86 146	72 087	5 074	29 064	38 387	(9 323)	-24.3%	72 087
Vote 02 - Office OfThe Accounting Officer		20 795	25 303	21 953	2 944	9 977	11 535	(1 558)	-13.5%	21 953
Vote 03 - Budget And Treasury Office		217 956	126 092	120 894	8 710	28 788	61 314	(32 525)	-53.0%	120 894
Vote 04 - Corporate Services		132 098	137 336	106 340	15 510	60 948	58 336	2 612	4.5%	106 340
Vote 05 - Community Services		170 008	182 220	159 586	18 810	69 959	83 566	(13 607)	-16.3%	159 586
Vote 06 - Planning & Development		15 000	26 202	23 910	1 411	8 559	12 337	(3 778)	-30.6%	23 910
Vote 07 - Infrastructure & Technical Services		448 227	383 941	434 048	48 962	161 576	208 673	(47 098)	-22.6%	434 048
Vote 08 -		-	-	-	-	-	-	-		-
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	1 076 070	967 240	938 819	101 421	368 871	474 148	(105 277)	-22.2%	938 819
Surplus/ (Deficit) for the year	2	(154 057)	68 850	97 271	12 420	107 913	43 897	64 016	145.8%	97 271

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### (d) Table C4: Financial Performance (revenue & expenditure)

NW375 Moses Kotane - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		134 800	142 164	142 164	11 783	70 654	71 082	(428)	-1%	142 164
Service charges - electricity revenue		–	–	–	(200)	(1 095)	(0)	(1 095)	#####	–
Service charges - water revenue		147 290	171 557	171 557	15 626	83 347	85 778	(2 431)	-3%	171 557
Service charges - sanitation revenue		2 274	2 750	2 750	211	1 502	1 375	127	9%	2 750
Service charges - refuse revenue		4 645	9 944	9 944	826	5 040	4 972	67	1%	9 944
Rental of facilities and equipment		42	51	51	6	35	25	10	38%	51
Interest earned - external investments		453	5 400	5 400	275	3 851	2 700	1 151	43%	5 400
Interest earned - outstanding debtors		45 874	59 790	59 790	5 048	28 266	29 895	(1 629)	-5%	59 790
Dividends received		4 237	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 326	4 500	4 500	–	–	2 250	(2 250)	-100%	4 500
Licences and permits		179	50	50	–	–	25	(25)	-100%	50
Agency services										
Transfers and subsidies		397 008	437 830	437 830	80 142	259 051	218 915	40 136	18%	437 830
Other revenue		1 936	2 531	2 531	123	1 373	1 265	108	9%	2 531
Gains on disposal of PPE		1 266	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		742 329	836 566	836 566	113 841	452 024	418 283	33 741	8%	836 566
Expenditure By Type										
Employee related costs		194 442	270 275	247 705	19 520	108 020	127 615	(19 595)	-15%	247 705
Remuneration of councillors		22 827	25 371	25 371	1 949	10 989	12 686	(1 697)	-13%	25 371
Debt impairment		296 210	122 540	181 088	326	3 574	80 786	(77 212)	-96%	181 088
Depreciation & asset impairment		159 814	154 537	154 537	12 878	77 382	77 268	114	0%	154 537
Finance charges		6 178	3 689	3 689	1 661	1 919	1 844	75	4%	3 689
Bulk purchases		110 347	103 700	103 700	27 171	43 132	51 850	(8 718)	-17%	103 700
Other materials		4 561	5 577	5 127	82	902	2 639	(1 736)	-66%	5 127
Contracted services		139 862	151 837	119 587	21 684	66 112	65 168	944	1%	119 587
Transfers and subsidies		75	–	–	–	–	–	–	–	–
Other expenditure		139 004	129 715	98 015	16 152	56 839	54 291	2 548	5%	98 015
Loss on disposal of PPE		2 750	–	–	–	–	–	–	–	–
Total Expenditure		1 076 070	967 240	938 819	101 421	368 871	474 148	(105 277)	-22%	938 819
Surplus/(Deficit)		(333 741)	(130 674)	(102 253)	12 420	83 153	(55 865)	139 018	(0)	(102 253)
Transfers and subsidies - capital (monetary allocations)										
(National / Provincial and District)		88 203	87 086	87 086	–	2 110	43 543	(41 433)	(0)	87 086
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		91 481	112 438	112 438	–	22 650	56 219	(33 569)	(0)	112 438
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		(154 057)	68 850	97 271	12 420	107 913	43 897			97 271
Taxation								–		
Surplus/(Deficit) after taxation		(154 057)	68 850	97 271	12 420	107 913	43 897			97 271
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(154 057)	68 850	97 271	12 420	107 913	43 897			97 271
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(154 057)	68 850	97 271	12 420	107 913	43 897			97 271

## Operational Expenditure and Income Performance

### Income

The revenue budget is 54,03% funded with internally generated revenue of which Property Rates, Water, Refuse Removal, Traffic fines and Interest are the major



## MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

sources of revenue. Revenue for the first 6 months is 4.03 higher than anticipated for. This is mainly due to the receivable of equitable share in advance.

The above is an indicative that the municipality is reliant on government grants for its daily operations.

Revenue from Property Rates is currently reflecting at 49,70% (R70,654,000) of the budgeted amount of R142,164,000. Actual cash receipts amount to

R67, 454,684(85.14%) of the billed amount for the first 6 months.

The above is however misleading as Public Works has paid their property rates during August 2019 for the full year.

If the payment for property rates by Public Works was paid equally on a monthly basis, the percentage payment would be 53% instead of 85,14% which includes an advance payment of R 25,644,946 .

Water revenue is currently reflecting at 48, 58% (R83, 347,000) of the budgeted amount of

R171, 557,000 which includes the provision for free basic services. Actual cash receipts amount to R34, 557,432 (31, 03%) of the billed amount of R 111,360,344.

This reflects an under collection of approximately 18, 97 % after the first six months.

The low collection rate on water have a huge negative influence on the cash flow of the municipality and if this trend of non- payment for water services rendered continues the municipality will not be in the position to pay all the creditors which will then have an influence on the quality as well as the quantity of services rendered to the community.

Revenue from refuse is currently at 50,68% (R5,040,000) of the refuse budget of R9,944,000, which includes the provision for free basic services for the first 6 months. Actual cash receipts amount to R227, 649(3.25%) of the billed amount of

R 7,005,085.

## MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

The above represents an under collection of 26.75% when bringing the provision for bad debt into account.

Revenue from sewerage is currently at 54, 62% (R1, 502,000) of the sewerage budget of R2, 750,000 which includes the provision for free basic services for the first 6 months. Actual cash receipts amount to R391, 231(33, 88%) of the billed amount of R1, 154,658.

The above represents an over collection when bringing the provision for bad debt into account.

### **Major revenue variances against the budget which needs to be considered to be adjusted are:**

- Interest on outstanding debtors: The budgeted amount of R59, 790,000 will have to be decreased due to the early payment of property rates by Public Works.
- Interest on investments: The budgeted amount of R5, 400,000 will have to be reduced due to the small amount of cash to be invested.
- Property Rates: The budgeted amount of R142, 164, 0000 can be increase however the payment rate should be kept in mind.
- Water: The budgeted amount of R171, 557,000 can be increase however the payment rate should be kept in mind.

### **Expenditure**

The year to date results indicates a spending of 39, 29% of the budgeted operating expenditure of R938, 819,000. Expenditure is currently 10,71% below the expected percentage of 50% but there are however line items that are overspent and under spent as well. Current spending levels indicates that there will be a spending rate close to 100% on the operating budget by year end.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

### **Employee Related Costs – Budget R247, 705,000**

The expenditure on employee related costs is at 43, 60% (R108, 020,000 million) of the budget. The under spending is due to the non- filling of vacancies as well as the late appointments in vacancies.

Although the spending is within the range the following line items need to be controlled.

Overtime -73%

Standby-60%

Council approved the organogram but due to limited funds not all positions can be filled.

### **Remuneration of Councillors – Budget R25, 371,420**

The expenditure on the remuneration of councillors is at 43, 31% (R10, 988,769) of the budget. The under spending is due to the fact that the increase in the allowances of councillors has not yet been received.

### **Depreciation – Budget R154, 537,000**

Depreciation is at 50, 07% (R53, 895,000) of the budget. This provision is made for the depreciation of the council's assets.

Depreciation is just a book entry and has no influence on the cash flow of the municipality.

### **Contracted Services – Budget R119, 587,000**

The expenditure for contracted services which represents security services, refuse removal, call centre operations, landfill maintenance, ICT, and maintenance of financial systems. This represents total expenditure of 55% (R 66,112,000)

The expenditure is within the provision for services rendered under contracted services except for water and sewerage maintenance, Quality control, maintenance fleet as mentioned below.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

In terms of MSCOA various expenditure is now classified under contracted services.

### **Sewerage Maintenance Budget – R3, 700,000**

The total expenditure is at 7, 5 %( R277, 877) as at 31 December 2019.

The budgeted amount will need to be decreased

### **Water Maintenance Budget – R15, 310,000**

The total expenditure is at 121% (R 18,444,164) as at 31 December 2019.

Additional funding will be required for the next 6 months

### **Roads Maintenance-R 5,000,000**

The total expenditure is at 61, 06% (R 3,052,800) as at 31 December 2019.

No adjustment is needed on this budget.

### **Quality Control-R 1,100,000**

The total expenditure is at 136% (R 1,495,018) as at 31 December 2019.

Additional funding will be required for the next 6 months

### **Maintenance Fleet-R 3,500,000**

The total expenditure is at 137% (R 4,790,088) as at 31 December 2019.

Additional funding will be required for the next 6 months

### **Interest expense – External Borrowings - Budget R 2, 758, 836**

The total expenditure is at 51.78 %( R 1,428,586) on the payment of interest of external loans which the council raised for the installation of infrastructure assets as well as for the purchase of vehicles. The loan regarding the financing of vehicles has been fully redeemed.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

## **Bulk Purchases Water Magalies Water Board – Budget R91, 000,000**

The total expenditure is at 34, 34 %( R 1,428,586) the expenditure is for the first 4 months.

Looking at the expenditure the budget will have to be adjusted to prevent an over expenditure at the end of the financial year.

## **Eskom (Municipal Buildings)-R 12,700,000**

The total expenditure is at 92 %( R 11,681,778) the expenditure is for the first 6 months.

Looking at the expenditure the budget will have to be adjusted to prevent an over expenditure at the end of the financial year.

## **Operational Costs/Other Expenditure-R98, 015,000**

The total expenditure is at 58% (R 55,132,786) as at 31 December 2019, the expenditure is slightly over the provision for services rendered under operational costs.

## **Cell Phone Contracts/Telephone Budget – R 5,000,000**

The expenditure for the first 6 months is at 138 %( R6, 924,795)

The expenditure is for the telephone accounts of the municipality, excluding councillors.

Looking at the expenditure above the budget will have to be adjusted to prevent an over expenditure at the end of the financial year.

## **Rehabilitation Landfill site-R 600,000**

The total expenditure is at 92 %( R 550,000) the expenditure is for the first 6 months.

Looking at the expenditure above the budget will have to be adjusted to prevent an over expenditure at the end of the financial year.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

### **Protective Clothing-R 1,500,000**

The total expenditure is at 60 %( R 901,000) the expenditure is for the first 6 months.

The budget needs to be controlled

### **Wet Fuel-10 000 000**

The total expenditure is at 57 %( R5, 797, 900) the expenditure is for the first 6 months.

The budget needs to be controlled.

### **Operating lease-Office Equipment-R 700,000**

The total expenditure is at 112 %( R780, 679) the expenditure is for the first 6 months.

Looking at the expenditure above the budget will have to be adjusted to prevent an over expenditure at the end of the financial year.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### Capital Expenditure by Municipal Vote million

#### (e)Table C5: Capital Expenditure by Vote

NW375 Moses Kotane - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06  
December

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast

R thousands

<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		118	650	74	-	26	133	(107)	-81%	74
Executive and council								-		
Finance and administration		118	650	74	-	26	133	(107)	-81%	74
Internal audit								-		
<b>Community and public safety</b>		130	14 790	14 590	2 746	11 159	7 328	3 830	52%	14 590
Community and social services		-	14 590	14 590	2 746	11 159	7 295	3 864	53%	14 590
Sport and recreation		130	200	-	-	-	33	(33)	-100%	-
Public safety		-	-	-	-	-	-	-		-
Housing								-		
Health								-		
<b>Economic and environmental services</b>		41 042	62 193	62 193	5 637	14 957	31 097	(16 140)	-52%	62 193
Planning and development								-		
Road transport		41 042	62 193	62 193	5 637	14 957	31 097	(16 140)	-52%	62 193
Environmental protection								-		
<b>Trading services</b>		28 811	127 169	127 169	11 604	39 560	63 584	(24 024)	-38%	127 169
Energy sources		(0)	22 446	22 446	3 386	5 083	11 223	(6 140)	-55%	22 446
Water management		27 626	64 815	64 815	6 045	27 312	32 407	(5 095)	-16%	64 815
Waste water management		-	24 111	24 111	895	4 322	12 056	(7 734)	-64%	24 111
Waste management		1 185	15 797	15 797	1 277	2 843	7 898	(5 055)	-64%	15 797
<b>Other</b>								-		
<b>Total Capital Expenditure - Functional Classification</b>	3	70 100	204 802	204 026	19 987	65 702	102 143	(36 441)	-36%	204 026
<b>Funded by:</b>										
National Government		62 181	201 362	201 362	19 221	60 123	100 681	(40 558)	-40%	201 362
Provincial Government								-		
District Municipality								-		
Other transfers and grants		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		62 181	201 362	201 362	19 221	60 123	100 681	(40 558)	-40%	201 362
<b>Borrowing</b>	6							-		
<b>Internally generated funds</b>		-	3 440	2 664	766	5 579	1 462	4 118	282%	2 664
<b>Total Capital Funding</b>		62 181	204 802	204 026	19 987	65 702	102 143	(36 441)	-36%	204 026

The expenditure on capital projects reflects only 32,20% spending comparing to an expected percentage of 50% for the period ending 31 December 2019.

The above expenditure excludes vat.

The expenditure on capital projects inclusive of vat reflects 42,26% spending .

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

Urgent attention should be given to the spending on capital projects.

However, it needs to be mentioned that the municipality has spent the full allocation received for MIG projects.

The expenditure on some projects to be financed from the water service infrastructure grant and municipal infrastructure grant needs urgent attention as the roll over request for the 2018/2019 financial year was not approved by National Treasury and the amount of R62 million has been deducted from the equitable share allocation.



# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

**(f)Table C6: Financial Position**

**NW375 Moses Kotane - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		11 869	10 000	10 000	9 255	10 000
Call investment deposits		52 824	14 377	14 377	64 211	14 377
Consumer debtors		23 663	475 621	475 621	128 081	475 621
Other debtors		55 755	68 100	68 100	55 317	68 100
Current portion of long-term receivables						
Inventory		11 725	4 000	4 000	10 480	4 000
<b>Total current assets</b>		<b>155 836</b>	<b>572 098</b>	<b>572 098</b>	<b>267 344</b>	<b>572 098</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		155 210	–	–	155 210	–
Investments in Associate						
Property, plant and equipment		3 298 336	1 785 177	1 784 651	3 286 770	1 784 651
Biological						
Intangible		39 780	250	–	39 780	–
Other non-current assets		14	–	–	14	–
<b>Total non current assets</b>		<b>3 493 340</b>	<b>1 785 427</b>	<b>1 784 651</b>	<b>3 481 773</b>	<b>1 784 651</b>
<b>TOTAL ASSETS</b>		<b>3 649 176</b>	<b>2 357 525</b>	<b>2 356 749</b>	<b>3 749 117</b>	<b>2 356 749</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		43 830	132 503	132 503	39 855	132 503
Consumer deposits		16	–	–	16	–
Trade and other payables		289 359	40 000	40 000	287 617	40 000
Provisions		28 064	–	–	26 101	–
<b>Total current liabilities</b>		<b>361 268</b>	<b>172 503</b>	<b>172 503</b>	<b>353 588</b>	<b>172 503</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		31 543	24 600	24 600	32 093	24 600
<b>Total non current liabilities</b>		<b>31 543</b>	<b>24 600</b>	<b>24 600</b>	<b>32 093</b>	<b>24 600</b>
<b>TOTAL LIABILITIES</b>		<b>392 811</b>	<b>197 103</b>	<b>197 103</b>	<b>385 681</b>	<b>197 103</b>
<b>NET ASSETS</b>	2	<b>3 256 365</b>	<b>2 160 422</b>	<b>2 159 646</b>	<b>3 363 437</b>	<b>2 159 646</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		3 441 503	2 160 422	2 131 225	3 356 935	2 131 225
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>3 441 503</b>	<b>2 160 422</b>	<b>2 131 225</b>	<b>3 356 935</b>	<b>2 131 225</b>

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### (g) Table C7: Cash Flow

NW375 Moses Kotane - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	130 327	130 327	2 755	43 563	-	43 563	#DIV/0!	130 327
Service charges		-	113 966	113 966	6 793	36 044	-	36 044	#DIV/0!	113 966
Other revenue		-	2 841	2 841	-	22 940	-	22 940	#DIV/0!	2 841
Government - operating		-	437 830	437 830	80 142	265 530	218 915	46 615	21%	437 830
Government - capital		-	-	-	27 500	105 006	-	105 006	#DIV/0!	-
Interest		-	17 390	17 390	5 323	31 004	-	31 004	#DIV/0!	17 390
Dividends								-		
<b>Payments</b>										
Suppliers and employees		-	(686 837)	(686 837)	(108 883)	(331 760)	-	331 760	#DIV/0!	(686 837)
Finance charges		-	-	-	(1 661)	(3 596)	-	3 596	#DIV/0!	-
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	15 517	15 517	11 969	168 731	218 915	50 184	23%	15 517
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		-	200 374	200 374	(19 987)	(66 041)	-	66 041	#DIV/0!	200 374
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	200 374	200 374	(19 987)	(66 041)	-	66 041	#DIV/0!	200 374
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing		(0)	7 960	7 960	-	-	3 980	3 980	100%	7 960
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		(0)	7 960	7 960	-	-	3 980	3 980	100%	7 960
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		(0)	223 851	223 851	(8 018)	102 690	222 895			223 851
Cash/cash equivalents at beginning:		-	47 399	47 399		526 942				
Cash/cash equivalents at month/year end:		(0)	271 250	271 250		629 632	222 895			223 851



# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

From the above the following investments can be used for operating and capital projects funded by the municipality.

MKLM bank balance: Absa	R 1,126,047
MKLM bank balance: Standard Bank	R 7,427,339
Call Account (operating)	R 23,273,803

**Total cash available R 31,827,189**

The balance of R41, 331,551 are for specific purposes

The current average collection per month from ratepayers amounts to R10, 000,000.

The expenditure per month relating to salaries and water bulk purchases alone amounts to R34, 000,000.

**From the above it is clear that the financial position of the municipality is at a very critical stage and that there will be no funds available to pay any creditors should the current status regarding the payment for services rendered continue.**

Drastic measures must be implemented to increase the revenue collection and expenditure must be reduced.

The reducing of expenditure might have a negative influence on service delivery but the municipality just can't render any more services for free to the communities.

Under the cash flow from operating activities category:

- Ratepayers and other reflect a year to date actual amount of R133,551,287 million compared to a year to date target of R132,262,000 million. The above is due to the payment of property rates by Public Works for the full financial year.
- Operating grants and subsidies show a year to date actual amount of R261, 872,000 million compared to a year to date target of R324, 837,000 million. This is mainly due to the fact that equitable share payments are received in advance.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

- The under collection in operational grant is due to the roll-over amount of R62,965,00 that was withdrawn from equitable shares by national treasury.
- Interest reflects a year to date actual amount of R31, 003,536 million compared to a year to date target of R17, 390,000 million. The situation will however change due to the early payment of property rates by Public Works
- Suppliers and employees payments indicate a year to date actual amount of R429,580,455 million compared to a year to date target of R343,419,000 million due to over spending on certain expenditure line items.

The current situation indicates that the cash and cash equivalents available (R73,158,740 million) of which only R31,827,189 million, is available for daily operating activities and capital projects funded by the municipality, will not even cover one month's expenditure.

This is a very unhealthy situation for the municipality and must be addressed on a very urgent basis.

## PART 2-SUPPORTING DOCUMENTATION

### 1. Supporting Table SC3

NW375 Moses Kotane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2019/20									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	18 814	18 761	13 851	12 228	9 913	10 563	277 908	139 804	501 842	450 416	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	9 358	7 047	6 561	6 559	6 692	6 326	25 179	154 523	222 244	199 279	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	242	271	272	171	307	351	946	6 495	9 055	8 271	-	-
Receivables from Exchange Transactions - Waste Management	1600	940	937	933	932	944	971	4 938	47 724	58 319	55 508	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	5 050	5 111	5 000	4 877	4 862	3 199	85 664	143 714	257 479	242 317	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	71	17	1	34	1	51	29 884	30 058	29 970	-	-
Total By Income Source	2000	34 405	32 198	26 634	24 768	22 752	21 410	394 686	522 144	1 078 997	985 761	-	-
2018/19 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	5 603	5 525	5 446	5 038	5 275	5 100	21 658	110 904	164 549	147 974	-	-
Commercial	2300	12 283	9 262	4 121	3 371	3 486	4 316	15 647	144 329	196 814	171 148	-	-
Households	2400	16 446	17 074	16 900	16 153	13 783	11 870	356 488	262 439	711 152	660 733	-	-
Other	2500	73	338	166	207	208	124	893	4 473	6 482	5 906	-	-
Total By Customer Group	2600	34 405	32 198	26 634	24 768	22 752	21 410	394 686	522 144	1 078 997	985 761	-	-

### Increase in outstanding debts

Debtor's book increased over the period under discussion from R1, 054, 729,439 to R1, 078, 997,253 and as reflected in the C Schedule report here by attached.

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

Outstanding debtors increased from R867,386, 000 million in 2018 to R1, 078, 997, 253 in December 2019 which represents an increase of 19,61%. This shows that the municipality is still not collecting on the outstanding debts.

### Collection Rate

The comparative debtor's collection rates for the main services are as follows:

Description	YTD Amount Billed	YTD Amount Collected	% Collected
	<b>R 0.00</b>	<b>R 0.00</b>	
Trade and Other Receivables from Exchange Transactions- Water	111 360 344	34 557 430	31.03
Receivables from Non-exchange Transactions- Property Rates	79 228 000	67 454 683	85.14
Receivables from Exchange Transactions- Waste Water Management	1 154 658	391 231	33.88
Receivables from Exchange Transactions- Waste Management	7 005 085	227 649	3.25
<b>Total</b>	<b>198 748 087.00</b>	<b>102 630 993.00</b>	<b>51.64</b>

The average collection rate is at 51,64% for the first six months of the year.

Provision on the budget has been made for a collection rate of 65%.

As previously mentioned the collected percentage of 51,64% is misleading due to the fact that Public Works has paid their property rates for the full financial year

If the payment for property rates by Public Works was paid equally on a monthly basis, the percentage payment would be 53% instead of 85,14% which includes an advance payment of R 25,644,946 .

The council will drastically have to implement the credit control policy since this will have a negative impact on the cash flow of the municipality.

### Creditors

Outstanding Creditors at 31 December 2019

Outstanding Creditors as at 31 December 2019 amounts to R1, 457,000

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

## 2. Supporting Table SC4

NW375 Moses Kotane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2019/20									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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	—	—	—	—	—	—	—	—	—	
Bulk Water	0200									—	
PAYE deductions	0300									—	
VAT (output less input)	0400									—	
Pensions / Retirement deductions	0500									—	
Loan repayments	0600									—	
Trade Creditors	0700	193	597	246	421	—	—	—	—	1 457	
Auditor General	0800									—	
Other	0900									—	
Total By Customer Type	1000	193	597	246	421	—	—	—	—	1 457	

The outstanding amounts represents orders that were issued but invoices have not yet been received for payment.

Invoices are paid within 30 days.

## 3. Supporting Table SC5

NW375 Moses Kotane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														-
Municipality sub-total										-		-	-	-
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									-		-	-	-

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

## 4. Supporting Table SC6

NW375 Moses Kotane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	437 830	437 830	80 142	259 051	218 915	40 136	18.3%	437 830
Community Library		-	-	-	-	-	-	-	-	-
Equitable Share		-	429 267	429 267	80 142	259 003	214 633	44 370	20.7%	429 267
Expanded Public Works Programme Integrated Grant		-	1 695	1 695	-	48	848	(800)	-94.4%	1 695
Local Government Financial Management Grant		-	1 700	1 700	-	-	850	(850)	-100.0%	1 700
Municipal Infrastructure Grant		-	5 168	5 168	-	-	2 584	(2 584)	-100.0%	5 168
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		3 910	-	-	-	-	-	-	-	-
Libraries, Archives and Museums		3 910	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
National Library South Africa		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	3 910	437 830	437 830	80 142	259 051	218 915	40 136	18.3%	437 830
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		88 203	87 086	87 086	-	2 110	43 543	(41 433)	-95.2%	87 086
Municipal Infrastructure Grant		35 748	32 086	32 086	-	2 110	16 043	(13 933)	-86.8%	32 086
Municipal Water Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		52 455	55 000	55 000	-	-	27 500	(27 500)	-100.0%	55 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		91 481	112 438	112 438	-	22 650	56 219	(33 569)	-59.7%	112 438
[insert description]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		91 481	112 438	112 438	-	22 650	56 219	(33 569)	-59.7%	112 438
Registration of Deeds Trade Account		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	179 684	199 524	199 524	-	24 760	99 762	(75 002)	-75.2%	199 524
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	183 595	637 354	637 354	80 142	283 811	318 677	(34 866)	-10.9%	637 354

## CONDITIONAL GRANTS – DORA ALLOCATION

### RECEIPTS

All gazetted grants and subsidies, except for MIG, have been received at the end of December 2019.

However, it needs to mention that the municipality was supposed to have received R143, 089,000 for equitable share but National Treasury has withdrawn an amount of R62, 965,000 being the roll over amount that was not approved.



# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

## EXPENDITURE

The expenditure on capital projects reflects only 32,20% spending comparing to an expected percentage of 50% for the period ending 31 December 2019.

The above expenditure excludes vat.

The expenditure on capital projects inclusive of vat reflects 42,26% spending .

The expenditure on operational grants reflects only 60% spending comparing to an expected percentage of 50% for the period ending 31 December 2019.

This is due to the spending on equitable shares which is not conditional.

## 5. Supporting Table SC7 (1)

NW375 Moses Kotane - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		115 671	114 559	95 475	25 561	32 324	50 918	(18 595)	-36.5%	95 475
Equitable Share		98 808	91 000	91 000	25 389	31 450	45 500	(14 050)	-30.9%	91 000
Expanded Public Works Programme Integrated Grant		3 862	4 470	1 695	122	286	1 310	(1 024)	-78.2%	1 695
Local Government Financial Management Grant		13 001	19 089	2 780	50	588	4 108	(3 520)	-85.7%	2 780
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		115 671	114 559	95 475	25 561	32 324	50 918	(18 595)	-36.5%	95 475
Capital expenditure of Transfers and Grants										
National Government:		62 181	201 362	201 362	19 221	60 123	100 681	(40 558)	-40.3%	201 362
Municipal Infrastructure Grant		50 276	146 362	146 362	14 955	52 266	73 181	(20 915)	-28.6%	146 362
Water Services Infrastructure Grant		11 906	55 000	55 000	4 265	7 856	27 500	(19 644)	-71.4%	55 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Investment Unit		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		62 181	201 362	201 362	19 221	60 123	100 681	(40 558)	-40.3%	201 362
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		177 853	315 921	296 837	44 781	92 446	151 599	(59 153)	-39.0%	296 837

Expenditure on the MIG and WSIG grants needs urgent attention to ensure that the grants are spent in full.

Underspending on FMG grant is due to the late appointments of FMG interns,

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

## 6. Supporting Table SC7 (2)

NW375 Moses Kotane - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2019/20				
		Approved Rollover 2018/19	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<b>EXPENDITURE</b>						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Local Government Equitable Share		-	-	-	-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		-	-	-	-	

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### 7. Supporting Table SC8

**NW375 Moses Kotane - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December**

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		14 964	16 499	16 499	1 272	7 657	8 250	(593)	-7%	16 499
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 742	3 187	3 187	245	726	1 593	(867)	-54%	3 187
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		5 121	5 685	5 685	432	2 606	2 843	(237)	-8%	5 685
<b>Sub Total - Councillors</b>		<b>22 827</b>	<b>25 371</b>	<b>25 371</b>	<b>1 949</b>	<b>10 989</b>	<b>12 686</b>	<b>(1 697)</b>	<b>-13%</b>	<b>25 371</b>
<b>% increase</b>	4		<b>11.1%</b>	<b>11.1%</b>						<b>11.1%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		2 839	8 984	8 984	211	1 686	4 492	(2 806)	-62%	8 984
Pension and UIF Contributions		131	193	193	32	126	97	30	31%	193
Medical Aid Contributions		101	101	101	8	48	51	(3)	-5%	101
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		93	192	192	-	184	96	88	92%	192
Motor Vehicle Allowance		529	583	583	37	279	291	(12)	-4%	583
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	1	1	0	0	0	(0)	-62%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 693</b>	<b>10 054</b>	<b>10 054</b>	<b>288</b>	<b>2 324</b>	<b>5 027</b>	<b>(2 703)</b>	<b>-54%</b>	<b>10 054</b>
<b>% increase</b>	4		<b>172.3%</b>	<b>172.3%</b>						<b>172.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		127 027	190 979	171 166	12 212	73 606	88 885	(15 280)	-17%	171 166
Pension and UIF Contributions		26 170	35 699	33 676	2 527	15 042	17 175	(2 134)	-12%	33 676
Medical Aid Contributions		10 437	11 763	11 808	952	5 636	5 897	(261)	-4%	11 808
Overtime		10 766	5 346	5 851	743	4 278	2 841	1 436	51%	5 851
Performance Bonus		8 784	10 940	10 342	2 454	4 932	5 271	(339)	-6%	10 342
Motor Vehicle Allowance		500	763	523	30	180	302	(122)	-40%	523
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		411	656	513	40	233	280	(47)	-17%	513
Other benefits and allowances		4 865	4 076	3 772	274	1 792	1 937	(145)	-8%	3 772
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1 789	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>190 749</b>	<b>260 220</b>	<b>237 651</b>	<b>19 231</b>	<b>105 697</b>	<b>122 588</b>	<b>(16 891)</b>	<b>-14%</b>	<b>237 651</b>
<b>% increase</b>	4		<b>36.4%</b>	<b>24.6%</b>						<b>24.6%</b>
<b>Total Parent Municipality</b>		<b>217 269</b>	<b>295 646</b>	<b>273 077</b>	<b>21 468</b>	<b>119 009</b>	<b>140 301</b>	<b>(21 292)</b>	<b>-15%</b>	<b>273 077</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>217 269</b>	<b>295 646</b>	<b>273 077</b>	<b>21 468</b>	<b>119 009</b>	<b>140 301</b>	<b>(21 292)</b>	<b>-15%</b>	<b>273 077</b>
<b>% increase</b>	4		<b>36.1%</b>	<b>25.7%</b>						<b>25.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>194 442</b>	<b>270 275</b>	<b>247 705</b>	<b>19 520</b>	<b>108 020</b>	<b>127 615</b>	<b>(19 595)</b>	<b>-15%</b>	<b>247 705</b>

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### 8. Supporting Table SC9

NW375 Moses Kotane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2019/20												2019/20 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands	1	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>																
Property rates		3 274	2 444	27 420	4 929	2 741	2 755	-	-	-	-	-	86 764	130 327	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		4 974	4 347	2 116	10 268	7 095	6 625	-	-	-	-	-	76 087	111 512	-	-
Service charges - sanitation revenue		43	20	23	62	112	131	-	-	-	-	-	1 119	1 510	-	-
Service charges - refuse		49	20	29	37	56	37	-	-	-	-	-	716	944	-	-
Rental of facilities and equipment		-	7	-	12	4	-	-	-	-	-	-	(23)	-	-	-
Interest earned - external investments		462	888	24	615	474	275	-	-	-	-	-	2 662	5 400	-	-
Interest earned - outstanding debtors		3 266	4 941	4 906	4 995	5 110	5 048	-	-	-	-	-	(16 276)	11 990	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	200	200	-	-
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	50	50	-	-
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating		178 861	2 124	-	48	4 355	80 142	-	-	109 458	-	-	62 842	437 830	-	-
Other revenue		406	17 724	-	2 339	2 448	-	-	-	-	-	-	(20 326)	2 591	-	-
<b>Cash Receipts by Source</b>		<b>191 334</b>	<b>32 516</b>	<b>34 517</b>	<b>23 305</b>	<b>22 396</b>	<b>95 013</b>	<b>-</b>	<b>-</b>	<b>109 458</b>	<b>-</b>	<b>-</b>	<b>193 815</b>	<b>702 354</b>	<b>-</b>	<b>-</b>
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital		66 506	11 000	-	-	-	27 500	-	-	-	-	-	(105 006)	-	-	-
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>		<b>257 840</b>	<b>43 516</b>	<b>34 517</b>	<b>23 305</b>	<b>22 396</b>	<b>122 513</b>	<b>-</b>	<b>-</b>	<b>109 458</b>	<b>-</b>	<b>-</b>	<b>88 809</b>	<b>702 354</b>	<b>-</b>	<b>-</b>
<b>Cash Payments by Type</b>																
Employee related costs		18 021	17 056	17 503	17 950	17 971	19 520	-	-	-	-	-	162 255	270 275	287 380	307 497
Remuneration of councillors		1 678	1 698	1 772	1 946	1 946	1 949	-	-	-	-	-	14 382	25 371	-	-
Interest paid		1 761	-	-	119	55	1 661	-	-	-	-	-	(3 596)	-	-	-
Bulk purchases - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer		2 497	876	8 508	2 291	1 790	27 171	-	-	-	-	-	47 868	91 000	-	-
Other materials		16	611	4	4	185	82	-	-	-	-	-	(902)	-	-	-
Contracted services		6 116	6 745	6 955	16 759	7 873	21 684	-	-	-	-	-	85 704	151 837	-	-
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses		4 720	14 333	9 603	9 118	2 694	16 152	-	-	-	-	-	91 734	148 354	-	-
<b>Cash Payments by Type</b>		<b>34 810</b>	<b>41 320</b>	<b>44 345</b>	<b>48 186</b>	<b>32 514</b>	<b>88 217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397 444</b>	<b>686 837</b>	<b>287 380</b>	<b>307 497</b>
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		525	15 652	7 656	9 884	12 337	19 987	-	-	-	-	-	(266 415)	(200 374)	-	-
Repayment of borrowing		-	-	-	-	-	-	(663)	(663)	(663)	(663)	(663)	(4 643)	(7 960)	150	-
Other Cash Flows/Payments		23 637	-	-	-	-	22 326	-	-	-	-	-	(45 963)	-	-	-
<b>Total Cash Payments by Type</b>		<b>58 973</b>	<b>56 973</b>	<b>52 001</b>	<b>58 070</b>	<b>44 851</b>	<b>130 530</b>	<b>(663)</b>	<b>(663)</b>	<b>(663)</b>	<b>(663)</b>	<b>(663)</b>	<b>80 422</b>	<b>478 503</b>	<b>287 530</b>	<b>307 497</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>198 867</b>	<b>(13 457)</b>	<b>(17 483)</b>	<b>(34 765)</b>	<b>(22 455)</b>	<b>(8 018)</b>	<b>663</b>	<b>663</b>	<b>110 121</b>	<b>663</b>	<b>663</b>	<b>8 387</b>	<b>223 851</b>	<b>(287 530)</b>	<b>(307 497)</b>
Cash/cash equivalents at the month/year beginning:		198 867	198 867	185 410	167 927	133 162	110 707	102 690	103 353	104 016	214 137	214 801	215 464	-	223 851	(63 679)
Cash/cash equivalents at the month/year end:		198 867	185 410	167 927	133 162	110 707	102 690	103 353	104 016	214 137	214 801	215 464	223 851	223 851	(63 679)	(371 176)

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

## 9. Supporting Table SC12

NW375 Moses Kotane - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	4 289	17 067	17 067	457	457	17 067	16 610	97.3%	0%
August	12 613	17 067	17 067	15 382	15 839	34 134	18 295	53.6%	8%
September	14 144	17 067	17 067	7 656	23 495	51 201	27 706	54.1%	11%
October	15 239	17 067	16 981	9 884	33 378	68 181	34 803	51.0%	16%
November	2 697	17 067	16 981	12 337	45 715	85 162	39 447	46.3%	22%
December	28 256	17 067	16 981	19 987	65 702	102 143	36 441	35.7%	32%
January	8 655	17 067	16 981	–		119 123	–		
February	14 198	17 067	16 981	–		136 104	–		
March	10 867	17 067	16 981	–		153 085	–		
April	10 572	17 067	16 981	–		170 065	–		
May	18 862	17 067	16 981	–		187 046	–		
June	21 928	17 067	16 980	–		204 026	–		
<b>Total Capital expenditure</b>	<b>162 320</b>	<b>204 802</b>	<b>204 026</b>	<b>65 702</b>					

## 10. Supporting Table SC13(a)

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

**NW375 Moses Kotane - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		13 540	133 362	133 362	11 604	23 760	66 681	42 921	64.4%	133 362
Roads Infrastructure		-	-	-	-	-	-	-		-
Roads		-	-	-	-	-	-	-		-
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	6 193	6 193	-	-	3 097	3 097	100.0%	6 193
Drainage Collection		-	6 193	6 193	-	-	3 097	3 097	100.0%	6 193
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	22 446	22 446	3 386	5 083	11 223	6 140	54.7%	22 446
Power Plants								-		
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks		-	22 446	22 446	3 386	5 083	11 223	6 140	54.7%	22 446
Capital Spares								-		
Water Supply Infrastructure		12 355	64 815	64 815	6 045	11 512	32 407	20 896	64.5%	64 815
Dams and Weirs								-		
Boreholes								-		
Reservoirs		-	-	-	-	-	-	-		-
Pump Stations								-		
Water Treatment Works								-		
Bulk Mains		-	-	-	-	-	-	-		-
Distribution		12 355	64 815	64 815	6 045	11 512	32 407	20 896	64.5%	64 815
Distribution Points								-		
PRV Stations								-		
Capital Spares								-		
Sanitation Infrastructure		-	24 111	24 111	895	4 322	12 056	7 734	64.1%	24 111
Pump Station								-		
Reticulation								-		
Waste Water Treatment Works								-		
Outfall Sewers								-		
Toilet Facilities		-	24 111	24 111	895	4 322	12 056	7 734	64.1%	24 111
Capital Spares								-		
Solid Waste Infrastructure		1 185	15 797	15 797	1 277	2 843	7 898	5 055	64.0%	15 797
Landfill Sites		1 185	15 797	15 797	1 277	2 843	7 898	5 055	64.0%	15 797
Waste Transfer Stations								-		
Waste Processing Facilities								-		

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment										
<b>Furniture and Office Equipment</b>		118	300	74	-	26	75	49	65.4%	74
Furniture and Office Equipment		118	300	74	-	26	75	49	65.4%	74
<b>Machinery and Equipment</b>		130	300	-	-	-	50	50	100.0%	-
Machinery and Equipment		130	300	-	-	-	50	50	100.0%	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets										
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										
<b>Total Capital Expenditure on new assets</b>	1	13 788	133 962	133 436	11 604	23 786	66 806	43 020	64.4%	133 436

## 11. Supporting Table SC13 (b)

**NW375 Moses Kotane - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06**

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		15 191	-	-	-	15 800	-	(15 800)	#DIV/0!	-
Roads Infrastructure		-	-	-	-	-	-	-		-
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-		-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		15 191	-	-	-	15 800	-	(15 800)	#DIV/0!	-
Dams and Weirs										
Boreholes		15 191	-	-	-	15 800	-	(15 800)	#DIV/0!	-
Reservoirs										
<b>Community Assets</b>		(0)	12 000	12 000	1 979	5 605	6 000	395	6.6%	12 000
Community Facilities		(0)	12 000	12 000	1 979	5 605	6 000	395	6.6%	12 000
Halls		(0)	12 000	12 000	1 979	5 605	6 000	395	6.6%	12 000

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

<b>Other assets</b>		-	2 590	2 590	766	5 553	1 295	(4 258)	-328.8%	2 590
Operational Buildings		-	2 590	2 590	766	5 553	1 295	(4 258)	-328.8%	2 590
Municipal Offices		-	-	-	-	-	-	-		-
Pay/Enquiry Points		-	-	-	-	-	-	-		-
Building Plan Offices		-	-	-	-	-	-	-		-
Workshops		-	-	-	-	-	-	-		-
Yards		-	-	-	-	-	-	-		-
Stores		-	2 590	2 590	766	5 553	1 295	(4 258)	-328.8%	2 590
Laboratories		-	-	-	-	-	-	-		-
Training Centres		-	-	-	-	-	-	-		-
Manufacturing Plant		-	-	-	-	-	-	-		-
Depots		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Staff Housing		-	-	-	-	-	-	-		-
Social Housing		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
<b>Intangible Assets</b>		(0)	250	-	-	-	42	42	100.0%	-
Servitudes		-	-	-	-	-	-	-		-
Licences and Rights		(0)	250	-	-	-	42	42	100.0%	-
Water Rights		-	-	-	-	-	-	-		-
Effluent Licenses		-	-	-	-	-	-	-		-
Solid Waste Licenses		-	-	-	-	-	-	-		-
Computer Software and Applications		(0)	250	-	-	-	42	42	100.0%	-
Load Settlement Software Applications		-	-	-	-	-	-	-		-
Unspecified		-	-	-	-	-	-	-		-
<b>Computer Equipment</b>		-	-	-	-	-	-	-		-
Computer Equipment		-	-	-	-	-	-	-		-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-		-
Furniture and Office Equipment		-	-	-	-	-	-	-		-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-		-
Machinery and Equipment		-	-	-	-	-	-	-		-
<b>Transport Assets</b>		-	-	-	-	-	-	-		-
Transport Assets		-	-	-	-	-	-	-		-
<b>Land</b>		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on renewal of existing ass</b>	1	15 191	14 840	14 590	2 746	26 959	7 337	(19 622)	-267.5%	14 590



# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

### 12. Supporting Table SC13 (c)

**NW375 Moses Kotane - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06**

Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		97 659	95 820	66 920	12 584	47 983	38 277	(9 706)	-25.4%	66 920
Roads Infrastructure		5 409	18 800	4 400	–	106	5 743	5 637	98.2%	4 400
Roads		5 393	18 000	4 000	–	106	5 476	5 371	98.1%	4 000
Road Structures								–		
Road Furniture		17	800	400	–	–	267	267	100.0%	400
Capital Spares								–		
Storm water Infrastructure		1 642	4 000	1 500	–	60	1 167	1 107	94.9%	1 500
Drainage Collection								–		
Storm water Conveyance		1 642	4 000	1 500	–	60	1 167	1 107	94.9%	1 500
Attenuation								–		
Electrical Infrastructure		16 963	12 000	6 000	–	–	4 000	4 000	100.0%	6 000
Power Plants								–		
HV Substations								–		
HV Switching Station								–		
HV Transmission Conductors								–		
MV Substations								–		
MV Switching Stations								–		
MV Networks								–		
LV Networks		16 963	12 000	6 000	–	–	4 000	4 000	100.0%	6 000
Capital Spares								–		
Water Supply Infrastructure		1 046	600	600	–	135	300	165	55.0%	600
Dams and Weirs								–		
Boreholes								–		
Reservoirs		1 046	600	600	–	135	300	165	55.0%	600
Pump Stations								–		
Water Treatment Works								–		
Bulk Mains								–		
Distribution								–		
Distribution Points								–		
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	–	–	–	–	–	–		–
Pump Station								–		
Reticulation								–		
Waste Water Treatment Works								–		
Outfall Sewers								–		
Toilet Facilities								–		
Capital Spares								–		
Solid Waste Infrastructure		72 598	60 420	54 420	12 584	47 683	27 067	(20 616)	-76.2%	54 420
Landfill Sites		72 598	60 420	54 420	12 584	47 683	27 067	(20 616)	-76.2%	54 420
Waste Transfer Stations		–	–	–	–	–	–	–		–

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

<b>Community Assets</b>	<b>979</b>	<b>1 000</b>	<b>800</b>	<b>-</b>	<b>16</b>	<b>433</b>	<b>417</b>	<b>96.2%</b>	<b>800</b>
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	979	1 000	800	-	16	433	417	96.2%	800
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	979	1 000	800	-	16	433	417	96.2%	800
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

<b>Other assets</b>		13 672	15 600	14 000	579	2 065	7 267	5 202	71.6%	14 000
Operational Buildings		13 672	15 600	14 000	579	2 065	7 267	5 202	71.6%	14 000
Municipal Offices		13 672	15 600	14 000	579	2 065	7 267	5 202	71.6%	14 000
Pay/Enquiry Points								-		
Building Plan Offices								-		
Workshops								-		
Yards								-		
Stores								-		
Laboratories								-		
Training Centres								-		
Manufacturing Plant								-		
Depots								-		
Capital Spares								-		
Housing		-	-	-	-	-	-	-		-
Staff Housing								-		
Social Housing								-		
Capital Spares								-		
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
<b>Intangible Assets</b>		845	6 000	2 000	-	34	1 667	1 633	98.0%	2 000
Servitudes								-		
Licences and Rights		845	6 000	2 000	-	34	1 667	1 633	98.0%	2 000
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		845	6 000	2 000	-	34	1 667	1 633	98.0%	2 000
Load Settlement Software Applications								-		
Unspecified								-		
<b>Computer Equipment</b>		131	160	160	-	2	80	78	98.0%	160
Computer Equipment		131	160	160	-	2	80	78	98.0%	160
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-		-
Furniture and Office Equipment								-		
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-		-
Machinery and Equipment		-	-	-	-	-	-	-		-
<b>Transport Assets</b>		12 467	11 700	9 700	2 761	9 580	5 183	(4 397)	-84.8%	9 700
Transport Assets		12 467	11 700	9 700	2 761	9 580	5 183	(4 397)	-84.8%	9 700
<b>Land</b>		-	-	-	-	-	-	-		-
Land								-		
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
<b>Total Repairs and Maintenance Expenditure</b>	1	125 754	130 280	93 580	15 924	59 680	52 907	(6 774)	-12.8%	93 580

## 13. Supporting Table SC13 (d)

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

NW375 Moses Kotane - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		208 589	22 482	22 482	1 874	11 241	11 241	-		22 482
Roads Infrastructure		114 819	-	-	-	-	-	-		-
Roads		114 819	-	-	-	-	-	-		-
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Storm water Infrastructure		3 308	-	-	-	-	-	-		-
Drainage Collection		3 308	-	-	-	-	-	-		-
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		2 613	8 100	8 100	675	4 050	4 050	-		8 100
Power Plants		2 613	8 100	8 100	675	4 050	4 050	-		8 100
HV Substations		-	-	-	-	-	-	-		-
HV Switching Station		-	-	-	-	-	-	-		-
HV Transmission Conductors		-	-	-	-	-	-	-		-
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations		-	-	-	-	-	-	-		-
MV Networks		-	-	-	-	-	-	-		-
LV Networks		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Water Supply Infrastructure		83 812	-	-	-	-	-	-		-
Dams and Weirs		-	-	-	-	-	-	-		-
Boreholes		-	-	-	-	-	-	-		-
Reservoirs		-	-	-	-	-	-	-		-
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		-	-	-	-	-	-	-		-
Bulk Mains		-	-	-	-	-	-	-		-
Distribution		83 812	-	-	-	-	-	-		-
Distribution Points		-	-	-	-	-	-	-		-
PRV Stations		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Sanitation Infrastructure		3 439	8 686	8 686	724	4 343	4 343	-		8 686
Pump Station		-	-	-	-	-	-	-		-
Reticulation		-	-	-	-	-	-	-		-
Waste Water Treatment Works		3 439	8 686	8 686	724	4 343	4 343	-		8 686
Outfall Sewers		-	-	-	-	-	-	-		-
Toilet Facilities		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Solid Waste Infrastructure		598	5 696	5 696	475	2 848	2 848	-		5 696
Landfill Sites		598	5 696	5 696	475	2 848	2 848	-		5 696
Waste Transfer Stations		-	-	-	-	-	-	-		-
Waste Processing Facilities		-	-	-	-	-	-	-		-
Waste Drop-off Points		-	-	-	-	-	-	-		-
Waste Separation Facilities		-	-	-	-	-	-	-		-
Electricity Generation Facilities		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Rail Infrastructure		-	-	-	-	-	-	-		-
Rail Lines		-	-	-	-	-	-	-		-
Rail Structures		-	-	-	-	-	-	-		-
Rail Furniture		-	-	-	-	-	-	-		-
Drainage Collection		-	-	-	-	-	-	-		-
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
MV Substations		-	-	-	-	-	-	-		-
LV Networks		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Coastal Infrastructure		-	-	-	-	-	-	-		-
Sand Pumps		-	-	-	-	-	-	-		-
Revetments		-	-	-	-	-	-	-		-
Promenades		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Data Centres		-	-	-	-	-	-	-		-

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

<b>Biological or Cultivated Assets</b>		-	6 183	6 183	515	3 092	3 092	-		6 183
Biological or Cultivated Assets		-	6 183	6 183	515	3 092	3 092	-		6 183
<b>Intangible Assets</b>		11 978	-	-	-	-	-	-		-
Servitudes								-		
Licences and Rights		11 978	-	-	-	-	-	-		-
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		11 978	-	-	-	-	-	-		-
Load Settlement Software Applications								-		
Unspecified		-	-	-	-	-	-	-		-
<b>Computer Equipment</b>		(56 771)	61 202	61 202	5 100	30 601	30 601	-		61 202
Computer Equipment		(56 771)	61 202	61 202	5 100	30 601	30 601	-		61 202
<b>Furniture and Office Equipment</b>		(33 955)	56 676	56 676	4 723	28 452	28 338	(114)	-0.4%	56 676
Furniture and Office Equipment		(33 955)	56 676	56 676	4 723	28 452	28 338	(114)	-0.4%	56 676
<b>Machinery and Equipment</b>		621	865	865	72	433	433	-		865
Machinery and Equipment		621	865	865	72	433	433	-		865
<b>Transport Assets</b>		4 802	3 458	3 458	288	1 729	1 729	-		3 458
Transport Assets		4 802	3 458	3 458	288	1 729	1 729	-		3 458
<b>Land</b>		-	-	-	-	-	-	-		-
Land								-		
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
<b>Total Depreciation</b>	1	159 814	154 537	154 537	12 878	77 382	77 268	(114)	-0.1%	154 537

## 14. Supporting Table SC13 (e)

NW375 Moses Kotane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class -

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		41 121	56 000	56 000	5 637	14 957	28 000	13 043	46.6%	56 000
Roads Infrastructure		41 042	56 000	56 000	5 637	14 957	28 000	13 043	46.6%	56 000
Roads		41 042	56 000	56 000	5 637	14 957	28 000	13 043	46.6%	56 000
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Water Supply Infrastructure		80	-	-	-	-	-	-		-
Dams and Weirs								-		
Boreholes								-		
Reservoirs		80	-	-	-	-	-	-		-
Pump Stations								-		
Water Treatment Works								-		
Bulk Mains								-		
Distribution								-		
Distribution Points								-		
PRV Stations								-		
Capital Spares								-		
Sanitation Infrastructure		-	-	-	-	-	-	-		-
Pump Station								-		
<b>Total Capital Expenditure on upgrading of existing</b>	1	41 121	56 000	56 000	5 637	14 957	28 000	13 043	46.6%	56 000

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

## **Part 3-Material Variances Other Key Performance Measures and Indicators**

Overview of performance: Other performance indicators

### **3.1 Performance Management System**

Performance Management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act No.32 of 2000 and the Local Government: Municipal Planning and Performance Management Regulations. 796 of August 2001.

Section 7 (1) of the aforementioned regulations state that “A municipality’s performance management system must entail a framework that describes and represent how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed including determining the responsibilities of the different role players”. This framework, inter alia reflects the linkage between Integrated Development Plan (IDP), Annual Budget, Service Delivery and Budget Implementation Plan (SDBIP) and Individual and Service Provider Performance.

### **3.2. Implementation of Performance Management System**

The Integrated Development Plan (IDP) for the 2019/20 financial year was compiled and approved by Council on the 31 May 2019. Performance of the municipality is evaluated by means of a municipal score card (Top Layer Service Delivery and Budget Implementation Plan (SDBIP) at organisational level and through Departmental Service Delivery and Budget Implementation Plan (SDBIP) at Departmental level.

The SDBIP is a plan that converts the IDP and Annual Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to a department to deliver the service in terms of the approved IDP and Annual Budget.

### **3.3 Performance Analysis**

The culture of consistent reporting by all departments remains the biggest challenge facing the municipality. Poor reporting by all managers has led to the Accounting Officer not being in a better position to conduct a realistic assessment as required in terms of section 72 of the MFMA. Reports for the second quarter were received very late after intervention by the office of the Municipal Manager.

The second biggest challenge which also led to no assessments being conducted was that, the reporting tool of the municipality does not provide for the Internal Audit to audit performance

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

## 2019/2020

---

reports. This will have to be corrected considering that; performance audit is the primary function of internal audit as required by the MFMA. In summary the following are the challenges of the municipality in so far as implementation of Performance Management is concerned:

- Lack of internal institutional mechanisms to ensure effective implementation of PMS;
- Lack of dedicated office to drive implementation of Performance Management System at the Municipality (Monitoring and Evaluation);
- Existence of a Policy PMS Framework without clear roles and responsibilities for the all stakeholders e.g. The Mayor, Chairpersons of Portfolio Committees, Municipal Manager, Directors etc.;
- Existence of Key Performance Indicators which are not SMART as required in terms of the Framework for Managing Programme Performance of 2007 issued by National Treasury and this was finding of the Auditor General in his report on audit performed on pre-determined objectives of 2018/19;
- 100% of Key Performance Indicators contained in the municipality SDBIP not simple, measurable, attainable, realistic and timeous;
- Lack of dedication from the side of executive management to report regularly, which goes against the signed performance agreements;
- Lack of standing operating procedures (PMS manual), Technical Indicator Descriptions and unavailability of a clear system description outlining the input, process followed and outputs with the reporting framework of the municipality (Key for the Auditor General when performing audit on pre-determined objectives; and
- Limited understating of the concept PMS by the executive management of the municipality and line managers, which has led to non-compliance to reporting requirements;

It must be noted that amongst the challenges mentioned above the office of the Municipal Manager is on course to address those challenges, and the following are recommended solutions with clear time lines to address them:

### **3.4 Top Layer SDBIP**

The report will be presented before the IDP / PMS Committee.

### **3.5 Performance Plan evaluation on SDBIP**

The report will be presented before the IDP / PMS Committee

# MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2019/2020

---

## **FINANCIAL IMPLICATIONS**

The report for the period ending 31 December 2019 indicates various financial risks which require monitoring as mentioned above.

### **Management of the cash flow on a daily basis**

The council's cash flow situation is a concern when looking at the increase of outstanding debtors as well as paying excessive amounts to service providers for services rendered which are not revenue generating services.

The implementation of the credit control policy will have to be strengthened as well as the restriction of water for non-payment of water services.

The supply of water has to be addressed urgently as it has a negative influence on the cash flow of the municipality

Expenditure has to be restrained to ensure a positive cash flow

## **CONCLUSION**

Based on the information indicated above there is thus a need to make a recommendation to Council to consider and approve an adjustment budget for the 2019/2020 financial year end.

## **RECOMMENDATIONS**

It is recommended that:

- a) Council note the Mid-Year Budget and Performance Assessment Report for the 2019/20 Financial Year in terms of S72 of the MFMA and the Supporting Documentation attached
- b) Council should consider the financial state of affairs of the Municipality as reflected in this report and take note of the low collection rate for the first six months of the year leading to cash flow challenges.
- c) Council should consider the tabling of an adjustment budget not later than 28 February 2020.