

## ANNEXURE A

**FINANCE: IN YEAR MONITORING AND REPORTING: 1<sup>ST</sup> QUARTER: 2019/2020 FINANCIAL YEAR (MONTH ENDING 30 SEPTEMBER 2019) (6/1/1(2019/20))**

**1. QUARTER ONE SDBIP 30 SEPTEMBER 2019**

<b>MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY</b>			
<b>Summary of Fourth quarter SDBIP (July , Aug and Sept 2019) Municipal financial management and viability</b>			
<b>Key Performance Indicators</b>	<b>Performance Remarks</b>	<b>Quarter Target</b>	<b>Actual achieved</b>
Number of Household earning less than per month with access to free electricity	Not achieved	4 413	4 360
Prepared and Submitted Annual financial statements for 2018/2019 Financial year	Target Achieved	2018/19 AFS Prepared and submitted by 31 August 2019	AFS Submitted on 31 august 2019
Approved budget process plan by 31 August 2019	Target Achieved	Process plan approved by Council	Process plan approved by Council on before 31 August 2019
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2019	Achieved	3	3
Percentage Expenditure on MIG by 30 September 2019	Achieved	10%	17%
Percentage Expenditure of Financial Management Grant by 30 September 2019 2	Achieved	25%	25%
Percentage Expenditure on INEP Grant by 30 September 2019	Not Achieved	10%	7%
Percentage of Tenders processed within 90 days by 30 September 2019 (From closing date in the advert)	Not Achieved	95%	72%
Percentage of Electricity Distribution loss by 30 September 2019	Not Achieved	10%	12%
Percentage of Invoices Paid within 30 days of receipt by 30 September 2019	Achieved	100%	100%
Percentage of Billed revenue collected per month during 2019/20( as at 30 September 2019 Financial Year	Achieved	90%	88%

**Figure 1: Summary of 1<sup>st</sup> quarter ending 30 September 2019 SDBIP**

**2. ANALYSIS FROM REPORTS FROM INCOME AND EXPENDITURE QUARTER ONE ENDING 30 SEPTEMBER 2019.**

**SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE**

The actual operational income for first quarter is R 275.730 million and actual to date is R 275.730 million. The operational expenditure for the same period is R 243.810 million and actual to date is R 243.810 million

**Summary overall budgeted and actual expenditure**

<b>Types of Budget</b>	<b>Approved Budget</b>	<b>Budget Spent</b>	<b>Variance</b>	<b>% Spent</b>
Operational	R 958 million	R 244 million	R 714 million	25%
Capital	R 203 million	R 22 million	R 181 million	11%
<b>Total</b>	<b>R 1.161 billion</b>	<b>R 266 million</b>	<b>R 895million</b>	<b>23%</b>

### 3. APPROVED CONDITIONAL GRANT AS AT 30 SEPTEMBER 2019

Details of Grants allocated ,Grants Performance as at 30 September 2019								
	Budget Year 2019/20							
Description	Original Budget	Grants Received YTD R '000	Actual Received Q1 R '000	Expenditure YTD	Actual Q1 Expenditure	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT								
<u>Funded by:</u>								
MIG	89 577	40 309	40 309	14 928	14 928	37%	17%	89 577
INEP	20 000	8 000	8 000	1 308	1 308	16%	7%	20 000
FMG	1 700	1 700	1 700	425	425	25%	25%	1 700
EPWP	1 863	466	466	466	466	100%	25%	1 863
<b>Total Grants</b>	<b>113 140</b>	<b>50 475</b>	<b>50 475</b>	<b>17 127</b>	<b>17 127</b>	<b>34%</b>	<b>15%</b>	<b>113 140</b>

**1. Municipal infrastructure Grant (MIG)**

The actual amount received for the First quarter is R 40 309 million and to date is R 40 309 million and actual expenditure for the first quarter is R 14 927 million and to date is R 14 927 million that represent 17% of expenditure against approved allocation of R 89 577 million.

**2. Integrated National Electricity Programme (INEP)**

The actual amount received for the first quarter R 8 000 million and to date is R 20 000 million and actual expenditure for the first quarter R 1 308 million that represent 7% of expenditure against approved allocation of R 20 000 million.

**3. Financial Management Grant (FMG)**

The actual amount received for the first quarter is R 1 700 and to date is R 1 700 million and actual expenditure for the first quarter is R 425 thousands and to date is R 425 thousands that represents 25% against the approved allocation of R 1 700 million.

**4. Expanded Public Works Programme (EPWP)**

The actual amount received for the first quarter is R 466 thousands and to date is R 466 thousands and actual expenditure for the first quarter is R 466 thousands and to date is R 466 thousands that represent 25% against the approved allocation of R 1 863 million.

#### 4. SUMMARY OF PERFORMANCE OF INCOME AND EXPENDITURE 30 SEPTEMBER 2019

Description	Budget Year 2019/20							
	Original Budget	First quarter Projections Q1 2019	Q1 Sept 2019	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>Revenue By Source</b>								
Property rates	70 362 507.68	17 590 626.92	19 222 493.23	-1 631 866.31	-9%	27%	109%	70 362 507.68
Service charges - electricity revenue	373 218 000.00	93 304 500.00	80 031 855.18	13 272 644.82	14%	21%	86%	373 218 000.00
Service charges - refuse revenue	9 823 858.99	2 455 964.75	2 760 436.96	-304 472.21	-12%	28%	112%	9 823 858.99
Rental of facilities and equipment	346 088.01	86 522.00	53 575.40	32 946.60	38%	15%	62%	346 088.01
Interest earned - external investments	54 119.09	13 529.77	8 946.89	4 582.88	34%	17%	66%	54 119.09
Interest earned - outstanding debtors	20 345 250.78	5 086 312.70	5 172 780.22	-86 467.52	-2%	25%	102%	20 345 250.78
Fines, penalties and forfeits	1 848 078.91	462 019.73	968 375.85	-506 356.12	-110%	52%	210%	1 848 078.91
Licences and permits	13 921 685.13	3 480 421.28	1 915 605.79	1 564 815.49	45%	14%	55%	13 921 685.13
Transfers and subsidies	361 091 000.00	90 272 750.00	151 136 000.00	-60 863 250.00	-67%	42%	167%	361 091 000.00
Other revenue	109 883 194.47	27 470 798.62	14 459 645.89	13 011 152.73	47%	13%	53%	109 883 194.47
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>960 893 783.06</b>	<b>240 223 445.76</b>	<b>275 729 715.41</b>	<b>-35 506 269.65</b>	<b>-15%</b>	<b>29%</b>	<b>115%</b>	<b>960 893 783.06</b>

Description	Budget Year 2019/20							
	Original Budget	First quarter Projections Q1 2019	Q1 Sept 2019 Actual	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b><u>Expenditure By Source</u></b>								
Employee related costs	284 371 335.54	71 092 833.88	61 898 600.74	9 194 233.14	13%	22%	87%	284 371 335.54
Remuneration of councillors	28 553 733.24	7 138 433.31	6 562 080.71	576 352.60	8%	23%	92%	28 553 733.24
Debt impairment	45 000 000.00	11 250 000.00	16 930 732.85	-5 680 732.85	-50%	38%	150%	45 000 000.00
Depreciation & asset impairment	100 000 000.00	25 000 000.00	32 655 765.04	-7 655 765.04	-31%	33%	131%	100 000 000.00
Finance charges	6 752 040.00	1 688 010.00	-	1 688 010.00	100%	0%	0%	6 752 040.00
Bulk purchases	242 406 000.00	60 601 500.00	89 443 218.64	-28 841 718.64	-48%	37%	148%	242 406 000.00
Other materials	38 935 000.88	9 733 750.22	6 761 656.64	2 972 093.58	31%	17%	69%	38 935 000.88
Contracted services	68 183 381.34	17 045 845.33	16 899 487.31	146 358.02	1%	25%	99%	68 183 381.34
Other expenditure	144 773 069.05	36 193 267.26	12 658 030.36	23 535 236.90	65%	9%	35%	144 773 069.05
<b>Total Expenditure</b>	<b>958 974 560.04</b>	<b>239 743 640.01</b>	<b>243 809 572.29</b>	<b>-4 065 932.28</b>	<b>-2%</b>	<b>25%</b>	<b>102%</b>	<b>958 974 560.04</b>

## 5. SIGNIFICANT VARIANCES ANALYSIS OF REVENUE AND EXPENDITURE PERFORMANCE

### 1. Revenue

#### 1.1.1 Licenses and Permits

- The actual licenses and permits collected for the first quarter is R 1 916 million and to date is R 1 916 million compared with the R 3 480 million projections which results to under collected by 45%. This is a direct income which is collected as and when customer requires the service.

### Expenditure

#### 2.1.1 Debt Impairment

This is non- cash item and expenditure for the first quarter is R 16 931 million and to date is R 16 931 million compared to the projection of R 11 250 million. Debtors were assessed for impairment during the first quarter.

#### 2.1. 2 Depreciation & asset impairment

This is non- cash item and expenditure for the first quarter is R 32 657 million and to date is R 32 657 million compared to the projection of R 25 million .This is mainly due to the fact that depreciation was under budgeted during the budget preparation process.

## 6. CAPITAL EXPENDITURE.

The Actual Capital expenditure for the first quarter 2019 is R 22 005 million and to date is R 22 005 million which result to 11% spending against the approved budget of R 203 377 million.

CODE	DEPARTMENT	BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Planning and Development	R 18 250 000.00	R 0	R 18 250 000.00	0%
SC	Technical Services	R 136,174,989.57	R 14 962 818.80	R 128 895 483.44	11%
SC	Community Services	R 5,300,000.00	R 213 500.00	R 5 300 000.00	4%
SC	Budget and Treasury	R 30 950 ,000.00	R 6 829 623.39	R 30 950 000.00	22%
SC	Corporate Services	R 6 ,594,000.00	R0	R 6 594 000.00	0%
SC	Regional Offices	R 6,109,000.00	R 0	R 6,109,000.00	0%
	<b>TOTAL</b>	<b>R 203,377,989.57</b>	<b>R 22 005 942.19</b>	<b>R 181 872 047.38</b>	<b>11%</b>

## Analysis of Capital budget expending per department

### Development Planning

The actual expenditure for the first quarter is zero million and to date zero compared with the projection of R 4 564 million which result to a variance of 100%. The expenditure incurred for the first quarter represents 0% of approved budget of R 18 250 million for 2019/20 financial year.

<b>CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019</b>								
<b>PLANNING AND DEVELOPMENT</b>								
<b>LED</b>								
<b>COD</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Dzanani Traders Market	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	Tshakhuma fruit market	INCOME	5 000 000.00		5 000 000.00		5 000 000.00	0%
SC	Construction of N1 tourism park	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	Construction of Incubation centre at ha Rathidili	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	Design and Construction of Erf 210 Burger Street Ma	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
SC	Refurbishment of Information Centre and lap	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	Change Room for Workshop	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Arts and Craft centre designs	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Designs of Municipality Civic centre	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	Reallocation of Rugby Stadium	INCOME	3 750 000.00		3 750 000.00		3 750 000.00	0%
<b>TOTAL PLANNING AND DEVELOPMENT BUDGET</b>			<b>18 250 000.00</b>	<b>-</b>	<b>18 250 000.00</b>	<b>-</b>	<b>18 250 000.00</b>	<b>0%</b>

## Technical Services Department

The actual expenditure for the first quarter is R 14 963 million and to date is R 14 963 million compared with the projection of R 34 044 million which result to under spending by 44 %.The expenditure incurred for the first quarter represent 11% of approved budget of R 136 175 million for 2019/2020 financial year.

### CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019 TECHNICAL SERVICES DEPARTMENT

ELECTRICAL ENGINEERING								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Air conditioners	INCOME	330 000.00		330 000.00		330 000.00	0%
SC	CT VT Units 11kv & 22kv various sub stations	INCOME	500 000.00		500 000.00	-	500 000.00	0%
SC	Low voltage problems Rural Farming	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
SC	Mini Subs	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	MV Cable 70mm <sup>2</sup> 11kV - urban network	INCOME	800 000.00		800 000.00		800 000.00	0%
SC	Transformers 2x10MVA 22/11	INCOME	3 000 000.00		3 000 000.00		3 000 000.00	0%
SC	Transformers 1x5MVA 22/11	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
SC	Emmerentia substation refurbishment	INCOME	150 000.00		150 000.00		150 000.00	0%
SC	Upgrade Lev1	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	Upgrade Levubu 2 line	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Upgrade Mara Line	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Upgrade Shefeera Line	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Upgrade Levubu East line	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
SC	Upgrade Urban Substations	INCOME	3 000 000.00		3 000 000.00		3 000 000.00	0%
SC	Upgrading bulk supply Sinthimule and kutama	INCOME	4 000 000.00		4 000 000.00		4 000 000.00	0%
SC	Upgrading bulk supply Tshithuni 2.5MVA	INCOME	3 000 000.00		3 000 000.00		3 000 000.00	0%
SC	Incomer intake point Eskom Substation	INCOME	5 000 000.00		5 000 000.00		5 000 000.00	0%
SC	Ring Main Units 11kV (RMU)	INCOME	3 000 000.00		3 000 000.00		3 000 000.00	0%
SC	Reroute Shefeera Line	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	New ring feed line and upgrading for Mountain line	INCOME	3 500 000.00		3 500 000.00		3 500 000.00	0%
SC	Electrification of villages top up to INEP grant	INCOME	4 000 000.00		4 000 000.00		4 000 000.00	0%
SC	Post connections Minor extensions Munic area	INCOME	5 000 000.00		5 000 000.00		5 000 000.00	0%
SC	Pre-Paid Meters Conventional Single phase	INCOME	5 000 000.00		5 000 000.00		5 000 000.00	0%
SC	High masts lighting in villages	INCOME	2 500 000.00		2 500 000.00	894 348.15	1 605 651.85	36%
SC	Designs for villages to be electrified	INCOME	3 500 000.00		3 500 000.00		3 500 000.00	0%
<b>TOTAL</b>			<b>56 280 000.00</b>	<b>-</b>	<b>56 280 000.00</b>	<b>894 348.15</b>	<b>55 385 651.85</b>	<b>2%</b>

**CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019**  
**TECHNICAL SERVICES DEPARTMENT**

<b>ELECTRIFICATION</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	MUANANZHELE PHASE2	INEP	2 098 400.00		2 098 400.00		2 098 400.00	0%
SC	SMOKEY & KHOMELE SECTIONS	INEP	2 304 800.00		2 304 800.00		2 304 800.00	0%
SC	RAMANTSHA & RIVERSIDE	INEP	2 803 600.00		2 803 600.00		2 803 600.00	0%
SC	KHUNDA & MATSHAVHAWE	INEP	1 393 200.00		1 393 200.00		1 393 200.00	0%
SC	MANAVHELA VILLAGE	INEP	258 000.00		258 000.00		258 000.00	0%
SC	DOLI-DOLI/NDOUVHADA	INEP	258 000.00		258 000.00		258 000.00	0%
SC	MADODONGA VILLAGE	INEP	1 290 000.00		1 290 000.00		1 290 000.00	0%
SC	MARANIKWE VILLAGE	INEP	602 000.00		602 000.00	60 899.40	541 100.60	10%
SC	MUDILMELI VILLAGE PH2	INEP	946 000.00		946 000.00		946 000.00	0%
SC	SANE/NATALIE VILLAGES	INEP	946 000.00		946 000.00		946 000.00	0%
SC	TSHIKODOBO VILLAGE	INEP	258 000.00		258 000.00		258 000.00	0%
SC	ZAMEKOMSTE VILLAGE	INEP	430 000.00		430 000.00		430 000.00	0%
SC	TSHIKOTA LOCATION	INEP	172 000.00		172 000.00		172 000.00	0%
SC	MAGAU VILLAGE	INEP	1 135 200.00		1 135 200.00		1 135 200.00	0%
SC	MAKHITHA VILLAGE	INEP	1 100 800.00		1 100 800.00		1 100 800.00	0%
SC	MAKUSHU VILLAGE	INEP	946 000.00		946 000.00		946 000.00	0%
SC	MAMBURU	INEP	430 000.00		430 000.00		430 000.00	0%
SC	MASHAU/TSHILAPHALA Phase2	INEP	430 000.00		430 000.00		430 000.00	0%
SC	PFUMEMBE	INEP	997 600.00		997 600.00	520 721.30	476 878.70	52%
SC	MAANGANI	INEP	1 200 400.00		1 200 400.00	726 824.74	473 575.26	61%
<b>TOTAL</b>			<b>20 000 000.00</b>	<b>-</b>	<b>20 000 000.00</b>	<b>1 308 445.44</b>	<b>18 691 554.56</b>	<b>7%</b>

<b>CIVIL ENGINEERING SECTION</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Tshikwarani to Zamkomste Road Phase 3	MIG Capex	25 017 518.00		25 017 518.00	3 863 576.15	21 153 941.85	15%
SC	Waterval Sports Facility Phase 2	MIG Capex	10 119 951.00		10 119 951.00	4 053 697.99	6 066 253.01	40%
SC	Waterval Sports Facility Phase 3	MIG Capex	900 000.00		900 000.00		900 000.00	0%
SC	Fencing of Makhado municipality cemetery	MIG Capex	1 193 834.00		1 193 834.00		1 193 834.00	0%
SC	Valdezia Xitacini to Jiwani access road phase 3	MIG Capex	1 393 503.00		1 393 503.00	831 050.52	562 452.48	60%
<b>TOTAL</b>			<b>38 624 806.00</b>	<b>-</b>	<b>38 624 806.00</b>	<b>8 748 324.66</b>	<b>29 876 481.34</b>	<b>23%</b>

<b>CIVIL ENGINEERING SECTION - OWN FUNDING</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Mingard Bridge to Mhokota Entrance	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Luvhalani to Dzananwa Access Road	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Makatu to Tshikota Access Road	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Rivoni to Xihobyeni Access road	INCOME	700 000.00		700 000.00	318 323.30	381 676.70	45%
SC	Tsianda ( Marundu to Military Base) Access Road	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Waterval Region Refuse Transfer Station	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Mudimeli bridge and Access road Phase 3	INCOME	7 042 280.70		7 042 280.70	3 051 323.20	3 990 957.50	43%
SC	Tshikwarani to Zamkomste Road Phase 3	INCOME	1 957 902.87		1 957 902.87		1 957 902.87	0%
SC	Waterval Stormwater	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Afton to Natalie Access Road	INCOME	800 000.00		800 000.00	67 618.05	732 381.95	8%
<b>TOTAL</b>			<b>14 700 183.57</b>	<b>-</b>	<b>14 700 183.57</b>	<b>3 437 264.55</b>	<b>11 262 919.02</b>	<b>23%</b>

**CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019**  
**TECHNICAL SERVICES DEPARTMENT**

<b>ROADS AND STORM WATER</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	2 X Pedestrian Roller		300 000.00		300 000.00		300 000.00	0%
SC	Jump Stamper		20 000.00		20 000.00		20 000.00	0%
SC	Four ways Stop Pavement		500 000.00		500 000.00		500 000.00	0%
SC	Culvert Pipe ( Rockla)		800 000.00		800 000.00		800 000.00	0%
<b>TOTAL</b>			<b>1 620 000.00</b>	<b>-</b>	<b>1 620 000.00</b>	<b>-</b>	<b>1 620 000.00</b>	<b>0%</b>

<b>PROVISION OF TOOLS, EQUIPMENT &amp; MATERIALS ( MECHANICAL WORKSHOP)</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Hand Tools and Toolbox	INCOME	40 000.00		40 000.00		40 000.00	0%
SC	Generator/Welding Machine	INCOME	60 000.00		60 000.00		60 000.00	0%
SC	Paving Workshop	INCOME	800 000.00		800 000.00	524 636.00	275 364.00	66%
<b>TOTAL</b>			<b>900 000.00</b>	<b>-</b>	<b>900 000.00</b>	<b>524 636.00</b>	<b>375 364.00</b>	<b>58%</b>

<b>BUILDING MAINTENANCE</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Refurbishment of Municipal exhibiting store at show ground	INCOME	400 000.00		400 000.00		400 000.00	0%
SC	Refurbishment of Electrical Store and Warehouse	INCOME	600 000.00		600 000.00		600 000.00	0%
SC	Upgrading of workshop and Refurshment of ablutions of female & Male	INCOME	700 000.00		700 000.00	49 800.00	650 200.00	7%
SC	Tilling and of Vleifointein regional Office	INCOME	350 000.00		350 000.00		350 000.00	0%
SC	Hand tools	INCOME	100 000.00		100 000.00		100 000.00	0%
SC	Fencing of Ha Mutsha Community hall	INCOME	400 000.00		400 000.00		400 000.00	0%
SC	Retiling of Dzanani Traffic Station office	INCOME	700 000.00		700 000.00		700 000.00	0%
SC	Installation of sliding gates at Municipal Premises	INCOME	350 000.00		350 000.00		350 000.00	0%
SC	Drilling and Equipment of two boreholes at Civic Centre	INCOME	450 000.00		450 000.00		450 000.00	0%
<b>TOTAL</b>			<b>4 050 000.00</b>	<b>-</b>	<b>4 050 000.00</b>	<b>49 800.00</b>	<b>4 000 200.00</b>	<b>1%</b>

<b>TOTAL TECHNICAL SERVICES BUDGET</b>	<b>136 174 989.57</b>	<b>-</b>	<b>136 174 989.57</b>	<b>14 962 818.80</b>	<b>121 212 170.77</b>	<b>11%</b>
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**Department of Community services**

The actual expenditure for the first quarter is R 214 thousands and to date is R 214 thousands compared with the projection of R 1 325 million which result to under spending by 16%.The expenditure incurred for the first quarter represent 4% of approved budget of R 5 300 million for 2019/20 financial year.

**CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019  
COMMUNITY SERVICES DEPARTMENT**

<b>PARKS AND RECREATION SECTION</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Development of Dzanani Park	INCOME	500 000.00		500 000.00	213 500.00	286 500.00	43%
<b>TOTAL</b>			<b>500 000.00</b>		<b>500 000.00</b>	<b>213 500.00</b>	<b>286 500.00</b>	<b>43%</b>
<b>WASTE MANAGEMENT</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Rehab old landfill site ( Vondeline)	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
<b>TOTAL</b>			<b>2 000 000.00</b>	<b>-</b>	<b>2 000 000.00</b>	<b>-</b>	<b>2 000 000.00</b>	<b>0%</b>
<b>PROTECTION SERVICES</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Bio-Metric Access control System	INCOME	500 000.00		500 000.00		500 000.00	0%
<b>TOTAL</b>			<b>500 000.00</b>	<b>-</b>	<b>500 000.00</b>	<b>-</b>	<b>500 000.00</b>	<b>0%</b>
<b>MAKHADO TRAFFIC STATION</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Construction of Admin Block (Testing Ground)	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
<b>TOTAL</b>			<b>2 000 000.00</b>	<b>-</b>	<b>2 000 000.00</b>	<b>-</b>	<b>2 000 000.00</b>	<b>0%</b>
<b>WATERVAL TRAFFIC STATION</b>								
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Refurbishment of the roof structure at Watervaal Office	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Standby (backup)Electricity power Generator	INCOME	300 000.00		300 000.00		300 000.00	0%
<b>TOTAL</b>			<b>800 000.00</b>	<b>-</b>	<b>800 000.00</b>	<b>-</b>	<b>800 000.00</b>	<b>0%</b>
<b>TOTAL COMMUNITY SERVICES BUDGET</b>			<b>5 300 000.00</b>	<b>-</b>	<b>5 300 000.00</b>	<b>213 500.00</b>	<b>5 586 500.00</b>	<b>4%</b>

## Department of Corporate Services

The actual expenditure for the first quarter is zero and to date is zero compared with the projection of R1 648 million which result to under spending by 100%.The expenditure incurred for the first quarter represent 0% of approved budget of R 6 594 million for 2019/20 financial year.

CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019								
CORPORATE SERVICES DEPARTMENT								
UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Sage/VIP ESS Software for Employee Self Service Leave Applications	INCOME	160 000.00		160 000.00		160 000.00	0%
SC	Sage/VIP Overtime Management System Module	INCOME	300 000.00		300 000.00		300 000.00	0%
SC	Electronic Agendas Phase 2 for councillors	INCOME	200 000.00		200 000.00		200 000.00	0%
SC	Upgrade Software: Office 2010 to Office 365 - all users	INCOME	800 000.00		800 000.00		800 000.00	0%
SC	Software to align Budget, IDP and SDBIP	INCOME	250 000.00		250 000.00		250 000.00	0%
SC	Councillors: Domain & Email Access & Mimecast Year 1 License fee	INCOME	494 000.00		494 000.00		494 000.00	0%
SC	Executive and Council Chambers - Wifi connection	INCOME	250 000.00		250 000.00		250 000.00	0%
SC	HR Mobile office connectivity infrastructure	INCOME	300 000.00		300 000.00		300 000.00	0%
SC	D R hardware & software (subject to BIA outcome)	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
<b>TOTAL</b>			<b>4 254 000.00</b>	<b>-</b>	<b>4 254 000.00</b>	<b>-</b>	<b>4 254 000.00</b>	<b>0%</b>
ICT EQUIPMENT								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Computer and IT related office equipment all departments	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
<b>TOTAL</b>			<b>1 000 000.00</b>	<b>-</b>	<b>1 000 000.00</b>	<b>-</b>	<b>1 000 000.00</b>	<b>0%</b>
COUNCILLOR AFFAIRS UNIT								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Loud halers x 8	INCOME	40 000.00		40 000.00		40 000.00	0%
<b>TOTAL</b>			<b>40 000.00</b>	<b>-</b>	<b>40 000.00</b>	<b>-</b>	<b>40 000.00</b>	<b>0%</b>
RECORDS MANAGEMENT								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Filing System and warehousing	INCOME	1 300 000.00		1 300 000.00		1 300 000.00	0%
<b>TOTAL</b>			<b>1 300 000.00</b>	<b>-</b>	<b>1 300 000.00</b>	<b>-</b>	<b>1 300 000.00</b>	<b>0%</b>
<b>TOTAL CORPORATE SERVICES BUDGET</b>			<b>6 594 000.00</b>	<b>-</b>	<b>6 594 000.00</b>	<b>-</b>	<b>6 594 000.00</b>	<b>-</b>

**Department of Budget and Treasury office**

The actual expenditure for the first quarter is R 6 829 million and to date is R 6 830 million compared with the projection of R 7 738 million which result to under spending by 12%.The expenditure incurred for the first quarter represent 22% of approved budget for 2019/20 financial year. .

CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019								
BUDGET & TREASURY OFFICE								
ASSETS MANAGEMENT SECTION								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Replace vehicle Speaker ( Corporate Services)	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	1 x 22m3 Refuse removal truck equipped with 240L bin carrier(lifting equipment) ( Community services)	INCOME	2 500 000.00		2 500 000.00		2 500 000.00	0%
SC	Purchasing of 16 ton Skip Loader truck (Community services)	INCOME	2 000 000.00		2 000 000.00		2 000 000.00	0%
SC	Purchasing of 10 ton truck with waste collection cage	INCOME	1 000 000.00		1 000 000.00		1 000 000.00	0%
SC	LDV DC 4 X 4 ( Electrical division)	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	Pole truck 1x7 Ton truck (half canopy+pole carrier) ( Electrical division)	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	1 Chain Dozer & 3 Graders	INCOME	10 450 000.00		10 450 000.00	<b>6 829 623.39</b>	3 620 376.61	65%
SC	Replace of Vehicles Electricity	INCOME	5 000 000.00		5 000 000.00		5 000 000.00	0%
SC	Vehicle Finance	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	Community Vehicles	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	1 X LDV Bakkie 1 ton ( Roads & Storm water)	INCOME	400 000.00		400 000.00		400 000.00	0%
SC	1 x Tipper Tuck 6 Cube ( Roads & Storm water)	INCOME	1 500 000.00		1 500 000.00		1 500 000.00	0%
SC	2 x LDV Bakkie 1 ton ( Road & storm water) building	INCOME	400 000.00		400 000.00		400 000.00	0%
SC	Forklift ( Road and storm water)	INCOME	300 000.00		300 000.00		300 000.00	0%
SC	3Ton diesel truck ( Electrical division)	INCOME	600 000.00		600 000.00		600 000.00	0%
SC	Furnuture for all municipality	INCOME	800 000.00		800 000.00		800 000.00	0%
<b>TOTAL</b>			<b>30 950 000.00</b>	<b>-</b>	<b>30 950 000.00</b>	<b>6 829 623.39</b>	<b>24 120 376.61</b>	<b>22%</b>
<b>TOTAL BUDGET AND TREASURY BUDGET</b>			<b>30 950 000.00</b>	<b>-</b>	<b>30 950 000.00</b>	<b>6 829 623.39</b>	<b>24 120 376.61</b>	<b>22%</b>

### Regional Offices

The actual expenditure for the first quarter is zero and to date is zero compared with the projection of R 1 527 million which result to under spending by 100%.The expenditure incurred for first quarter represent of approved budget for 2019/20 financial year.

CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR 30 SEPTEMBER 2019								
REGIONAL OFFICES								
WATERVAL REGIONAL OFFICE								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Boreholes: 1 x Waterval Regional Office ,Stores and Vleifontein equiping a	INCOME	350 000.00		350 000.00		350 000.00	0%
SC	Movable Shelf for Record Office	INCOME	500 000.00		500 000.00		500 000.00	0%
SC	2 x Bakkies	INCOME	800 000.00		800 000.00		800 000.00	0%
SC	1 x Fridges	INCOME	10 000.00		10 000.00		10 000.00	0%
SC	Office Furniture for Waterval Regional Office	INCOME	120 000.00		120 000.00		120 000.00	0%
SC	Telephone and IT Network for Waterval Community Hall Offices	INCOME	110 000.00		110 000.00		110 000.00	0%
<b>TOTAL</b>			<b>1 890 000.00</b>	-	<b>1 890 000.00</b>	-	<b>1 890 000.00</b>	-
DZANANI REGIONAL OFFICE								
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Borehole at Musekwa TSC	INCOME	70 000.00		70 000.00		70 000.00	0%
SC	Ablution Facility at Transfer Station	INCOME	150 000.00		150 000.00		150 000.00	0%
SC	Air Conditioner for Dzanani Community Hall	INCOME	70 000.00		70 000.00		70 000.00	0%
SC	Air Conditioner at Musekwa Thusong (Library)	INCOME	70 000.00		70 000.00		70 000.00	0%
SC	Fencing of Dzanani Regional Office	INCOME	400 000.00		400 000.00		400 000.00	0%
SC	Rehabilitation of Streets: Ramaano ,Tshitotolwe and Denzhe	INCOME	3 000 000.00		3 000 000.00		3 000 000.00	0%
SC	Branding of Musekwa TSC	INCOME	30 000.00		30 000.00		30 000.00	0%
SC	Branding of Dzanani Community Hall	INCOME	30 000.00		30 000.00		30 000.00	0%
SC	Printer Oki microline 3320	INCOME	10 000.00		10 000.00		10 000.00	0%
SC	3 x High Back Chairs	INCOME	5 000.00		5 000.00		5 000.00	0%
SC	1 x Chainsaw	INCOME	7 000.00		7 000.00		7 000.00	0%
SC	2 x Electric Mowing Machine	INCOME	5 000.00		5 000.00		5 000.00	0%
SC	10 x Arm Chairs	INCOME	25 000.00		25 000.00		25 000.00	0%
SC	3 x Single Pedastal	INCOME	15 000.00		15 000.00		15 000.00	0%
SC	Combination Tractor Trailer and 5 Containers	INCOME	300 000.00		300 000.00		300 000.00	0%
SC	1 x Grass Cutter ( Walk Behind)	INCOME	12 000.00		12 000.00		12 000.00	0%
SC	6 x Brush Cutter	INCOME	20 000.00		20 000.00		20 000.00	0%
<b>TOTAL</b>			<b>4 219 000.00</b>	-	<b>4 219 000.00</b>	-	<b>4 219 000.00</b>	0%
<b>TOTAL REGIONAL OFFICES BUDGET</b>			<b>6 109 000.00</b>	-	<b>6 109 000.00</b>	-	<b>6 109 000.00</b>	-

## SOURCES OF FINANCE - CAPITAL REVENUE

It should be noted that Capital Revenue represents the sources of finances of capital expenditure Section 71 Report in terms of the MFMA.

SOURCE CAPITAL FUNDING									
	Budget Year 2019/20								
R thousands	Original Budget	First quarter projections	Q1 Sept Actual	YTD Actual	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>CAPITAL EXPENDITURE -STANDARD</b>									
<b>Funded by:</b>									
National Government	58 625	14 656	10 057	10 057	(4 599)	-31%	17%	69%	58 625
Provincial Government	-								
District Municipality	-								
Other transfers and grants	-								
<b>Transfers recognised - capital</b>	<b>58 625</b>	<b>14 656</b>	<b>10 057</b>	<b>10 057</b>	<b>(4 599)</b>	<b>-31%</b>	<b>17%</b>	<b>69%</b>	<b>58 625</b>
<b>Public contributions &amp; donations</b>	-								
<b>Borrowing</b>	-								
<b>Internally generated funds</b>	144 753	36 188	11 949	11 949	(24 239)	-67%	8%	33%	144 753
<b>Total Capital Funding</b>	<b>203 378</b>	<b>50 844</b>	<b>22 006</b>	<b>22 006</b>	<b>(28 838)</b>	<b>-57%</b>	<b>11%</b>	<b>43%</b>	<b>203 378</b>

The above table show how the capital contribution has been financed and recognised during the quarter. The municipality projected to R 50 .844 during the quarter and only R 22 .006 Million was spent. An amount of R 10.057 million has been recognised from transfer and R 11. 949 million was recognised from internally generated revenue. This represent 11% of the approved capital budget 2019/20.

## 6. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 30 September 2019 is R 245 280 365.00

### LIM344 Makhado - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 Sept

Description	Budget Year						
	0-30 Days	31-60 Days	61-90 Days	2019/20 91-120 Days	121-150 Dys	Total	Total over 90 days
<b>R thousands</b>							
<b>Debtors Age Analysis By Income Source</b>							
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	19 547	5 448	2 103	2 489	40 358	69 946	42 847
Receivables from Non-exchange Transactions - Property Rates	5 290	2 984	2 720	2 429	75 088	88 511	77 517
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	805	497	446	672	13 668	16 089	14 340
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1 815	1 768	1 690	1 648	49 386	56 308	51 034
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-
Other	1 690	851	280	-80	11	14	11
<b>Total By Income</b>	<b>29 147</b>	<b>11 548</b>	<b>7 238</b>	<b>7 159</b>	<b>190 187</b>	<b>245 280</b>	<b>197 344</b>
<b>Debtors Age Analysis By Customer</b>							
Groups of	2	2	1	1	23	31	24
State	1350	359	269	1 262	365	685	687
Household	284	943	233	472	990	1322	962
Other	97	276	920	857	847	646	384
<b>Total By Customer</b>	<b>29 147</b>	<b>11 548</b>	<b>7 238</b>	<b>7 159</b>	<b>190 187</b>	<b>245 280</b>	<b>197 344</b>

Group

## **Debt Impairment**

### **Debtors Age Analysis By Customer Group**

<b>Customer Group</b>	<b>Total Debt per Customer Group R 000</b>	<b>Impairment Provided R000</b>	<b>Net Debt per Customer Group R000</b>
Organs of State	R 31 025	-	R 31 025
Commercials	R 56 322	(R 53 476)	R 2 846
Households	R112 616	(R 106 926)	R 5 690
Others	R 45 317	(R 43 027)	R 2 290
<b>Total By Customer Group</b>	<b>R245 280</b>	<b>(R 203 430)</b>	<b>R 41 850</b>

### **Summary of Debt Impairment Narration**

The Carrying Amount of Debt Provision for the year ending 30 June 2019 equals R186 940 687.

Allowance for debt impairment in the First Quarter of 2019/ 2020 Financial Year equals R16 689 186.

The actual debt written off during the first quarter equals R200 096.

That results in the amount of R 203 429 777.00 for the first quarter ending 30 September 2019.

The Net Debt Collectible equals R 41 850 000.

### **CHALLENGES THAT IMPACT ON COLLECTION**

- The non-existent of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota.
- Illegal connections
- Government entities who are not paying the Municipality

### **STRATEGIES TO IMPROVE COLLECTION**

- We will embark on a campaign to physically check meters that are not buying or buying electricity that is unreasonably too low because they raise a suspicion of illegal connection. This exercise can be executed with the assistance of Technical Department.
- All accounts with meters inside the yards will be identified and a request sent to Technical Department to have those meters removed and allocated to a point where they can be accessible.
- Credit Control will be applied to Government and business to be implemented without compromise.
- Enter into payment arrangement with VDM with on 96 million outstanding for water debt
- Installation of prepaid meter
- Handing over debts older than 90 days for debt collection
- Billing exception report were sent to the Department of Technical Services (Electrical Engineering) during the quarter, and that include reports such as the following:

Type of Fault	Comments	No.
Bees In the Box	Six meter boxes were found to be having bees in them	6
Unallocated Meters	200 meters could not be identified during the time of collecting readings	200
Dogs in the Premises	In one household, there were dogs such that meter readers could not enter the premises	1
Gates Locked	462 properties could not be accessed because of gates which were locked	462
Meter Obstructed	The meter was identified but difficult to collect readings because of objects which hindered visibility	1
Meters Damaged	These meters are damaged such that even collection of readings is impossible	69
No route	These meters were referred back to the meter readers because there can never be a meter which exist or created in the system without routes	16
Private Locks on Meters	These meters were referred to municipal electricians to assist with the removal of private locks, replacing them with the normal municipal locks to be easily accessed by the meter readers	35
Refused Entry	Municipal electricians should assist by relocating these meters to outside the customers' premises for easy access	41
<b>Total</b>		<b>831</b>

## 7. SCM PROCESS

### COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Re-Advertised	Cancelled
Balance B/F	11	-	-	-	-	-	-
July 2019	04	-	-	-	-	-	-
August 2019	03	06	06	02	-	-	-
September 2019	12	05	05	09			
Total to Date	30	11	11	11	-	-	-
ANNEXURE	A	B	C	D	E	F	F

All requests for adverts were processed. At the end of September 2019, the following 04 bids were pending evaluation:

NO	BID NUMBER	BID DESCRIPTION	COMMENTS	CLOSING DATE
1	25 of 2019	Appointment of contractor to upgrading the 6.3km gravel to tar road from Chavani to Bungeni phase 2	Waiting for Evaluation Committee to evaluate	10 June 2019 at 12H00
2	28 of 2019	Panel of service provider for sourcing of grants and implementation of programmes on a risk based for a period of three (03) years	Evaluation Committee to evaluate	10 June 2019 at 12H00
3	37 / 2019	Supply and delivery of Office Furniture for the Makhado local municipality	Evaluation Committee to evaluate	19 August 2019 at 12H00
4	38 /2019	Refill, service, supply and delivery of council	Evaluation	26 August 2019

		fire extinguishers for a period of three (03) years	Committee to evaluate	at 12H00
5	39 Of 2019	Rehabilitation of Fourway at commercial and main street (Eltivillas) from tar Road to paved road	Evaluation Committee to evaluate	16 September 2019 at 12H00
6	40 Of 2019	Panel of service providers for Supply and delivery of aggregates and sands for a period of three years	Evaluation Committee to evaluate	30 September 2019 at 12H00
7	42 of 2019	Repair of small equipment for a period of two years	Evaluation Committee to evaluate	30 September 2019 at 12H00

The following 12 bids were still on advert by the end of September 2019

NO	BID NUMBER	BID DESCRIPTION	CLOSING DATE
1	44 Of 2019	Supply and delivery of culverts pipe and round pipes	07 October 2019
2	45 Of 2019	Supply and delivery of pedestrian rollers	07 October 2019
3	46 Of 2019	Supply, delivery of materials, labour and construction of pavement at Mechanical workshop	07 October 2019
4	47 of 2019	Renovation floor and tile at Vleifontein satellite	07 October 2019
5	48 Of 2019	Supply and installation of manual boom gates at Eltivillas parking sites	07 October 2019
6	49 Of 2019	Survey, setting, drilling and equip two boreholes at Civic centre	07 October 2019
7	50 Of 2019	Supply and delivery of diaries and calendars for the year 2020	14 October 2019
8	52 Of 2019	Supply and delivery of materials ,labour and fencing of Ha-Mutsha Community hall	14 October 2019
9	53 Of 2019	Construction of exhibiting store at showground	14 October 2019
10	54 Of 2019	Refurbishment of male and female ablutions at civic workshop	14 October 2019
11	55 Of 2019	Provision of meter reading (for electronic consumption ) for the period of 3 years	31 October 2019
12	56 Of 2019	Provision of Value added tax (VAT) recovery for the period of three years	31 October 2019

#### FORMAL WRITTEN QUOTATION AS AT 30 SEPTEMBER 2019

ACTIVITY	STATUS FOR AUGUST 2019	ANNEXURES
Number of Advertised formal written quotations	04	F
Number of quotations Evaluated	08	G
Number of quotations Awarded	08	H
Number of quotation cancelled	0	I

Fifteen (14) quotations pending evaluation

12 Companies were appointed and eleven (11) of them had a BBEE status level of 1 and the other 1 had a BBEE status level of 2, which means that they 100% black owned which amounts to 135% procurement recognition.

Black is defined as African, Indian, Coloured and Chinese South African Citizens

## **WRITTEN QUOTATIONS**

Procurement of service with a value of less than R 30 000.00.

181 Service providers have been invited for quotation during the current quarter and 60 service providers were awarded the order (Attached please find annexure J).

## **STATUS OF RECONCILIATIONS AS AT 30 SEPTEMBER 2019**

Bank reconciliations is up to date  
Grant Reconciliation is up to date  
Investment Reconciliations is up to date  
Assets Reconciliation is up to date  
Petty Cash reconciliation is up to date  
Retention reconciliation is up to date  
Inventory Reconciliation is up to date  
Debtors Reconciliations is up to date  
Salary Reconciliation is up to date  
Vat Reconciliation is done up to Month of August 2019

## **8. A CASH FLOW FORECAST**

This statement indicates the financial position as at 30 September 2019 is R 116,948,466.53 .The municipality continue to keep a favorable balance on the monthly basis and this cash flow statement reflect positive balance of R 116 948 466.53 at the end first quarter 30 September 2019.

Primary Account (	R 116 085 420.94
Call account 1 ( 62 404 650435)	R 738 801.04
Call account 2 ( 62 482 843408)	R 103 660.69
Call account 3 ( 62 308 30779)	R 20 583.86
<b>Closing balance as at 30 September</b>	<b>R 116 948 466.53</b>

**LIM344 Makhado - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September**

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 %	
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		71 424	70 363		6 427	19 222	17 591	1 632	9%	70 363
Service charges - electricity revenue		322 851	373 218		29 059	80 032	93 305	(13 273)	-14%	373 218
Service charges - water revenue		-	-		-	-	-	-		-
Service charges - sanitation revenue		-	-		-	-	-	-		-
Service charges - refuse revenue		11 369	9 824		934	2 760	2 456	304	12%	9 824
Service charges - other		-	-		-	-	-	-		-
Rental of facilities and equipment		352	346		17	54	87	(33)	-38%	346
Interest earned - external investments		28	54		3	9	14	(5)	-34%	54
Interest earned - outstanding debtors		19 712	20 345		1 719	5 173	5 086	86	2%	20 345
Dividends received		-	-		-	-	-	-		-
Fines, penalties and forfeits		1 662	1 848		104	968	462	506	110%	1 848
Licences and permits		7 400	13 922		602	1 916	3 480	(1 565)	-45%	13 922
Agency services		-	-		-	-	-	-		-
Transfers and subsidies		321 083	361 091		-	151 136	90 273	60 863	67%	361 091
Other revenue		15 631	109 883		14 212	14 460	27 471	(13 011)	-47%	109 883
Gains on disposal of PPE		-	-		-	-	-	-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>771 512</b>	<b>960 894</b>	<b>-</b>	<b>53 077</b>	<b>275 730</b>	<b>240 223</b>	<b>35 506</b>	<b>15%</b>	<b>960 894</b>
<b>Expenditure By Type</b>										
Employee related costs		248 321	284 371		20 438	61 899	71 093	(9 194)	-13%	284 371
Remuneration of councillors		26 457	28 554		2 159	6 562	7 138	(576)	-8%	28 554
Debt impairment		83 484	45 000		16 745	16 931	11 250	5 681	50%	45 000
Depreciation & asset impairment		95 425	100 000		11 762	32 656	25 000	7 656	31%	100 000
Finance charges		10 080	6 752		-	-	1 688	(1 688)	-100%	6 752
Bulk purchases		193 562	242 406		29 793	89 443	60 602	28 842	48%	242 406
Other materials		27 022	38 935		4 693	6 762	9 734	(2 972)	-31%	38 935
Contracted services		74 284	68 183		9 057	16 899	17 046	(146)	-1%	68 183
Transfers and subsidies		-	-		-	-	-	-		-
Other expenditure		57 596	144 773		1 873	12 658	36 193	(23 535)	-65%	144 773
Loss on disposal of PPE		-	-		-	-	-	-		-
<b>Total Expenditure</b>		<b>816 231</b>	<b>958 975</b>	<b>-</b>	<b>96 521</b>	<b>243 810</b>	<b>239 744</b>	<b>4 066</b>	<b>2%</b>	<b>958 975</b>
<b>Surplus/(Deficit)</b>		<b>(44 720)</b>	<b>1 919</b>	<b>-</b>	<b>(43 444)</b>	<b>31 920</b>	<b>480</b>	<b>31 440</b>	<b>0</b>	<b>1 919</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		104 645	109 577		-	48 309	27 394	20 915	0	109 577
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental)		-	-		-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)		-	-		-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>59 925</b>	<b>111 496</b>	<b>-</b>	<b>(43 444)</b>	<b>80 229</b>	<b>27 874</b>			<b>111 496</b>
Taxation		-	-		-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>		<b>59 925</b>	<b>111 496</b>	<b>-</b>	<b>(43 444)</b>	<b>80 229</b>	<b>27 874</b>			<b>111 496</b>
Attributable to minorities		-	-		-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>59 925</b>	<b>111 496</b>	<b>-</b>	<b>(43 444)</b>	<b>80 229</b>	<b>27 874</b>			<b>111 496</b>
Share of surplus/ (deficit) of associate		-	-		-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>		<b>59 925</b>	<b>111 496</b>	<b>-</b>	<b>(43 444)</b>	<b>80 229</b>	<b>27 874</b>			<b>111 496</b>

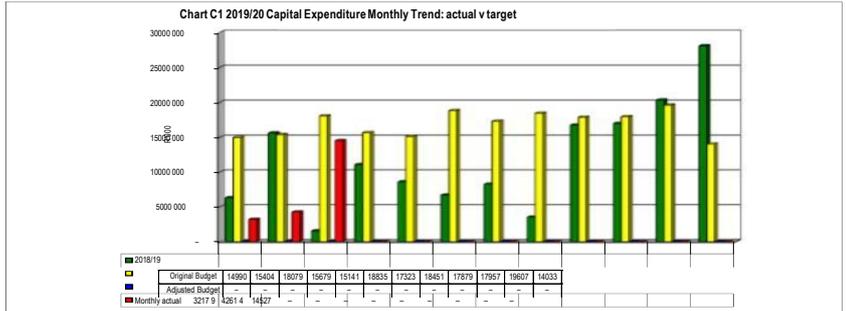
LIM344 Makhado - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		49 376	70 363		5 637	12 115	17 591	(5 476)	-31%	70 363
Service charges		276 093	383 042		26 231	65 368	95 760	(30 393)	-32%	383 042
Other revenue		61 104	122 918		5 364	9 535	30 730	(21 195)	-69%	122 918
Government - operating		323 345	361 091		2 166	151 136	90 273	60 863	67%	361 091
Government - capital		104 645	109 577		-	48 309	27 394	20 915	76%	109 577
Interest		12 415	20 399		319	489	5 100	(4 611)	-90%	20 399
Dividends		-	-				-	-		-
<b>Payments</b>										
Suppliers and employees		(729 027)	(782 276)		(96 521)	(236 022)	(195 569)	40 453	-21%	(782 276)
Finance charges		(67)	(6 752)		-	-	(1 688)	(1 688)	100%	(6 752)
Transfers and Grants		-	-				-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>97 883</b>	<b>278 362</b>	<b>-</b>	<b>(56 804)</b>	<b>50 929</b>	<b>69 590</b>	<b>18 662</b>	<b>27%</b>	<b>278 362</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(6 061)	-				-	-		-
Decrease (Increase) in non-current debtors		-	-				-	-		-
Decrease (increase) other non-current receivables		-	-				-	-		-
Decrease (increase) in non-current investments		-	-				-	-		-
<b>Payments</b>										
Capital assets		(16 243)	(203 378)	-	(14 527)	(22 006)	(50 845)	(28 839)	57%	(203 378)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(22 304)</b>	<b>(203 378)</b>	<b>-</b>	<b>(14 527)</b>	<b>(22 006)</b>	<b>(50 845)</b>	<b>(28 839)</b>	<b>57%</b>	<b>(203 378)</b>
<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		(2 771)	-					-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(2 771)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>72 808</b>	<b>74 984</b>	<b>-</b>	<b>(71 331)</b>	<b>28 923</b>	<b>18 746</b>			<b>74 984</b>
Cash/cash equivalents at beginning:		19 027	81 000	-		88 025	81 000			88 025
Cash/cash equivalents at month/year end:		91 835	155 984	-		116 948	99 746			163 009

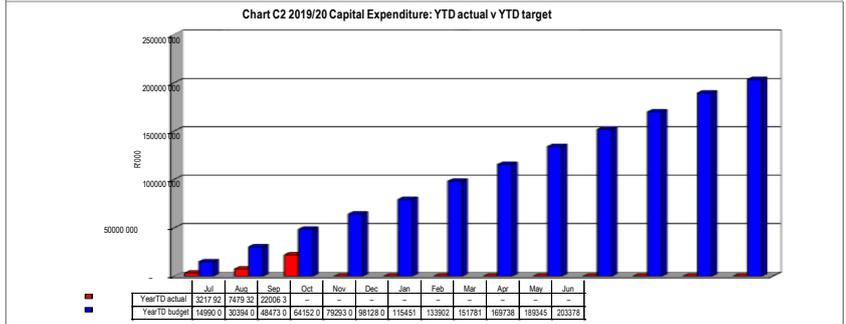
**LIM344 Makhado - Table C6 Monthly Budget Statement - Financial Position - M03 September**

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		90 981	65 720		206 384	65 720
Call investment deposits		854	65 821		854	65 821
Consumer debtors		62 701	65 890		63 382	65 890
Other debtors		17 459	117 175		17 778	117 175
Current portion of long-term receivables		–	–		–	–
Inventory		119 300	125 379		119 300	125 379
<b>Total current assets</b>		<b>291 296</b>	<b>439 985</b>	<b>–</b>	<b>407 698</b>	<b>439 985</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property		16 347	30 463		13 930	30 463
Investments in Associate						
Property, plant and equipment		1 569 286	2 386 979		1 574 752	2 386 979
Agricultural			1 290			1 290
Biological assets						
Intangible assets		1 777			2 046	
Other non-current assets		2 160			2 160	
<b>Total non current assets</b>		<b>1 589 570</b>	<b>2 418 732</b>	<b>–</b>	<b>1 592 889</b>	<b>2 418 732</b>
<b>TOTAL ASSETS</b>		<b>1 880 865</b>	<b>2 858 717</b>	<b>–</b>	<b>2 000 587</b>	<b>2 858 717</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–			–	
Borrowing						
Consumer deposits		16 529			16 552	
Trade and other payables		206 419	20 000		144 426	20 000
Provisions		4 204			14 677	
<b>Total current liabilities</b>		<b>227 152</b>	<b>20 000</b>	<b>–</b>	<b>175 655</b>	<b>20 000</b>
<b>Non current liabilities</b>						
Borrowing		–	20 064		–	20 064
Provisions		116 076	64		116 076	64
<b>Total non current liabilities</b>		<b>116 076</b>	<b>20 128</b>	<b>–</b>	<b>116 076</b>	<b>20 128</b>
<b>TOTAL LIABILITIES</b>		<b>343 228</b>	<b>40 128</b>	<b>–</b>	<b>291 731</b>	<b>40 128</b>
<b>NET ASSETS</b>	2	<b>1 537 638</b>	<b>2 818 589</b>	<b>–</b>	<b>1 708 856</b>	<b>2 818 589</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 537 638	2 818 589		1 708 856	2 818 589
Reserves						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 537 638</b>	<b>2 818 589</b>	<b>–</b>	<b>1 708 856</b>	<b>2 818 589</b>

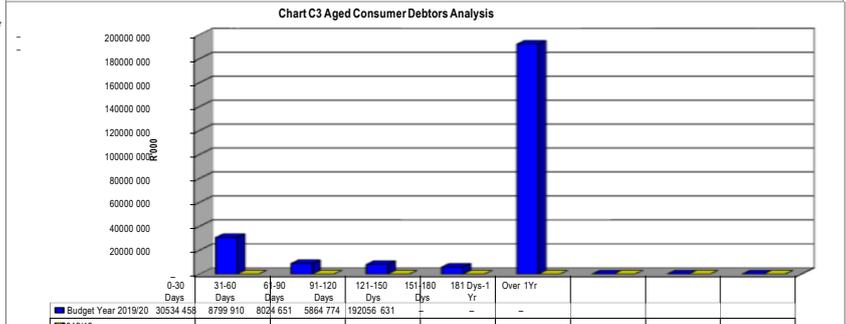
Month	2018/19	Original Budget	Adjusted Budy	Monthly actual
Jul	6 316	14 990	-	3 218
Aug	15 639	15 404	-	4 261
Sep	1 551	18 079	-	14 527
Oct	11 062	15 079	-	-
Nov	8 609	15 141	-	-
Dec	6 718	18 835	-	-
Jan	8 275	17 323	-	-
Feb	3 538	18 451	-	-
Mar	16 767	17 079	-	-
Apr	17 000	17 557	-	-
May	20 338	19 607	-	-
Jun	28 076	14 033	-	-



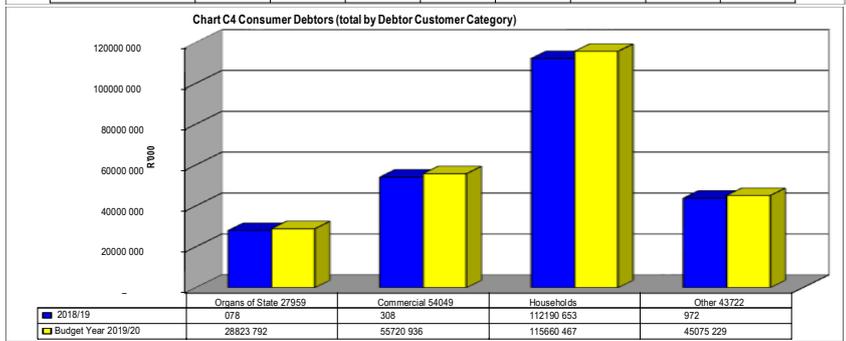
Month	YearTD actual	YearTD budget
Jul	3 218	14 990
Aug	7 479	30 394
Sep	22 006	48 473
Oct	64 152	-
Nov	79 293	-
Dec	98 128	-
Jan	115 451	-
Feb	133 902	-
Mar	151 781	-
Apr	169 138	-
May	198 345	-
Jun	203 378	-



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2019/	30 534	8 800	8 025	5 865	192 057	-	-	-
2018/19	-	-	-	-	-	-	-	-



	2018/19	Budget Year 2019/20
Organs of State	27 959	28 824
Commercial	54 049	55 721
Households	112 191	115 660
Other	43 723	45 075



	Bulk Electricity	Bulk Water	PAYE deductio	VAT (output les	Pensions /	Reti Loan repaymen	Trade Creditors	Auditor Genera	Other
2018/19	-	-	-	-	-	-	-	-	-
Budget Year 2019/	-	-	-	-	-	-	-	-	-

